

# G III APPAREL GROUP LTD /DE/

## **FORM 8-K** (Current report filing)

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): December 8, 2016**

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**G-III APPAREL GROUP, LTD.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-18183**  
(Commission File Number)

**41-1590959**  
(IRS Employer  
Identification No.)

**512 Seventh Avenue**  
**New York, New York**  
(Address of principal executive offices)

**10018**  
(Zip Code)

Registrant's telephone number, including area code: **(212) 403-0500**

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

(1) *Amendment to 2015 Long-Term Incentive Plan*. On December 8, 2016, the Board of Directors (the “Board”) of G-III Apparel Group, Ltd. (the “Company”) approved an amendment to Section 11.1 of the Company’s 2015 Long-Term Incentive Plan (the “2015 Plan”) to replace the last sentence thereof with a provision permitting the withholding of shares of the Company’s common stock to be issued pursuant to awards under the 2015 Plan to satisfy the participant’s tax withholding obligations based upon a tax rate that is no less than the minimum applicable withholding rate and up to the maximum applicable withholding rate. The amendment is effective for fiscal years beginning after January 31, 2017 with respect to awards outstanding on or granted after February 1, 2017. A copy of the 2015 Plan, as amended to reflect this amendment, is filed as herewith as Exhibit 10.1.

(2) *Amendment to Employment Agreement and Executive Transition Agreement with Wayne S. Miller*. On December 9, 2016, the Company entered into an Amendment to Employment Agreement and Executive Transition Agreement (the “Miller Amendment”), with Wayne S. Miller, Chief Operating Officer of the Company, amending each of (i) the Employment Agreement made as of January 9, 2013 (the “Original Miller Employment Agreement”), between the Company and Mr. Miller, and (ii) the Amended and Restated Executive Transition Agreement made as of February 15, 2011 (the “Original Miller Transition Agreement”), by and between the Company and Mr. Miller.

The Miller Amendment amends the Original Miller Employment Agreement by:

(a) reflecting Mr. Miller’s current base salary of \$750,000 per annum;

(b) including the following additional events within the definition of “good reason” for termination of employment by Mr. Miller: (i) a material diminution of Mr. Miller’s title, position or authority; (ii) a change in Mr. Miller’s line of reporting within the Company; and (iii) a reduction in Mr. Miller’s salary rate then in effect;

(c) increasing the period within which Mr. Miller must furnish notice of the occurrence of an event constituting “good reason” to 90 days from 60 days; and

(d) in the event of termination of Mr. Miller’s employment by the Company without justifiable cause or by Mr. Miller for good reason, (i) increasing Mr. Miller’s severance pay period to 24 months from 18 months and (ii) providing that the bonus portion of the severance payment shall equal the greater of (A) Mr. Miller’s average annual cash bonus during the previous two fiscal years and (B) an annual bonus amount of \$500,000.

In addition, the Miller Amendment amends the Original Miller Transition Agreement by:

(a) in the event of a severance event, (i) increasing Mr. Miller’s severance payment to 2.0 times, from 1.5 times, salary plus average annual bonus, (ii) increasing the severance payment period to 24 months from 18 months; and (iii) increasing the period of continued health plan coverage to 24 months from 18 months;

(b) amending certain events constituting “Good Reason” for termination of employment by Mr. Miller to consist of (i) a material reduction or diminution in Mr. Miller’s title, position, authority, duties or responsibilities; (ii) the assignment to Mr. Miller of duties which are materially inconsistent with Mr. Miller’s title and position or which materially impair Mr. Miller’s ability to function in his title and position; or (iii) a change in Mr. Miller’s line of reporting; and

(c) including the following additional event within the definition of “Good Reason” for termination of employment by Mr. Miller: the non-renewal or non-extension by the Company of the term of any employment agreement in effect between the Company and Mr. Miller for reasons other than Cause or “cause” as defined in Mr. Miller’s employment agreement.

A copy of the Miller Amendment is filed herewith as Exhibit 10.2.

(3) *Employment Agreement and Amendment to Executive Transition Agreement with Jeffrey D. Goldfarb.* On December 9, 2016, the Company entered into an employment agreement (the “Goldfarb Employment Agreement”) with Jeffrey D. Goldfarb, the Company’s Executive Vice President. The term of the Goldfarb Employment Agreement extends through January 31, 2018, with the term being extended by one year unless either party gives written notice to the other at least six months prior to the end of the then term that it is not to be extended. Mr. Goldfarb will continue to serve as the Company’s Executive Vice President, will receive an annual salary of \$750,000, plus such bonus, if any, as shall be awarded by the Board or the Compensation Committee of the Board, and will be entitled to participate in the Company’s benefit plans and arrangements for senior executive personnel. If the Goldfarb Employment Agreement is terminated by the Company without “justifiable cause” (as defined in the Goldfarb Employment Agreement) or by Mr. Goldfarb for “good reason” (as defined in the Goldfarb Employment Agreement), Mr. Goldfarb is entitled to receive his compensation and benefits for 24 months from the date his employment terminates, and shall be deemed to be entitled to an annual bonus for each 12-month period during such severance period in an amount equal to the greater of (i) the average annual cash bonus earned by Mr. Goldfarb during the two fiscal years immediately preceding the fiscal year in which Mr. Goldfarb’s employment terminates and (ii) an annual bonus amount of \$500,000, subject to compliance by Mr. Goldfarb with his non-competition and certain other obligations in the Goldfarb Employment Agreement. A copy of the Goldfarb Employment Agreement is filed herewith as Exhibit 10.3.

In addition, on December 9, 2016, the Company into an Amendment (the “Goldfarb Amendment”), to the Amended and Restated Executive Transition Agreement made as of February 15, 2011 (the “Original Goldfarb Transition Agreement”), by and between the Company and Jeffrey D. Goldfarb.

The Goldfarb Amendment amends the Original Goldfarb Transition Agreement by:

(a) in the event of a severance event, (i) increasing Mr. Goldfarb’s severance payment to 2.0 times, from 1.5 times, salary plus average annual bonus; (ii) increasing the severance payment period to 24 months from 18 months; and (iii) increasing the period of continued health plan coverage to 24 months from 18 months;

(b) amending certain events constituting “Good Reason” for termination of employment by Mr. Goldfarb to consist of (i) a material reduction or diminution in Mr. Goldfarb’s title, position, authority, duties or responsibilities; (ii) the assignment to Mr. Goldfarb of duties which are materially inconsistent with Mr. Goldfarb’s title and position or which materially impair Mr. Goldfarb’s ability to function in his title and position; or (iii) a change in Mr. Goldfarb’s line of reporting; and

(c) including the following additional event within the definition of “Good Reason” for termination of employment by Mr. Goldfarb: the non-renewal or non-extension by the Company of the term of any employment agreement in effect between the Company and Mr. Goldfarb for reasons other than Cause or “cause” as defined in the Goldfarb Employment Agreement.

A copy of the Goldfarb Amendment is filed herewith as Exhibit 10.4.

(4) *Severance Agreement with Neal S. Nackman.* On December 9, 2016, the Company entered into a severance letter agreement (the “Severance Agreement”) with Neal S. Nackman, the Company’s Chief Financial Officer. The Severance Agreement provides for severance payments to Mr. Nackman equal to one year of benefits previously provided, salary and bonus (based on the average of his bonus in the two years prior to termination) in the event that Mr. Nackman is terminated without “Cause” (as defined in the Severance Agreement). A copy of the Severance Agreement is filed herewith as Exhibit 10.5.

**Item 5.02 Departure of Directors of Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e) (1) For a description of the amendments to the Company’s Employment Agreement and Executive Transition Agreement with Mr. Wayne S. Miller, see subsection (2) of Item 1.01 of this Form 8-K. For a description

of the Company's Employment Agreement with Jeffrey D. Goldfarb and the amendment to the Company's Executive Transition Agreement with Mr. Jeffrey D. Goldfarb, see subsection (3) of Item 1.01 of this Form 8-K. For a description of the Company's Severance Agreement with Mr. Neal S. Nackman, see subsection (4) of Item 1.01 of this Form 8-K.

(2) *Base Salary Increase for Neal S. Nackman.* On December 8, 2016, the Compensation Committee approved an increase in the base salary of Mr. Nackman, from \$450,000 per annum to \$500,000 per annum, effective January 2, 2017.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Exhibit Description</b>
10.1	2015 Long-Term Incentive Plan, as amended.
10.2	Amendment to Employment Agreement and Executive Transition Agreement, dated as of December 9, 2016, by and between the Company and Wayne S. Miller.
10.3	Employment Agreement, dated as of December 9, 2016, between the Company and Jeffrey D. Goldfarb.
10.4	Amendment to Executive Transition Agreement, dated as of December 9, 2016, between the Company and Jeffrey D. Goldfarb.
10.5	Severance Agreement, dated as of December 9, 2016, between the Company and Neal S. Nackman.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

G-III APPAREL GROUP, LTD.

Date: December 14, 2016

By: /s/ Neal S. Nackman  
Name: Neal S. Nackman  
Title: Chief Financial Officer

**G-III APPAREL GROUP, LTD.**  
**2015 LONG-TERM INCENTIVE PLAN**

(As amended effective for fiscal years beginning after January 31, 2017  
with respect to Awards outstanding on or granted after February 1, 2017)

**GENERAL**

1.1 Purpose. The purpose of the Plan is to establish a vehicle through which the Company can provide equity-based and other incentive compensation opportunities in order to facilitate its ability to recruit, motivate, reward and retain qualified individuals who contribute or are expected to contribute to the success and growth of the Company.

1.2 Eligibility. Awards may be granted under the Plan to any employee or non-employee director of, and any consultant, independent contractor or other person who provides personal services to, the Company or any of its Subsidiaries, provided that Incentive Stock Options may be granted only to employees.

1.3 Types of Awards. Awards under the Plan may include, without limitation, Options, Stock Appreciation Rights, shares of Restricted Stock, Restricted Stock Units, other Share-based Awards and performance-based Cash Incentive Awards, all as described in Articles 5 through 7 hereof.

**ARTICLE 2**  
**DEFINITIONS**

2.1 "Award" means an award made to an eligible director, employee or consultant under the Plan.

2.2 "Award Agreement" means an agreement, in written or electronic form, between the Company and a Participant setting forth the terms and conditions of an Award.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Cause" has the meaning set forth in Section 9.3(a).

2.5 "Change in Control" has the meaning set forth in Section 9.3(b).

2.6 "Code" means the Internal Revenue Code of 1986, as amended.

2.7 "Committee" means the Compensation Committee of the Board.

2.8 "Company" means G-III APPAREL GROUP, LTD., a Delaware corporation, and any successor thereto.

2.9 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

2.10 “Exercise Price” means, with respect to an Option, the price at which a holder may purchase the Shares covered by the Option and, with respect to an SAR, the baseline price of the Shares covered by the SAR.

2.11 “Fair Market Value” means, as of any relevant date, the closing price per Share on such date on the principal securities exchange on which the Shares are traded or, if no Shares are traded on that date, the closing price per Share on the next preceding date on which Shares are traded, or (2) the value determined under such other method or convention as the Board or the Committee, acting in a consistent manner in accordance with the Plan and applicable tax law, may prescribe.

2.12 “Good Reason” has the meaning set forth in Section 9.3(c).

2.13 “Incentive Cash Award” means a performance-based cash Award described in Section 7.2.

2.14 “Incentive Stock Option” or “ISO” means an Option that qualifies as an “incentive stock option” within the meaning of Section 422 of the Code.

2.15 “Option” means an option to purchase Shares granted pursuant to Section 5.1.

2.16 “Participant” means any person who has been selected to receive an Award under the Plan or who holds an outstanding Award under the Plan.

2.17 “Performance-Based Exemption” means the performance-based compensation exemption from the compensation deduction limitations imposed by Section 162(m) of the Code, as set forth in Section 162(m)(4)(C) of the Code.

2.18 “Performance Factors” means any of the factors listed in Section 7.3(b) that may be used for Awards intended to qualify for the Performance-Based Exemption.

2.19 “Plan” means the incentive plan set forth herein, as it now exists or is hereafter amended.

2.20 “Restricted Stock” means stock issued in the name of a Participant pursuant to Section 6.1, subject to applicable transfer restrictions and vesting and other conditions.

2.21 “Restricted Stock Unit” or “RSU” means a contingent right to receive Shares in the future that is granted pursuant to Section 6.1.

2.22 “Section 409A” means Section 409A of the Code.

2.23 “Shares” means shares of the Company’s common stock.

2.24 “Stock Appreciation Right” or “SAR” means a right to receive appreciation in the value of Shares that is granted pursuant to Section 5.2.



2.25 “Subsidiary” means (a) a corporation or other entity in an unbroken chain of corporations or other entities at least 50% of the total value or voting power of the equity securities of which is owned by the Company or by any other corporation or other entity in the chain, and (b) any other corporation or entity in which the Company has a 20% controlling interest, directly or indirectly, as may be designated by the Committee pursuant to the criteria set forth in Section 1.409A-1(b)(5)(iii)(E) of the Treasury regulations.

2.26 “Ten Percent Stockholder” means a person who owns or is deemed to own (under Section 424(d) of the Code) more than ten percent of the total combined voting power of all classes of stock of the Company or any Subsidiary.

### **ARTICLE 3 ADMINISTRATION**

3.1 General. Except as specified herein or as otherwise determined by the Board, the Plan shall be administered by the Committee, the composition of which is governed by the Committee’s charter.

3.2 Authority of the Committee. Subject to the provisions of the Plan, the Committee, acting in its discretion, shall have the power and authority to select the persons to whom Awards will be made, prescribe the terms and conditions of each Award and make amendments thereto, construe, interpret and apply the provisions of the Plan and of any Award Agreement, and make any and all determinations and take any and all other actions as it deems necessary or desirable in order to carry out the terms of the Plan or of any Award; provided that the Committee may not accelerate the vesting of an outstanding award by reason of the termination of a Participant’s employment unless (a) such termination is in connection with a Change in Control or on account of the Participant’s death, disability or retirement, or (b) such termination occurs for any other reason and the net number of shares the Company would issue by reason of such acceleration of vesting would not exceed 10% of the total number of Shares that may be issued under the Plan.

3.3 Delegation of Authority. To the fullest extent authorized or permitted by applicable law, including, without limitation, Section 157(c) of the Delaware General Corporation Law, the Committee may (i) delegate to officers of the Company or any affiliate, or committees thereof, the authority, subject to such terms as the Committee shall determine, to perform such functions, including the authority to grant Awards, as the Committee may determine, and (ii) delegate to any person or subcommittee (who may, but need not be members of the Committee) such Plan-related administrative authority and responsibilities as it deems appropriate. The Committee may not delegate its authority with respect to non-ministerial actions relating to individuals who are subject to the reporting requirements of Section 16(a) of the Exchange Act or Awards that are intended to qualify for the Performance-Based Exemption.

3.4 Indemnification. The Company shall indemnify and hold harmless each member of the Committee and the Board and any employee or director of the Company or any Subsidiary to whom any duty or power relating to the administration of the Plan or any Award is delegated from and against any loss, cost, liability (including any sum paid in settlement of a claim with the approval of the Board), damage and expense (including reasonable legal and other expenses

incident thereto) arising out of or incurred in connection with the Plan, unless and except to the extent attributable to such person's fraud or willful misconduct.

**ARTICLE 4**  
**SHARES SUBJECT TO THE PLAN; INDIVIDUAL AWARD LIMITS**

4.1 Shares Issuable under the Plan. Subject to Section 4.3, up to 2,500,000 Shares shall be available for grant and issuance pursuant to Awards made under the Plan, any or all of which may (but need not) be issued pursuant to ISOs. For purposes of these limitations, (a) the total number of Shares covered by stock-settled SARs (and not just the number of Shares issued in settlement of such SARs) shall be deemed to have been issued under the Plan, and (b) Shares covered and/or issued pursuant to an Award will again be available for grant and issuance pursuant to subsequent Awards to the extent such Shares are covered by or relate to (1) the unexercised portion of an Option or SAR that is forfeited or otherwise terminated or canceled for any reason other than exercise, (2) Restricted Stock Awards, RSU Awards or any other forms of Award that are forfeited, (3) subject to an Award that is settled in cash or that otherwise terminates without such Shares being issued, or (4) Shares issued pursuant to awards that are assumed, converted or substituted as a result of the acquisition of another company by the Company or a combination of the Company with another Company. Shares that are used or withheld to pay the exercise price of an Award or to satisfy the tax withholding obligations associated with the vesting or settlement of an Award will not be available for future grant and issuance under the Plan. Shares issued under the Plan may be either authorized and unissued Shares, or authorized and issued Shares held in the Company's treasury, or any combination of the foregoing. For the avoidance of doubt, Shares purchased by the Company in the open market with proceeds from a cash exercise of an Option may not be added to the pool of Shares otherwise available under the Plan.

4.2 Individual Award Limitations. No more than 400,000 Shares may be issued pursuant to Awards granted to any Participant in any fiscal year of the Company. No more than \$10,000,000 may be earned by any Participant for any fiscal year pursuant to Cash Incentive Awards made under Section 7.2. If the performance period for a Cash Incentive Award covers more than one fiscal year, then, for the purpose of applying the annual limit under the preceding sentence, the amount that may be earned by the Participant for each fiscal year covered by the performance period will be deemed to be equal to the quotient of (a) the maximum amount that may be earned pursuant to the Award, divided by (b) the number of such fiscal years.

4.3 Adjustments for Capital Changes. In the event of a split-up, spin-off, stock dividend, extraordinary cash dividend, recapitalization, consolidation of Shares, reverse stock split or other similar capital change, the number and class of Shares that may be issued under the Plan pursuant to Section 4.1, the number and class of Shares that may be issued pursuant to annual Awards granted to any Participant pursuant to Section 4.2, the number, class and/or Exercise Price (if any) of Shares subject to outstanding Awards and performance goals expressed in or with respect to Shares shall be equitably adjusted by and at the discretion of the Board or the Committee in order to prevent undue dilution or enlargement of the benefits available under the Plan or an outstanding Award, as the case may be, provided that the number of Shares subject to any outstanding Award shall always be a whole number. In furtherance of the foregoing, in the event of an "equity restructuring," each outstanding Award that constitutes a

“share-based payment arrangement” (as such terms are defined in FASB Accounting Standards Codification Topic 718) shall be adjusted pursuant to this Section.

**ARTICLE 5**  
**STOCK OPTIONS; STOCK APPRECIATION RIGHTS**

5.1 Grant of Company Stock Options. The Committee may grant Options to Participants upon such vesting, forfeiture and other terms and conditions as the Committee, acting in its discretion in accordance with the Plan, may determine, either at the time an Option is granted or, if the holder’s rights are not adversely affected, at any subsequent time, provided that each Option shall have a vesting period of at least one year from the date of grant. Each Option will be deemed not to be an ISO (a non-ISO) unless, at the time the Option is granted, the Committee specifically designates such Option as an ISO. If an Option is designated as an ISO and if part or all of the Option does not qualify as an ISO for any reason, then the Option or the portion of the Option that does not so qualify will nevertheless remain outstanding and will be characterized as a non-ISO.

5.2 Grant of Stock Appreciation Rights. The Committee may grant Stock Appreciation Rights, or SARs, to Participants, either alone or in connection with the grant of an Option, upon such vesting, forfeiture and other terms and conditions as the Committee, acting in its discretion in accordance with the Plan, may determine, either at the time the SARs are granted or, if the holder’s rights are not adversely affected, at any subsequent time, provided that SARs shall have a minimum vesting period of one year from the date of grant. Upon exercise, the holder of an SAR shall be entitled to receive cash and/or a number of whole Shares (as determined by the Committee) having a value equal to the product of  $X$  and  $Y$ , where—

$X$  = the number of whole Shares as to which the SAR is being exercised, and

$Y$  = the excess of (i) the Fair Market Value per Share on the date of exercise over (ii) the Exercise Price per Share covered by the SAR.

5.3 Exercise Price. The Committee shall determine the Exercise Price per Share under each Option and each SAR, provided that (a) the Exercise Price per Share shall be at least equal to the Fair Market Value per Share on the date the Option or SAR is granted; and (b) in the case of an ISO granted to a Ten Percent Stockholder, the Exercise Price per Share shall be at least equal to 110% of the Fair Market Value per Share on the date the ISO is granted.

5.4 Repricing and Reloading Prohibited. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, distribution (whether in the form of cash, Shares, other securities or other property), stock split, extraordinary cash dividend, recapitalization, change in control, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Common Shares or other securities, or similar transaction(s)), the Company may not, without obtaining stockholder approval: (a) reduce the Exercise Price under outstanding Options or SARs; (b) cancel outstanding Options or SARs in exchange for Options or SARs with a lower Exercise Price; or (c) cancel outstanding Options or SARs in exchange for cash or other securities at a time when the per Share Exercise Price under such Options or SARs is higher than the Fair Market Value.

The Committee may not grant an Option that includes a “reload” feature or make any other Plan Awards that have the effect of providing a “reload” feature with respect to Shares used to satisfy the Option exercise price or applicable withholding tax.

5.5 Exercise Period of Options and SARs. The Committee may establish such vesting, forfeiture, expiration and other conditions as it deems appropriate (on a grant-by-grant basis) with respect to the exercisability of an Option or SAR; provided, however, that, unless sooner terminated in accordance with its terms, each Option and each SAR shall automatically expire on the tenth anniversary of the date the Option or SAR is granted (or, in the case of an ISO granted to a Ten Percent Stockholder, on the fifth anniversary of the date the ISO is granted).

5.6 Exercise of Options. A Participant may exercise an outstanding Option that is vested and exercisable by transmitting to the Secretary of the Company (or another person designated by the Company for this purpose) a written notice identifying the Option that is being exercised and specifying the number of whole Shares to be purchased pursuant to such exercise, together with payment in full of the aggregate Exercise Price payable for such Shares and any applicable withholding taxes. The Exercise Price shall be payable in cash or by check or by any other means that the Committee may expressly permit, including, without limitation, (a) the Participant’s surrender of previously-owned Shares, (b) the Company’s withholding Shares that would otherwise be issued if the Exercise Price had been paid in cash, (c) payment pursuant to a broker-assisted cashless exercise program established and made available in accordance with applicable law, (d) any other method of payment that is permitted by applicable law, or (e) any combination of the foregoing. Applicable withholding taxes shall be payable in cash or by any other method that may be permitted or required by the Committee in accordance with Section 11.1. Shares tendered or withheld for the payment of the exercise price of an Option will be credited on the basis of the Fair Market Value of such Shares on the date they are tendered or withheld pursuant to such exercise.

5.7 Exercise of SARs. A Participant may exercise an outstanding SAR that is vested and exercisable by transmitting to the Secretary of the Company (or another person designated by the Company for this purpose) a written notice identifying the SAR that is being exercised and specifying the number of whole Shares for which the SAR is being exercised, together with payment in full of any applicable withholding taxes attributable to such exercise. Applicable withholding taxes shall be payable in cash or by any other method that may be permitted or required by the Committee in accordance with Section 11.1.

5.8 Termination of Employment or Service. Unless the Committee determines otherwise at the time of grant, or thereafter if no rights of a Participant are thereby reduced, in the event of the termination of a Participant’s employment or service with the Company and its Subsidiaries, (a) the Participant will forfeit any then outstanding unvested Options or SARs, and (b) any then outstanding vested Option or SAR will remain outstanding for a period of at least 90 days (one year if such termination is due to the Participant’s death) following the date of such termination (but in no event longer than the expiration of its stated term.) Notwithstanding the foregoing, if a Participant’s employment or other service is terminated by the Company or a Subsidiary for Cause (as such term is defined in Section 9.3(a) below) or at a time when grounds

for such a termination exist, the Participant's then outstanding Options and/or SARs (whether or not previously vested) shall immediately terminate and shall have no further force or effect.

5.9 Rights as a Stockholder. A Participant shall have no rights to vote or receive dividends or any other rights of a stockholder with respect to any Shares covered by an Option or SAR unless and until such Option or SAR is validly exercised and any such Shares are issued to the Participant (subject to Section 4.3). The Company will issue such Shares promptly after the exercise of such Option or SAR (to the extent the SAR is settled in Shares) is completed.

## **ARTICLE 6 RESTRICTED STOCK AND RESTRICTED STOCK UNIT AWARDS**

6.1 Grant of Restricted Stock and RSU Awards. The Committee may grant Restricted Stock Awards and/or Restricted Stock Unit Awards (RSUs) to any Participant. Under a Restricted Stock Award, the Company issues Shares to the Participant when the Award is made subject to specified conditions and restrictions; and under an RSU Award, the Participant receives the right to receive Shares in the future upon satisfaction of specified terms and conditions. The vesting, forfeiture and other terms and conditions applicable to the Shares covered by a Restricted Stock Award or the RSUs and Shares covered by a Restricted Stock Unit Award (including, but not limited to, conditions and restrictions tied to the achievement of specified performance objectives and/or the completion of one or more specified periods of future service) will be determined by the Committee and will be set forth in the applicable Award Agreement, provided that each such Award will have a vesting period of at least one year from date of grant.

6.2 Restricted Shares. Shares issued pursuant to a Restricted Stock Award may be evidenced by book entries on the Company's stock transfer records pending satisfaction of the applicable vesting conditions. If a stock certificate for restricted Shares is issued, the certificate will bear an appropriate legend to reflect the nature of the conditions and restrictions applicable to the Shares. The Company may retain physical possession of any such stock certificate and may require a Participant to deliver a stock power to the Company, endorsed in blank, in order to facilitate the transfer back to the Company of restricted Shares that are forfeited. Notwithstanding the foregoing, if a Participant forfeits Shares covered by a Restricted Stock Award, the Shares that are forfeited shall automatically be cancelled on the books and records of the Company whether or not the Participant returns a certificate for such Shares or otherwise fails or refuses to execute documents or take other action requested by the Company in connection with the cancellation of the forfeited Shares. Except to the extent otherwise provided under the Plan or the Award Agreement, a Participant who holds unvested Shares pursuant to an outstanding Restricted Stock Award shall have all of the rights of a stockholder with respect to said Shares, including the right to vote the Shares and the right to receive dividends thereon (subject to the payment and vesting conditions described in Section 6.4 below).

6.3 Shares Covered by RSU Awards. No Shares will be issued pursuant to an RSU Award unless and until the applicable vesting and other conditions have been satisfied. The holder of an RSU Award shall have no rights as a stockholder with respect to Shares covered by the RSUs unless and until the RSUs becomes vested and the Shares covered by the vested RSUs are issued to the Participant. Subject to Section 6.4, the Committee may provide that a

Participant who holds RSUs will be entitled to receive dividend equivalent credits based upon the dividends that would have been payable with respect to the Shares covered by the RSUs if such Shares were outstanding.

6.4 Dividends on Restricted Stock and RSU Shares. If a dividend is declared with respect to outstanding Shares, then, unless the Committee determines otherwise, a corresponding dividend will be credited to a Participant with respect to Shares covered by an outstanding Restricted Stock or RSU Award as if such Shares were outstanding and free of vesting and other conditions and restrictions. Dividend credits (if any) will be made in the form of cash or in the form of additional Shares of Restricted Stock or RSUs (based upon the then Fair Market Value per Share) or any combination thereof, all as determined by the Committee. Dividends credited with respect to Restricted Stock and RSU Awards shall be subject to the same vesting and forfeiture conditions and the same payment terms that are applicable to the Shares of Restricted Stock or RSU Shares to which such dividend credits apply and/or, if applicable, such different terms and conditions that may be required in order to comply with Section 409A.

6.5 Non-Transferability. No Restricted Stock Award and no Shares covered by a Restricted Stock Award, may be sold, assigned, transferred, disposed of, pledged or otherwise hypothecated other than to the Company or its designee in accordance with the terms of the Award or the Plan, and any attempt to do so shall be null and void.

6.6 Termination of Service Before Vesting; Forfeiture. Unless otherwise specified in the Award Agreement or otherwise subsequently determined by the Committee, unvested Shares held pursuant to a Restricted Stock Award and unvested RSUs held under an RSU Award shall be forfeited and canceled upon the termination of a Participant's employment or other service with the Company and its Subsidiaries.

6.7 Timing Requirement for Settlement of RSUs. Unless otherwise specified in the applicable Award Agreement, RSUs shall be settled in the form of Shares or cash (as determined by the Committee) as soon as practicable after the RSUs become vested but in no event later than the 15<sup>th</sup> day of the third month following the calendar year in which the vesting of such RSUs occurs. Notwithstanding the foregoing, the terms of an RSU Award may expressly provide that settlement of vested RSUs covered by the Award will be deferred until a later date or the occurrence of a subsequent event, provided that any such deferral provision complies with the election, distribution timing and other requirements of Section 409A.

6.8 Receipt of Shares. A Participant who holds Shares that become vested under a Restricted Stock Award or who holds RSUs that become vested (to the extent the vested RSUs are settled in Shares) will be entitled to receive such Shares, subject to the payment or satisfaction of applicable withholding taxes. Applicable withholding taxes shall be payable in cash or by any other method that may be permitted or required by the Committee in accordance with Section 11.1.

**ARTICLE 7**  
**OTHER FORMS OF AWARD**

7.1 Other Share-Based Awards. Subject to applicable law, the Committee, acting in its discretion, may grant such other forms of Award denominated or payable in, valued in whole or in part by reference to, or otherwise based upon or related to, Shares, including, without limitation, performance share awards, performance unit awards, stock bonus Awards, dividend equivalent Awards (either alone or in conjunction with other Awards), purchase rights for Shares, and Share-based Awards designed to comply with or take advantage of applicable laws outside of the United States. Each such Share-based Award will be made upon such vesting, forfeiture, performance and other terms and conditions as the Committee, acting in its discretion, may determine; provided that the vesting or earn out period under any such Award may not be less than one year, and provided further that dividend equivalent awards made in conjunction with other Share-based Awards shall be subject to the same vesting and forfeiture conditions and the same payment terms of the corresponding Share-Based Awards and/or, if applicable, such different terms and conditions that may be required in order to comply with Section 409A. If and when a Share-based Award granted under this Section becomes payable, payment may be made in the form of cash, whole Shares or a combination of cash and whole Shares (as determined by the Committee), with a payment in Shares being based upon their Fair Market Value on the applicable vesting or payment date(s).

7.2 Cash Incentive Awards. The Committee may make annual and/or long-term Cash Incentive Awards pursuant to which a Participant may earn the right to receive a cash payment that is conditioned upon the achievement of a specified performance goal or goals established by the Committee and communicated to the Participant as soon as practicable after the beginning of the applicable performance period and the satisfaction of such other terms and conditions as the Committee may prescribe. A Cash Incentive Award will be payable in the form of a single sum cash payment on or as soon as practicable after the date the Award becomes earned and vested, but in no event later than the 15<sup>th</sup> day of the third month of the following calendar year. Notwithstanding the foregoing, the Committee may require or permit the deferred payment and/or installment payout of all or part of any such Cash Incentive Award if (and only if) the Award is exempt from Section 409A or, if not so exempt, the deferred payout complies with the applicable terms and conditions of Section 409A.

7.3 Termination of Service Before Vesting; Forfeiture. Unless otherwise specified in the Award Agreement or otherwise subsequently determined by the Committee, unearned and/or unvested Share-based Awards and Cash Incentive Awards granted under this Article shall be forfeited and canceled upon the termination of a Participant's employment or other service with the Company and its Subsidiaries.

7.4 Dividend Equivalents under Performance-Based Awards. Dividends or dividend equivalents, if any, paid or credited with respect to performance-based Awards will be subject to the same performance conditions as apply to the underlying Awards.

**ARTICLE 8**  
**PERFORMANCE-BASED EXEMPTION AWARDS**

8.1 Performance-Based Exemption—General. If the Committee intends that an Award should qualify for the Performance-Based Exemption (other than Options and SARs which otherwise qualify as “performance-based compensation” for purposes of Section 162(m) of the Code), then, except as otherwise permitted by Section 162(m) of the Code, the grant, exercise, vesting, amount and/or settlement of such Award shall be contingent upon achievement of one or more pre-established, objective performance goals, which shall be prescribed in writing by the Committee not later than 90 days after the commencement of the applicable performance period and in any event before completion of 25% of such performance period in accordance with the requirements of Section 162(m). Such performance goals shall be based on any one or more of the Performance Factors listed in Section 8.2 and may be expressed in absolute terms, relative to performance in prior periods and/or relative to performance of other companies or an index of other companies or on such other basis as the Committee, acting in a manner consistent with Section 162(m) of the Code, may determine. All determinations as to the establishment of performance goals, the amount of cash and/or the number of Shares that may be earned, the target level (and, if applicable, minimum and maximum levels) of actual achievement required as a condition of earning the Award, and the earned value of any Award intended to qualify for the Performance-Based Exemption shall be made by the Committee and shall be recorded in writing.

8.2 Performance Factors. Any one or more of the following Performance Factors may be used by the Committee in establishing performance goals for Awards intended to qualify for the Performance-Based Exemption, in each case taking into account such adjustments and other objective factors as the Committee may specify at the time the goal is established: (a) revenues on a corporate or product by product basis, gross profit or gross profit growth; (b) earnings from operations, earnings before or after taxes, earnings before or after interest, depreciation, amortization, incentives, service fees and/or extraordinary or special items; (c) net income or net income per share (basic or diluted); (d) return measures, including return on assets, return on investment, return on capital, total capital or tangible capital, return on sales or return on equity; (e) cash flow, free cash flow, cash flow return on investment, or net cash provided by operations; (f) economic value created or added; (g) operating margin or profit margin; (h) expense or cost targets; (i) objective measures of customer satisfaction; (j) working capital targets; (k) inventory control; (l) debt targets; (m) implementation, completion or attainment of measurable objectives with respect to store openings or closings, acquisitions and divestitures, and recruiting and maintaining personnel; and/or (n) share price (including, without limitation, growth measures, market capitalization and/or total stockholder return).

8.3 Performance Goals. In establishing performance goals with respect to an Award intended to qualify for the Performance Exemption, the applicable Performance Factors may be determined by reference to the Company's performance and/or the performance of any one or more Subsidiaries, divisions, business segments or business units of the Company and its Subsidiaries, and may be based upon comparisons of any of the indicators of performance relative to other companies (or subsidiaries, divisions, business segments or business units of other companies) or relevant indices. Subject to compliance with the Treasury regulations under Section 162(m) of the Code, the Committee may prescribe that performance goals under any such Award will be adjusted as necessary or appropriate in order to account for changes in law or



accounting rules, principles or standards or to reflect the impact of extraordinary or unusual items, events or circumstances which, if not taken into account, would result in windfalls or hardships that are not consistent with the intent and purposes of the Award, including without limitation (a) restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring charges, (b) an event either not directly related to the operations of the Company or not within the reasonable control of the Company's management, (c) acquisitions and divestitures, or (d) changes in generally accepted accounting principles.

8.4 Discretion. The Committee shall have the authority, in its discretion, to reduce the formula amount or number of Shares otherwise payable pursuant to an Award that is intended to qualify for the Performance-Based Exemption, but may not increase the amount or number of Shares that would otherwise be payable under any such Award; provided that, in the case of an Award intended to constitute a "share-based payment arrangement" under FASB ASC Topic 718, the Committee may exercise its discretion under this Section only if such discretion is expressly reserved as part of the original terms of the Award.

8.5 Certification. No amount shall be paid and no Shares shall be distributed or released pursuant to an Award intended to qualify for the Performance-Based Exemption unless and until the Committee certifies in writing the extent of achievement of the applicable performance goal(s) and the corresponding amount that is earned by the Participant under such Award.

## **ARTICLE 9 CHANGE IN CONTROL**

9.1 Assumption or Substitution of Outstanding Awards. If a "Change in Control" (as defined below) occurs, the parties to the Change in Control may agree that outstanding Awards shall be assumed by, or converted into a substitute award for or with respect to shares of common stock of, the successor or acquiring company (or a parent company thereof) on an economically equivalent basis. If the Change in Control does not involve an agreement with a third party, and if the Shares covered by an outstanding Award are still traded on a national securities exchange, then the Committee may unilaterally require that the Award be continued, assumed, converted or substituted in accordance with this Section. The vesting and other terms of any such assumed or substitute award shall be substantially the same as the vesting and other terms and conditions of the original Award, provided that (a) if the assumed or substituted Award is an Option or SAR, the number of shares and Exercise Price shall be adjusted in accordance with the principles set forth in Sections 1.424-1(a)(5) and 1.409A-1(b)(5)(v)(D) of the Treasury regulations, and (b) if the assumed or substituted Award is not an Option or SAR, the number of shares covered by the assumed or substitute Award will be based upon the Change in Control transaction value of the Company's outstanding Shares. If the original Award is subject to the satisfaction of performance conditions, then such performance conditions shall be deemed to have been satisfied immediately prior to the Change in Control at the greater of (x) the target performance level, or (y) the performance level that would have been attained if the rate or level of performance from the beginning of the performance period through the date of the Change in Control had continued at the same rate through the end of the performance period. If reasonably feasible, the assumed or substituted Award will also provide the participant with an opportunity to earn any remaining portion of the Award (over and above the portion deemed to

have been earned under the preceding sentence) based upon the achievement of a performance goal for the entire performance period that is similar in nature to the corresponding performance goal under the original terms of the Award. If, within two years following a Change in Control, a Participant's employment or other service terminates due to the Participant's death or is terminated by the Company or a successor or acquiring company (or any of its or their affiliates) without "Cause" or by the Participant for "Good Reason" (as such terms are defined below), any then outstanding assumed or substitute Awards held by such terminated Participant shall immediately be fully vested, and any outstanding assumed or substitute Options and SARs will remain outstanding for 180 days after such termination of employment (or, if earlier, until the expiration of their original stated terms).

9.2 Awards Not Assumed or Substituted. If a Change in Control occurs and an outstanding Award is not assumed, converted, substituted or continued pursuant to Section 9.1, then such Award will be deemed fully vested and any performance conditions applicable to such Award will be deemed to have been satisfied immediately prior to the Change in Control at the maximum performance level specified in the Award for purposes of determining the extent to which the Award is earned. Each such Award shall be cancelled immediately prior to the effective time of the Change in Control in exchange for an amount equal to the per Share consideration received by the holders of outstanding Shares in the Change in Control transaction, reduced in the case of an Option or SAR by the Exercise Price for such Shares. No consideration will be payable in respect of the cancellation of an Option or SAR with an Exercise Price per Share that is equal to or greater than the value of the Change in Control transaction consideration per Share. The amount payable with respect to the cancellation of an outstanding Award pursuant to this section will be paid in cash, unless the parties to the Change in Control agree that some or all of such amount will be payable in the form of freely tradable shares of common stock of the successor or acquiring company (or a parent company thereof). Subject to Section 11.2, the payments contemplated by this Section 9.2 shall be made upon at or as soon as practicable following the effective time of the Change in Control. Notwithstanding the foregoing, the Committee, acting in its discretion, may prescribe different treatment of an Award in the circumstances governed by this Section, provided that the terms of such different treatment, together with a specific reference to this Section, are set forth in the applicable Award Agreement.

9.3 Certain Defined Terms.

(a) "Cause" means, with respect to any Participant and unless otherwise specified in the Participant's Award Agreement, (i) if there is an employment or other services agreement in effect between the Participant and the Company or a Subsidiary that defines the term "cause" (or a term of like import), the Participant's engaging in conduct that constitutes "cause" (or a term of like import) within the meaning of that agreement, or (ii) if there is no such employment or other services agreement in effect, "Cause" shall mean (1) a Participant's repeated failure or refusal to perform the duties of the Participant's employment, consistent with past practice and his or her position and title where such conduct shall not have ceased or been remedied within ten days following written warning from the Company specifying such conduct; (2) the Participant's conviction of, or entering a plea of guilty or no contest to, a felony; (3) the Participant's performance of any act or the Participant's failure to act, for which, if the

Participant were prosecuted and convicted, a crime or offense involving money or property of the Company would have occurred; (4) the Participant's performance of any act or the Participant's failure to act which constitutes fraud or a breach of a fiduciary trust, including, without limitation, misappropriation of funds or a material misrepresentation of the Company's operating results or financial condition; (5) any attempt by the Participant to secure any personal profit (other than pursuant to the terms of the Participant's employment or through the Participant's ownership of equity in the Company) in connection with the business of the Company (for example, without limitation, using Company assets to pursue other interests, diverting to the Participant or to a third party any business opportunity belonging to the Company, insider trading or taking bribes or kickbacks); (6) the Participant's engagement in conduct or activities materially damaging to the property, business or reputation of the Company other than as a result of good faith performance of his duties; (7) the Participant's illegal use of controlled substances; (8) any act or omission by the Participant involving malfeasance or gross negligence in the performance of the duties of the Participant's employment to the material detriment of the Company; or (9) the entry of any order of a court that remains in effect and is not discharged for a period of at least sixty days, which enjoins or otherwise limits or restricts the performance by the Participant of the duties of the Participant's employment, relating to any contract, agreement or commitment made by or applicable to the Participant in favor of any former employer or any other person.

(b) A "Change in Control" shall be deemed to have occurred upon the happening of any of the following events:

(i) any "person" as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, a subsidiary of the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the Company or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes, including pursuant to a tender or exchange offer for shares of Common Stock pursuant to which purchases are made, the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities, provided, however, that the provisions of this paragraph (a) shall not be applicable to any acquisition directly from the Company; or

(ii) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board"), shall cease for any reason to constitute at least a majority thereof; provided, however, that any individual becoming a director subsequent to the date hereof whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who were either directors on the date hereof, or whose appointment, election or nomination for election was previously so approved or recommended, shall be considered a member of the Incumbent Board, but excluding for this purpose any new director whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of directors of the Company; or

(iii) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) more than 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; or

(iv) there is consummated a plan of complete liquidation or dissolution of the Company or there is consummated the sale or disposition by the Company of all or substantially all of the Company's assets, in one transaction or a series of related transactions, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, more than 50% of the combined voting power of the voting securities of which is owned by stockholders of the Company in substantially the same proportion as their ownership of the Company immediately prior to such sale.

(c) "Good Reason" shall have the meaning ascribed to that term (or a term of like import) in a Participant's employment agreement or, if such term (or a term of like import) is not defined in the Participant's employment agreement or there is no such agreement, then "Good Reason" shall mean any of the following events: (i) a material diminution of the Participant's duties and responsibilities that result in a material adverse effect on the Participant's status and authority, (ii) a change in the principal location of the Participant's employment to a location more than fifty (50) miles outside of New York City or the Participant's then current other business location, except for travel reasonably required as part of such employment, (iii) failure to timely pay the Participant any salary or bonus when due, or (iv) any reduction in (1) the Participant's annual rate of salary from the highest annual rate of salary in effect during the one-year period prior to the date of the Change of Control, or (2) the amount of annual bonus paid to the Participant after the date of the Change in Control in light of the results of operations of the Company for that year compared to the bonus paid for the most recent fiscal year prior to the date of the Change of Control in light of the results of operations of the Company for that year. Notwithstanding the foregoing, in order to terminate for "Good Reason," a Participant must specify in writing to the Company (or the successor or acquiring company or a parent thereof) the nature of the act or omission that the Participant deems to constitute Good Reason and provide the Company (or the successor or acquiring company or a parent thereof) 30 days after receipt of such notice to review and, if required, correct the situation (and thus prevent the Participant's termination for Good Reason). Notice of termination for Good Reason must be provided, if at all, within 90 days after the occurrence of the event or condition giving rise to such termination.

9.4 No Fractional Shares. In the event of an adjustment in the number of shares covered by any Award pursuant to the provisions hereof, any fractional shares resulting from such adjustment shall be disregarded, and each converted Award shall cover only the number of full shares resulting from the adjustment.

**ARTICLE 10**  
**AMENDMENT AND TERMINATION**

10.1 Amendment and Termination of the Plan. The Board, acting in its sole discretion, may amend the Plan at any time and from time to time and may terminate the Plan at any time. Plan amendments will be subject to approval by the Company's stockholders if and to the extent such approval is required in order to satisfy applicable law and/or stock exchange listing rules. Unless sooner terminated, the Plan will terminate on the tenth anniversary of the date it is approved by the Company's stockholders (and the Plan will not become effective unless and until such approval is obtained).

10.2 Outstanding Awards. Except as specifically required or permitted by the Plan or an Award Agreement, no amendment of an Award Agreement, and no termination, amendment or modification of the Plan shall cause any then outstanding Award to be forfeited or altered in a way that adversely affects a Participant's rights, unless the Participant consents thereto. The rights of any person with respect to an Award that is outstanding at the time of the termination of the Plan shall not be affected solely by reason of such termination and shall continue in accordance with the terms of the Award and of the Plan, as each is then in effect or is thereafter amended.

**ARTICLE 11**  
**TAX WITHHOLDING; SECTION 409A**

11.1 Tax Withholding. Each Award and the exercise, vesting and settlement of each Award shall be subject to a Participant's payment or other satisfaction of any applicable withholding taxes. The Committee, in its sole discretion and pursuant to applicable law and such procedures as it may specify from time to time, may require or permit the Participant to satisfy the tax withholding obligation(s) relating to an Award (in whole or in part) by or through (a) the payment of cash by the Participant, (b) the Company's withholding cash or Shares that would otherwise be paid, issued or released pursuant to the Award, (c) the transfer to the Company of other Shares owned by the Participant, (d) a broker-assisted cashless exercise arrangement that complies with applicable law, and/or (e) by such other means as the Committee may determine. The amount of a Participant's withholding tax obligation that is satisfied in Shares (whether previously-owned or withheld from the Shares that would otherwise be issued or released) shall be based upon the Fair Market Value of the Shares on the date such Shares are delivered or withheld. If Shares are withheld for the payment of a Participant's taxes associated with an Award, the amount of tax covered by such Share withholding must be based upon a rate that is not less than the minimum applicable withholding rate and may be based upon a rate that does not exceed the maximum individual statutory tax rate in the Participant's applicable tax jurisdiction(s). For the avoidance of doubt, if a Participant's actual marginal tax rate is lower than the maximum applicable tax rate, the amount of Share-based withholding may be based upon the higher maximum tax rate.

11.2 Section 409A Compliance. It is intended that Awards made under the Plan, including any deferred payment or settlement terms and conditions, shall be exempt from or comply with Section 409A. Without limiting the generality of the preceding sentence and notwithstanding anything to the contrary contained herein, the following provisions shall apply

with respect to an Award if and to the extent that such Award provides for the payment of “nonqualified deferred compensation” (within the meaning of Section 409A).

(a) If a Participant becomes entitled to payments (cash or Shares) under the Award on account of the “termination of the Participant’s employment or other service” or words of like import, then such termination of employment or service will not be deemed to have occurred unless and until the Participant incurs a “separation from service” within the meaning of Section 409A.

(b) If the Participant is a “specified employee” within the meaning of Section 409A at the time of his or her separation from service, then any such payment covered by Section 409A shall be delayed until the first business day following the earlier of (i) the date which is six months after the date of such separation from service, or (ii) the date of the Participant’s death. On the delayed payment date, the Participant (or the Participant’s beneficiary) will be entitled to receive a lump sum payment or distribution of the payments that otherwise would have been made during the period that such payments are delayed.

(c) If a payment covered by Section 409A would be accelerated on account of the occurrence of a “Change in Control,” then such payment shall not be made unless such Change in Control also constitutes a “change in ownership,” “change in effective control” or “change in ownership of a substantial portion of the Company’s assets” within the meaning of Section 409A. Any payment that would have been made except for the application of the preceding sentence shall be made in accordance with the payment or settlement schedule that would have applied under the Award in the absence of a Change in Control or, if earlier, on the date of the termination of the Participant’s employment or service (without regard to any further service or performance conditions that otherwise would have applied).

(d) Notwithstanding the foregoing, each Participant shall be solely responsible, and the Company shall have no liability to the Participant or otherwise, for or with respect to any taxes, acceleration of taxes, interest or penalties arising under Section 409A.

## **ARTICLE 12 MISCELLANEOUS**

12.1 Non-Transferability. Except as otherwise specifically permitted by the Plan or the applicable Award Agreement, no Award shall be assignable or transferable except upon the Participant’s death to his or her “beneficiary” (as defined below), and, during a Participant’s lifetime, an Option or SAR may be exercised only by the Participant or the Participant’s guardian or legal representative. Notwithstanding the foregoing, subject to the consent of the Committee (which it may grant, condition or deny in its sole discretion for any or no reason), a Participant may make an inter vivos transfer of an Option (other than an ISO), SAR or RSU to any “family member” (within the meaning of Item A(1)(a)(5) of the General Instructions to SEC Form S-8 or a successor), including, without limitation, to one or more trusts, partnerships, limited liability companies and other entities which qualify as family members, provided that such transfer is not

a transfer for value or is a transfer for value that the Committee determines is for estate planning purposes, and provided further that such transfer is permitted by applicable law and does not give rise to tax under Section 409A. For the purposes hereof, a Participant's "beneficiary" is any person or entity (including, without limitation, a trust or estate) designated in writing by a Participant to succeed to the Participant's Award(s) upon the Participant's death, subject to the provisions hereof and of the applicable Award Agreement(s). A Participant may designate a beneficiary by delivering a written beneficiary designation to the Committee (or its designee) in such form and in such manner as the Committee (or its designee) may prescribe. Each beneficiary designation duly filed with the Committee (or its designee) will have the effect of superseding and revoking any prior beneficiary designation. If a Participant does not designate a beneficiary, or if no designated beneficiary survives the Participant, then the Participant's estate will be deemed to be his or her beneficiary. The term "Participant," as used herein, shall be deemed to include the Participant's beneficiary if and to the extent the context requires.

12.2 Successors. All obligations of the Company with respect to Awards granted under the Plan shall be binding on any successor to the Company of all or substantially all of the business and/or assets of the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, and the term "Company" as used herein shall be construed accordingly.

12.3 Legal Construction. If any provision of the Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

12.4 Compliance with Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

12.5 Transfer Orders; Placement of Legends. All certificates for shares of Common Stock delivered under the Plan shall be subject to such stock-transfer orders and other restrictions as the Company may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange or market upon which the Common Stock may then be listed, and any applicable federal or state securities law. The Company may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.

12.6 Nonexclusivity of the Plan. No provision of the Plan, and neither its adoption Plan by the Board or submission to the stockholders for approval, shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements, apart from the Plan, as it may deem desirable.

12.7 Sub-Plans. The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying securities, tax or other laws of any foreign jurisdictions that may apply to Participants who receive Awards. Any such sub-plan shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable for such purposes and shall be in such form (including, without limitation, as an appendix to the Plan) as the Committee deems appropriate. Each sub-plan shall be deemed a part of the Plan, but shall

apply only to the Participants who are subject to the laws of the jurisdiction to which the sub-plan relates.

12.8 Uniformity Not Required. The provisions of the Award Agreements need not be uniform among all Awards, among all Awards of the same type, among all Awards granted to the same Participant, or among all Awards granted at the same time.

12.9 Claw Back Conditions. Notwithstanding anything to the contrary contained herein or in an Award Agreement, Awards and benefits otherwise provided by Awards made under the Plan shall be subject to the Company's incentive compensation claw back policies as in effect from time to time, and, as applicable, the claw back requirements of the Dodd-Frank Act Section 954.

12.10 Limitation of Rights. The Plan shall not interfere with or limit in any way the right of the Company or of any Subsidiary to terminate any person's employment or other service at any time, and the Plan shall not confer upon any person the right to continue in the employ or other service of the Company or any Subsidiary. No employee, director or other person shall have any right to be selected to receive an Award or, having been so selected, to be selected to receive a future Award.

12.11 Decisions and Determinations Final. All decisions and determinations made by the Board pursuant to the provisions hereof and, except to the extent rights or powers under the Plan are reserved specifically to the discretion of the Board, all decisions and determinations made by the Committee in connection with the exercise of its authority and responsibilities under the Plan (including, without limitation, decisions and determinations relating to the construction, interpretation and administration of the Plan or any Award), shall be final, binding and conclusive on all persons.

12.12 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of Delaware (without regard to the legislative or judicial conflict of laws rules of any state).



**AMENDMENT TO**  
**EMPLOYMENT AGREEMENT AND EXECUTIVE TRANSITION AGREEMENT**

Amendment, dated as of December 9, 2016 (this “**Amendment**”), to each of (i) the Employment Agreement made as of January 9, 2013 (the “**Employment Agreement**”), between G-III Apparel Group, Ltd. (the “**Company**”) and Wayne Miller (the “**Executive**”), and (ii) the Amended and Restated Executive Transition Agreement made as of February 15, 2011 (the “**Executive Transition Agreement**”), by and between the Company and the Executive.

RECITALS

WHEREAS, the Company and the Executive desire to enter into this Amendment in order to modify certain provisions of the Employment Agreement and the Executive Transition Agreement as further set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the mutual promises and covenants contained herein, the parties hereto, intending to be legally bound, agree as follows:

AGREEMENT

1. Employment Agreement Amendments. The Company and the Executive hereby acknowledge and agree that, as of the date hereof, the Employment Agreement shall be amended as follows:

- a. Section 3 of the Employment Agreement shall be amended by replacing “Five Hundred Thousand Dollars (\$500,000)” with “Seven Hundred Fifty Thousand Dollars (\$750,000)”.
  - b. Clause (A) of Section 5(b)(iii) of the Employment Agreement shall be amended in its entirety to read as follows:

“(A) (1) a material reduction or diminution in Executive’s title, position, authority, duties or responsibilities, or (2) the assignment to Executive of duties which are materially inconsistent with Executive’s title and position or which materially impair Executive’s ability to function as the Chief Operating Officer of the Company, or (3) a change in Executive’s line of reporting as set forth in the last sentence of Section 1 of the Employment Agreement, which continues unremedied for a period of thirty (30) days after Executive has given written notice to the Company specifying in detail the applicable event or events purported to give rise to good reason pursuant to such clauses (1), (2) or (3), as the case may be,”;
  - c. Clause (C) of Section 5(b)(iii) of the Employment Agreement shall be amended to add the following words at the beginning of such clause prior to the words “failure to timely pay...”: “a reduction in Executive’s salary rate then in effect or ...”.
  - d. Section 5(b)(iii) of the Employment Agreement shall be amended by replacing “60 days” with “90 days”.
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- e. The second and third sentences of Section 5(f) of the Employment Agreement shall be amended in their entirety to read as follows:

“In addition, subject to the terms and conditions of this Agreement, in the event of any such termination referred to in the preceding sentence, the Company shall continue to pay compensation to Executive under Section 3 and to provide benefits under Section 4(a) for a period of twenty-four (24) months from the date his employment terminates (sometimes referred to herein as the “severance amounts”). For the purposes of determining compensation payable to Executive pursuant to the preceding sentence, Executive’s applicable salary will be the highest annual rate of salary in effect during the one-year period preceding the date Executive’s employment terminates, and Executive shall be deemed to be entitled to an annual bonus for each 12-month period during such severance period in an amount equal to the greater of (i) the average annual cash bonus earned by Executive during the two fiscal years immediately preceding the fiscal year in which Executive’s employment terminates and (ii) an annual bonus amount of \$500,000 (in addition to his salary compensation for such period), it being understood that the cash portion of the severance payments (including the sum of the salary continuation at the annual rate referred to above and the applicable deemed annual bonus amount described above) will be payable in equal installments in accordance with the Company’s regular payroll schedule (thus, for illustration purposes only, if Executive’s annual salary rate is \$750,000, the applicable annual bonus amount is \$850,000 and the Company’s payroll schedule is monthly, Executive would receive in respect thereof severance payments of \$133,333.33 per month for each month during the 24-month severance period described above).”

- f. The definition of “Listed Company” in Section 7(a) of the Employment Agreement shall be revised to read as follows:

“For purposes of this Agreement, the term “Listed Company” shall mean PVH Corp., Kenneth Cole Productions, Inc., VF Corporation, VCS Group LLC (Vince Camuto), Ralph Lauren Corporation, Michael Kors Holdings Limited, Oxford Industries, Inc. or any successor Company to any of the foregoing.”

- g. The second sentence of Section 18 of the Employment Agreement shall be amended by adding the following at the end of such sentence: “; provided that, for the avoidance of doubt, it is understood that the foregoing shall not affect Executive’s rights under this Agreement in respect of a termination by the Company without justifiable cause or a termination by Executive for good reason, notwithstanding the occurrence of any such “Change in Control,” if for any reason such termination does not entitle Executive to the severance payments provided for under the Transition Agreement”.

2. Executive Transition Agreement Amendment. The Company and the Executive hereby acknowledge and agree that, as of the date hereof, the Executive Transition Agreement shall be amended as follows:

- a. Section 1.2(a) of the Executive Transition Agreement shall be amended by replacing (i) “1.5 times” with “2.0 times” and (ii) “18-month” with “24-month”.

b. Section 1.2(b) of the Executive Transition Agreement shall be amended by replacing “18 months” with “24 months”.

c. Clause (1) of Section 1.3(c) of the Executive Transition Agreement shall be amended to read as follows:

“(1) (i) a material reduction or diminution in the Executive’s title, position, authority, duties or responsibilities, or (ii) the assignment to the Executive of duties which are materially inconsistent with the Executive’s title and position or which materially impair the Executive’s ability to function in his title and position, or (iii) a change in the Executive’s line of reporting.”

d. A new clause (5) shall be added immediately prior to the end of the first sentence of Section 1.3(c) of the Executive Transition Agreement to read as follows:

“ or (5) the non-renewal or non-extension by the Company of the term of any employment agreement in effect between the Company and the Executive for reasons other than Cause or “cause” as defined in such employment agreement.”

3. Agreement References. All references to the Employment Agreement or the Executive Transition Agreement in the Employment Agreement or the Executive Transition Agreement, as the case may be, shall hereafter respectively be deemed to be references to the Employment Agreement as amended by this Amendment and the Executive Transition Agreement as amended by this Amendment, as applicable.

4. No Other Modifications. Except as expressly amended herein, all of the terms and provisions of the Employment Agreement and the Executive Transition Agreement shall remain unmodified and in full force and effect.

5. Counterparts and Facsimile. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signature page delivered by facsimile or electronic image transmission (including in the form of a PDF file) shall be binding to the same extent as an original signature page.

[ *Signature page follows* ]

IN WITNESS WHEREOF, each of the parties to this Amendment has executed and delivered this Amendment as of the date first written above.

**G-III APPAREL GROUP, LTD**

By: /s/ Morris Goldfarb

Name: Morris Goldfarb

Title: Chief Executive Officer

/s/ Wayne S. Miller

**Wayne Miller**

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**EMPLOYMENT AGREEMENT**

AGREEMENT (this "Agreement") made as of December 9, 2016, between G-III Apparel Group, Ltd., a New York corporation, with an office at 512 Seventh Avenue, New York, New York 10018 (the "Company"), and Jeffrey Goldfarb, an individual residing at 41 Harvest Drive, Scarsdale, New York, New York 10583 (the "Executive").

**WITNESSETH:**

WHEREAS, the Company desires to continue to employ Executive as an Executive Vice President of the Company, and Executive desires to continue to be so employed by the Company, upon the terms and subject to the conditions herein set forth; and

NOW, THEREFORE, in consideration of the premises and of the mutual promises, representations and covenants herein contained, the parties hereto agree as follows:

1. EMPLOYMENT.

The Company hereby employs Executive as an Executive Vice President of the Company and Executive hereby agrees to accept such employment, subject to the terms and conditions herein set forth. Executive currently serves as an Executive Vice President of the Company and shall have substantially the same duties, responsibilities and authority as he had prior to the execution of this Agreement. Executive hereby agrees to diligently, faithfully and competently perform such services and such additional duties and responsibilities, consistent with his position, as shall from time to time be reasonably assigned to him by the Company's Board of Directors or its Chief Executive Officer, and to diligently, faithfully and competently devote his entire business time, skill and attention to the performance of his duties and responsibilities to the Company. Executive shall report to the Company's Chief Executive Officer.

2. TERM.

Executive's term of employment with the Company shall terminate on January 31, 2018, subject to prior termination in accordance with the terms hereof (the "Term"); provided, however, that on August 1, 2017 and on each subsequent August 1<sup>st</sup> prior to the end of the then Term, the Term of this Agreement shall be automatically extended for an additional one-year period unless no more than sixty (60) days prior to such August 1<sup>st</sup> either party shall have given written notice to the other that the Term of this Agreement shall not be extended any further.

3. COMPENSATION.

As compensation for the employment services to be rendered by Executive hereunder, the Company agrees to pay, or cause to be paid, to Executive, and Executive agrees to accept, payable in accordance with the Company's normal payroll policy at the time in effect, a salary at the rate of Seven Hundred Fifty Thousand Dollars (\$750,000) per year, plus such bonus, if any, as shall be awarded by the Company's Board of Directors or Compensation Committee.

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4. BENEFITS AND EXPENSES.

(a) Executive shall continue to receive the benefits and reimbursement of expenses that he currently receives and shall also be entitled to four (4) weeks paid vacation per year, and to participate in the benefit plans and arrangements and receive any other benefits customarily provided by the Company to its senior executive personnel (including any profit sharing, pension, disability insurance, hospital, major medical insurance and group life insurance plans in accordance with the terms of such plans) (the “Benefit Plans”).

(b) The Company shall pay or reimburse Executive, upon presentment of suitable vouchers, for all reasonable business and travel expenses which may be incurred or paid by Executive in connection with his employment hereunder in accordance with Company policy. Executive shall comply with such requirements and shall keep such records as the Company may deem necessary to meet the requirements of the Internal Revenue Code of 1986, as amended from time to time (the “Code”), and regulations promulgated thereunder.

5. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION.

(a) Executive’s employment hereunder shall terminate upon the first to occur of the following:

(i) upon thirty (30) days’ prior written notice to Executive upon the determination by the Company that Executive’s employment shall be terminated for any reason which does not constitute “justifiable cause” (as hereinafter defined);

(ii) upon written notice to Executive by the Company in the event that there is justifiable cause for such termination;

(iii) automatically upon the death of Executive;

(iv) in accordance with the terms of subsection (e) hereof upon the “disability” (as hereinafter defined) of Executive;

(v) upon thirty (30) days’ prior written notice by Executive to the Company for “good reason” (as hereinafter defined); or

(vi) upon thirty (30) days’ prior written notice by Executive to the Company of the Executive’s voluntary termination of employment other than for good reason.

(b) For the purposes of this Agreement:

(i) the term “disability” shall mean the inability of Executive, due to illness, accident or any other physical or mental incapacity, substantially to perform the material functions of his duties for a period of three (3) consecutive months or for a total of four (4) months (whether or not consecutive) in any twelve (12) month period during the term of this Agreement, as reasonably determined by the Company in good faith;

(ii) the term “justifiable cause” shall mean: (1) the Executive’s repeated failure or refusal to perform his duties pursuant to, or Executive’s material breach of this Agreement, where such conduct shall not have ceased or been remedied within ten days following written warning from the Company specifying such conduct purported to give rise to justifiable cause; (2) the Executive’s conviction of, or entering a plea of guilty or no contest to, a felony; (3) the Executive’s performance of any act or the Executive’s failure to act, for which, if the Executive were prosecuted and convicted, a crime or offense involving money or property of the Company would have occurred; (4) the Executive’s performance of any act or the Executive’s failure to act which constitutes fraud or a breach of a fiduciary trust, including, without limitation, misappropriation of funds or a material misrepresentation of the Company’s operating results or financial condition; (5) any attempt by the Executive to secure any personal profit (other than pursuant to the terms of the Executive’s employment or through the Executive’s ownership of equity in the Company) in connection with the business of the Company (for example, without limitation, using Company assets to pursue other interests, diverting to the Executive or to a third party any business opportunity belonging to the Company, insider trading or taking bribes or kickbacks); (6) the Executive’s engagement in conduct or activities materially damaging to the property, business or reputation of the Company other than as a result of good faith performance of his duties; (7) the Executive’s illegal use of controlled substances; (8) any act or omission by the Executive involving malfeasance or gross negligence in the performance of the duties of the Executive’s employment to the material detriment of the Company; or (9) the entry of any order of a court that remains in effect and is not discharged for a period of at least sixty days, which enjoins or otherwise limits or restricts the performance by the Executive of the duties of the Executive’s employment, relating to any contract, agreement or commitment made by or applicable to the Executive in favor of any former employer or any other person; and

(iii) the term “good reason” shall mean any of the following events that occur, after expiration of any remedy or cure period, (A) (1) a material reduction or diminution in Executive’s title, position, authority, duties or responsibilities, or (2) the assignment to Executive of duties which are materially inconsistent with Executive’s title and position or which materially impair Executive’s ability to function as an Executive Vice President of the Company, or (3) a change in Executive’s line of reporting as set forth in the last sentence of Section 1 of the Employment Agreement, which continues unremedied for a period of thirty (30) days after Executive has given written notice to the Company specifying in detail the applicable event or events purported to give rise to good reason pursuant to such clauses (1), (2) or (3), as the case may be, (B) a change in the Executive’s office location to a location more than fifty (50) miles outside of New York City, except for such travel as the Company may reasonably require, (C) a reduction in Executive’s salary rate then in effect or failure to timely pay or provide Executive any compensation or benefits provided for in this Agreement or other material breach of this Agreement by the Company, and the Company’s failure to cure such failure or breach within a period of thirty (30) days after written notice of such failure or breach has been given by the Executive to the Company or (D) the Company giving written notice pursuant to Section 2 that the Term of this Agreement shall not be extended any further, it being understood that, as a condition to a termination for good reason, the Executive’s written notice to the Company must be provided within 90 days after the occurrence of the event giving rise to such termination, except that the written notice to the Company with respect to a termination for good reason pursuant to clause (D) above must be provided within six (6) months after the Company provides such written notice pursuant to Section 2.

(c) Upon termination of Executive's employment by the Company for justifiable cause or voluntarily by Executive other than for good reason, Executive shall not be entitled to any amounts or benefits hereunder other than such portion of Executive's annual salary, reimbursement of expenses and any amounts payable or benefits to be provided to Executive under the terms of the Benefit Plans, each as have been accrued through the date of the termination of his employment.

(d) If Executive should die during the term of his employment hereunder, this Agreement shall terminate immediately. In such event, the estate of Executive shall thereupon be entitled to receive such portion of Executive's annual salary, reimbursement of expenses and any bonus as has been accrued through the date of his death. Executive's estate also shall be entitled to any amounts or benefits payable or to be provided to Executive under the terms of the Benefit Plans.

(e) Upon Executive's disability, the Company shall have the right to terminate Executive's employment. Any termination pursuant to this subsection (e) shall be effective on the date thirty (30) days after which Executive shall have received written notice of the Company's election to terminate. In such event, Executive shall thereupon be entitled to receive such portion of Executive's annual salary, reimbursement of expenses and any bonus as has been accrued through the date of termination. Executive shall also be entitled to any amounts or benefits payable or to be provided under the terms of the Benefit Plans.

(f) In the event that Executive's employment is terminated during the Term by the Company without justifiable cause or if Executive terminates his employment for good reason, Executive shall be entitled to receive such portion of Executive's annual salary, reimbursement of expenses and any bonus as has been accrued through the date of the date of termination, together with any amounts or benefits payable or to be provided to Executive under the terms of the Benefit Plans. In addition, subject to the terms and conditions of this Agreement, in the event of any such termination referred to in the preceding sentence, the Company shall continue to pay compensation to Executive under Section 3 and to provide benefits under Section 4(a) for a period of twenty-four (24) months from the date his employment terminates (sometimes referred to herein as the "severance amounts"). For the purposes of determining compensation payable to Executive pursuant to the preceding sentence, Executive's applicable salary will be the highest annual rate of salary in effect during the one-year period preceding the date Executive's employment terminates, and Executive shall be deemed to be entitled to an annual bonus for each 12-month period during such severance period in an amount equal to the greater of (i) the average annual cash bonus earned by Executive during the two fiscal years immediately preceding the fiscal year in which Executive's employment terminates and (ii) an annual bonus amount of \$500,000 (in addition to his salary compensation for such period), it being understood that the cash portion of the severance payments (including the sum of the salary continuation at the annual rate referred to above and the applicable deemed annual bonus amount described above) will be payable in equal installments in accordance with the Company's regular payroll schedule (thus, for illustration purposes only, if Executive's annual salary rate is \$750,000, the applicable annual bonus amount is \$850,000 and the Company's payroll schedule is monthly, Executive would receive in respect thereof severance payments of \$133,333.33 per month for each month during the 24-month severance period described above). Notwithstanding the foregoing, the Company's obligation to pay or provide and the Executive's right to receive severance amounts are conditioned upon (1) receipt by the Company, within 60 days after the termination of the Executive's employment, of a duly executed general release in the form of Exhibit A attached hereto which is no longer subject to



revocation and (2) Executive's compliance with his obligations under Sections 7, 8 and 9 hereof. Subject to the preceding sentence, the payments and benefits provided for under this Section 5(f) shall not be reduced or affected by, or otherwise subject to any mitigation as a result of, any new employment position Executive may commence or any other compensation Executive may receive subsequent to the date his employment terminates. Subject to the provisions hereof, including, without limitation, satisfaction of the release condition imposed pursuant to this Section and any delayed payment requirement that may be imposed by Section 14 hereof, severance amounts required to be paid or provided under this Agreement shall be made or begin (x) with respect to such amounts that are subject to and not exempt from Section 409A of the Internal Revenue Code of 1986, as amended at the end of the 60-day time period described above and (y) with respect to all other such amounts, on the payroll date immediately following the Company's receipt of the release which is no long subject to revocation; and, on such applicable payment commencement date, the Executive will be entitled to receive a single sum make-up payment equal to the sum of the severance payments (or applicable unpaid portion thereof) the Executive would have received from the date of the event giving rise to such severance payments and the delayed start date for such payments.

(g) Upon Executive's termination of his employment hereunder, this Agreement (other than Section 4(b), this Section 5 as applicable, and Sections 7, 8, 9, 10 and 13, which shall survive in accordance with their terms) shall terminate. In such event, and without limiting the provisions of Sections 5(c), (d), (e) and (f), Executive shall be entitled to receive such portion of Executive's annual salary as has been accrued to date. Executive shall be entitled to continue to participate in the Benefit Plans to the extent participation by former employees is required by law or permitted by such plans, with the expense of such participation to be as specified in such plans for former employees. Executive shall also be entitled to any amounts or benefits payable or to be provided under the terms of the Benefit Plans.

(h) Upon the Company giving notice of termination pursuant to Section 5(a)(i) or (ii) or Executive giving notice of termination pursuant to Section 5(a)(v) or (vi), the Company may require that Executive immediately leave the Company's premises, but such requirement shall not affect the effective date of termination of employment.

6. REPRESENTATIONS AND AGREEMENTS OF EXECUTIVE.

Executive represents and warrants that he is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts or understandings, restrictive covenants or other restrictions, whether written or oral, preventing the performance of his duties hereunder.

7. NON-COMPETITION.

(a) In view of the unique and valuable services rendered and to be rendered by Executive to the Company, Executive's knowledge of the trade secrets and other proprietary information relating to the business of the Company or any of its subsidiaries or affiliates (collectively, the "G-III Group") and in consideration of the compensation to be received hereunder, Executive agrees that during his employment by the Company and for a period of one (1) year following the termination of Executive's employment hereunder (the "Non-Competition")

Period”), Executive shall not, whether for compensation or without compensation, directly or indirectly, as an owner, principal, partner, member, shareholder, independent contractor, consultant, joint venturer, investor, licensor, licensee, lender or in any other capacity whatsoever, alone, or in association with any other person, carry on, be engaged or take part in, or render services (other than services which are generally offered to third parties) or advice to, own, share in the earnings of, invest in the stocks, bonds or other securities of, or otherwise become financially interested in, any business entity or person engaged in any business in competition with any business engaged in by the Company during the term of Executive’s employment by the Company. If the Company terminates Executive’s employment pursuant to the provisions of Section 5(a)(i) or if Executive terminates his employment pursuant to the provisions of Section 5(a)(v), Executive may engage in any of the activities that would otherwise violate the provisions of the first sentence of this Section 7(a), other than with respect to a “Listed Company” (as such term is hereinafter defined), and such activities shall not constitute a breach of this Agreement; provided, however, that in the event Executive engages in any such activities during the one-year Non-Competition Period, Executive shall no longer have the right to receive any severance amounts pursuant to Section 5(f). If Executive terminates his employment pursuant to the provisions of Section 5(a)(vi) or if the Company terminates Executive’s employment pursuant to the provisions of Section 5(a)(iv), Executive may engage in any of the activities that would otherwise violate the provisions of the first sentence of this Section 7(a), other than with respect to a Listed Company, and such activities shall not constitute a breach of this Agreement. For purposes of this Agreement, the term “Listed Company” shall mean PVH Corp., Kenneth Cole Productions, Inc., VF Corporation, VCS Group LLC (Vince Camuto), Ralph Lauren Corporation, Michael Kors Holdings Limited, Oxford Industries, Inc. or any successor company to any of the foregoing. The record or beneficial ownership by Executive of up to the lesser of (i) \$400,000 or (ii) 1.0% of the shares of any corporation whose shares are publicly traded on a national securities exchange or in the over-the-counter market shall not of itself constitute a breach hereunder. In addition, Executive shall not, directly or indirectly, during the Non-Competition Period (other than in connection with the good faith performance of his duties while employed by the Company), request or cause any customers, suppliers, licensees or licensors with whom the G-III Group has a business relationship to cancel or terminate any such business relationship with any member of the G-III Group or solicit, interfere with, entice from or hire from any member of the G-III Group any employee of any member of the G-III Group.

(b) If any portion of the restrictions set forth in this Section 7 should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected.

(c) Executive acknowledges that the provisions of this Section 7 were a material inducement to the Company to enter into this Agreement, and that the Company would not enter into this Agreement but for the agreements and covenants contained herein. Executive further acknowledges that the limitations set forth in this Section 7 are reasonable and properly required for the adequate protection of the business of the G-III Group. Executive hereby waives, to the extent permitted by law, any and all right to contest the validity of this Section 7 on the grounds of breadth of its geographic or product or service coverage or length of term. In the event any such limitation hereunder is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of the territorial or time limitation to the area or time period which such court shall deem reasonable.

(d) Nothing contained in this Agreement shall require the Company to utilize Executive's services under this Agreement, the Company's only obligation to Executive being payment of his compensation, benefits and reimbursable expenses under the terms of this Agreement.

8. INVENTIONS AND DISCOVERIES.

(a) Executive shall promptly and fully disclose to the Company, with all necessary detail for a complete understanding of the same, all developments, know-how, improvements, concepts, ideas, designs, sketches, writings, processes and methods (whether copyrightable, patentable or otherwise) made, received, conceived, developed, acquired or written during working hours, or otherwise, by Executive (whether or not at the request or upon the suggestion of the Company) during his employment with the Company, solely or jointly with others, using the G-III Group's resources, or relating to any current or proposed business or activities of the G-III Group known to him as a consequence of his employment or the rendering of services hereunder (collectively, the "Subject Matter").

(b) Executive hereby assigns and transfers, and agrees to assign and transfer, to the Company all his rights, title and interest in and to the Subject Matter, and Executive further agrees to deliver to the Company any and all drawings, notes, specifications and data relating to the Subject Matter, and to execute, acknowledge and deliver all such further papers, including applications for trademarks, copyrights or patents, as may be necessary to obtain trademarks, copyrights and patents for the Subject Matter in any and all countries and to vest title thereto in the Company. Executive shall assist the Company in obtaining such trademarks, copyrights or patents during the term of this Agreement, and any time thereafter on reasonable notice and at mutually convenient times, and Executive agrees to testify in any prosecution or litigation involving any of the Subject Matter; provided, however, that following termination of employment Executive shall be reimbursed his reasonable out-of-pocket expenses incurred in rendering such assistance or giving or preparing to give such testimony.

9. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION.

(a) Executive shall not, during the term of this Agreement, or at any time following expiration or termination of this Agreement, directly or indirectly, disclose or permit to be known (other than as is required in the regular course of his duties (including without limitation disclosures to the Company's advisors and consultants) or as is required by law (in which case Executive shall give the Company prior written notice of such required disclosure) or with the prior written consent of the Company), to any person, firm or corporation, any Confidential Information (as hereinafter defined) acquired by him during the course of, or as an incident to, his employment hereunder, relating to the G-III Group, any customer, supplier, licensee or licensor of the G-III Group, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing ("G-III Confidential Information"). As used herein, the term "Confidential Information" shall mean proprietary technology, trade secrets, designs, sketches, know-how, market studies and forecasts, competitive analyses, pricing policies, employee lists, personnel policies, manufacturing sources, the substance of agreements with customers, suppliers, licensors, licensees and others, marketing

arrangements, licensing agreements, servicing and training programs and arrangements, customer lists and any other documents embodying such confidential information. This confidentiality obligation shall not apply to any G-III Confidential Information which becomes publicly available other than in violation of this Section 9.

(b) All information and documents relating to the G-III Group as hereinabove described (or other business affairs) shall be the exclusive property of the G-III Group. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof, then in Executive's possession or control shall be returned and left with the Company.

10. SPECIFIC PERFORMANCE.

Executive agrees that if he breaches, or threatens to commit a breach of, any of the provisions of Sections 7, 8 or 9 (the "Restrictive Covenants"), the Company shall have, in addition to, and not in lieu of, any other rights and remedies available to the Company under law and in equity, the right to injunctive relief and/or to have the Restrictive Covenants specifically enforced by a court of competent jurisdiction, without the posting of any bond or other security, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the G-III Group and that money damages would not provide an adequate remedy to the Company. Notwithstanding the foregoing, nothing herein shall constitute a waiver by Executive of his right to contest whether a breach or threatened breach of any Restrictive Covenant has occurred.

11. AMENDMENT OR ALTERATION.

No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto.

12. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed therein.

13. SEVERABILITY.

The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

14. WITHHOLDING; SECTION 409A.

(a) The Company may deduct and withhold from the payments to be made to Executive hereunder any amounts required to be deducted and withheld by the Company under the provisions of any applicable statute, law, regulation or ordinance now or hereafter enacted.

(b) For purposes of Section 409A of the Internal Revenue Code of 1986 and the regulations issued thereunder ("Section 409A"), each of the payments that may be made

under this Agreement shall be deemed to be a separate payment. With respect to the time of payment of any amounts under this Agreement that are deemed to be “deferred compensation” subject to Section 409A, references to “termination of employment” (and terms of like import) shall mean “separation from service” within the meaning of Section 409A. Notwithstanding any provision to the contrary contained herein, if the Executive is treated as a “specified employee” within the meaning of Section 409A at the time of the termination of his employment, any payment otherwise required to be made to the Executive on account of such termination of employment which is properly treated as deferred compensation subject to Section 409A, shall be delayed until the first business day following the earlier of (1) the date six months following such termination of employment, or (2) the date of the Executive’s death; and, on the payment date as so delayed, the Company will make a single lump sum payment to the Executive (or the Executive’s estate, as the case may be) equal to the aggregate amount of the payments that were so delayed. To the extent the Executive is entitled to receive taxable reimbursements and/or in-kind benefits, the following provisions apply: (i) the amount of such reimbursements and benefits the Executive receives in one year shall not affect amounts provided in any other year, (ii) such reimbursements must be made by the last day of the year following the year in which the expense was incurred, and (iii) such reimbursements and benefits may not be liquidated or exchanged for any other reimbursement or benefit. The parties intend that all payments under this Agreement will be exempt from or will comply with Section 409A, as applicable, and this Agreement shall be construed and interpreted in a manner that is consistent with that intent. Notwithstanding the foregoing, the Executive shall be solely responsible, and the Company shall have no liability, for any taxes, acceleration of taxes, interest or penalties arising under Section 409A with respect to any amounts payable under this Agreement.

15. NOTICES.

Any notices required or permitted to be given hereunder shall be sufficient if in writing, and if delivered by hand or overnight courier, or sent by certified mail, return receipt requested, to the addresses set forth above or such other address as either party may from time to time designate in writing to the other, and shall be deemed given as of the date of the delivery or at the expiration of three days in the event of a mailing.

16. COUNTERPARTS AND FACSIMILE SIGNATURES.

This Agreement may be signed in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Agreement. For purposes of this Agreement, a facsimile copy of a party’s signature shall be sufficient to bind such party.

17. WAIVER OR BREACH.

It is agreed that a waiver by either party of a breach of any provision of this Agreement shall not operate, or be construed, as a waiver of any subsequent breach by that same party.

18. ENTIRE AGREEMENT AND BINDING EFFECT.

Except for the Amended and Restated Executive Transition Agreement, dated February 15, 2011, between the Company and the Executive, as amended on the date hereof (the

“Transition Agreement”), this Agreement contains the entire agreement of the parties with respect to the subject matter hereof, supersedes all prior and contemporaneous agreements, both written and oral, between the parties with respect to the subject matter hereof, and may be modified only by a written instrument signed by each of the parties hereto. To the extent that payments to Executive in connection with a termination of his employment in connection with a “Change of Control” (as such term is defined in the Transition Agreement) could be determined by the terms of both this Agreement and the Transition Agreement, the terms of the Transition Agreement shall apply to determine such payments to Executive upon such a termination of his employment; provided that, for the avoidance of doubt, it is understood that the foregoing shall not affect Executive’s rights under this Agreement in respect of a termination by the Company without justifiable cause or a termination by Executive for good reason, notwithstanding the occurrence of any such “Change in Control,” if for any reason such termination does not entitle Executive to the severance payments provided for under the Transition Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributors, successors and assigns; provided, however, that Executive shall not be entitled to assign or delegate any of his rights or obligations hereunder without the prior written consent of the Company. It is intended that Sections 7, 8, 9 and 10 benefit each of the Company and each other member of the G-III Group, each of which is entitled to enforce the provisions of Sections 7, 8, 9 and 10. Notwithstanding anything to the contrary, Executive shall be entitled to indemnification by the Company pursuant to the terms of any separate indemnification agreement as may be in effect from time to time for the benefit of Executive, and in any event the Company agrees that in the event Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or otherwise, by reason of the fact that Executive is or was an officer, director, manager or employee of the Company or any of its affiliates, Executive shall be indemnified by the Company to the fullest extent permitted or authorized by the Company’s articles of incorporation, bylaws or other governing documents.

19. SURVIVAL.

The termination of Executive’s employment hereunder or the expiration of this Agreement shall not affect the enforceability of Sections 7, 8, 9 and 10 hereof.

20. FURTHER ASSURANCES.

The parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

21. CONSTRUCTION OF AGREEMENT.

No provision of this Agreement or any related document shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision.



[Letterhead of G-III Apparel Group, Ltd.]

[Date]

[Executive]

[Address]

Dear [Executive]:

This will confirm that your employment with G-III Apparel Group, Ltd. (the “Company”) has been terminated as of [date]. In exchange for your general release and fulfillment of all of your commitments in this Agreement, which are set forth below, the Company will pay you the severance amounts set forth in Section 5(f) of your employment agreement with the Company (the “Employment Agreement”). In addition, you agree (i) to comply with the terms of Sections 7, 8 and 9 of the Employment Agreement, (ii) not to disparage the Company or any of its subsidiaries or affiliates (collectively, the “G-III Group”) or make or cause to be made any statement that is critical of or otherwise maligns the business reputation of the G-III Group and (iii) not to tortiously interfere in any manner with the present or future business activities of the G-III Group.

The foregoing voluntary payment is given in return for your discharge and release of all claims, obligations, and demands which you have, ever had, or in the future may have, against any member of the G-III Group and any of its or their stockholders, officers, directors, employees, or agents, arising out of or relating to your employment and the termination thereof up to the date of this Release, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act, applicable New York State law, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, the Older Workers Benefits Protection Act, the Employee Retirement Income Security Act of 1974, the Americans With Disabilities Act, and all other federal, state, and local discrimination laws, and claims for wrongful discharge. You further waive and release any claimed right to reemployment, or employment in the future with the Company or any other member of the G-III Group. You do not, however, waive or release any claims which arise after the date that you execute this agreement or any claims to enforce your rights to any payments or benefits owed under the Employment Agreement or pursuant to any Benefit Plans (as defined in the Employment Agreement) or any claims or rights to indemnification by the Company pursuant to any indemnification agreement as may be in effect for your benefit or pursuant to the Company’s articles of incorporation, bylaws or other governing documents.

The Company has advised you to consult with an attorney and/or governmental agencies prior to executing this agreement. By executing this agreement you acknowledge that you have been provided an opportunity to consult with an attorney or other advisor of your choice regarding the terms of this agreement, that you have been given a minimum of twenty-one days in which to consider whether you wish to enter into this agreement, and that you have elected to enter into this agreement knowingly and voluntarily. You may revoke your assent to this



agreement within seven days of its execution by you (the “Revocation Period”), and the agreement will not become effective or enforceable until the Revocation Period has expired.

If this is in accordance with our agreement, please sign and return to us the enclosed copy of this letter, which shall then be a binding agreement between us.

G-III APPAREL GROUP, LTD.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Agreed and Accepted:

\_\_\_\_\_  
Jeffrey Goldfarb

## AMENDMENT TO EXECUTIVE TRANSITION AGREEMENT

Amendment, dated as of December 9, 2016 (this “Amendment”), to the Amended and Restated Executive Transition Agreement made as of February 15, 2011 (the “Executive Transition Agreement”), by and between G-III Apparel Group, Ltd. (the “Company”) and Jeffrey Goldfarb (the “Executive”).

## RECITALS

WHEREAS, the Company and the Executive desire to enter into this Amendment in order to modify certain provisions of the Executive Transition Agreement as further set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the mutual promises and covenants contained herein, the parties hereto, intending to be legally bound, agree as follows:

AGREEMENT

1. Executive Transition Agreement Amendment. The Company and the Executive hereby acknowledge and agree that, as of the date hereof, the Executive Transition Agreement shall be amended as follows:

- a. Section 1.2(a) of the Executive Transition Agreement shall be amended by replacing (i) “1.5 times” with “2.0 times” and (ii) “18-month” with “24-month”.
- b. Section 1.2(b) of the Executive Transition Agreement shall be amended by replacing “18 months” with “24 months”.
- c. Clause (1) of Section 1.3(c) of the Executive Transition Agreement shall be amended to read as follows:

“(1) (i) a material reduction or diminution in the Executive’s title, position, authority, duties or responsibilities, or (ii) the assignment to the Executive of duties which are materially inconsistent with the Executive’s title and position or which materially impair the Executive’s ability to function in his title and position, or (iii) a change in the Executive’s line of reporting.”

- d. A new clause (5) shall be added immediately prior to the end of the first sentence of Section 1.3(c) of the Executive Transition Agreement to read as follows:

“or (5) the non-renewal or non-extension by the Company of the term of any employment agreement in effect between the Company and the Executive for reasons other than Cause or “cause” as defined in such employment agreement.”

2. Agreement References. All references to the Executive Transition Agreement shall hereafter be deemed to be references to the Executive Transition Agreement as amended by this Amendment.

3. No Other Modifications. Except as expressly amended herein, all of the terms and provisions of the Executive Transition Agreement shall remain unmodified and in full force and effect.

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[G-III Letterhead]

December 9, 2016

Mr. Neal Nackman  
43 Kensett Lane  
Darien, CT 06820

Dear Neal:

This letter agreement, when accepted by you, shall confirm the agreement between G-III Apparel Group, Ltd. (the “Company”) and you with respect to the matters set forth herein.

Subject to the terms and conditions of this letter agreement, in the event the Company shall terminate your employment without “Cause” (as such term is defined in Executive Transition Agreement (the “Transition Agreement”), dated February 15, 2011, between the Company and you), the Company shall continue to pay compensation to you and to provide benefits previously provided to you for a period of twelve (12) months from the date your employment terminates (sometimes referred to herein as the “severance amounts”). For the purposes of determining compensation payable to you pursuant to the preceding sentence, your applicable salary will be the highest annual rate of salary in effect during the one-year period preceding the date your employment terminates, and you shall be deemed to be entitled to an annual bonus for the 12-month severance period in an amount equal to the average annual cash bonus earned by you during the two fiscal years immediately preceding the fiscal year in which your employment terminates, it being understood that the cash portion of the severance payments (including the sum of the salary continuation at the annual rate referred to above and the applicable deemed annual bonus amount described above) will be payable in equal installments in accordance with the Company’s regular payroll schedule. The Company may deduct and withhold from the payments to be made to you hereunder any amounts required to be deducted and withheld by the Company under the provisions of any applicable statute, law, regulation or ordinance now or hereafter enacted.

Notwithstanding the foregoing, the Company’s obligation to pay or provide and your right to receive severance amounts are conditioned upon (1) receipt by the Company, within 60 days after the termination of your employment, of a duly executed general release in the form of Exhibit A attached hereto which is no longer subject to revocation. Subject to the preceding sentence, the payments and benefits provided for under this letter agreement shall not be reduced or affected by, or otherwise subject to any mitigation as a result of, any new employment position you may commence or any other compensation you may receive subsequent to the date your employment terminates. Subject to the provisions hereof, including, without limitation, satisfaction of the release condition imposed pursuant to this paragraph and any delayed payment requirement that may be imposed by the following paragraph, severance amounts required to be paid or provided under this Agreement shall be made or begin (x) with respect to such amounts

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that are subject to and not exempt from Section 409A of the Internal Revenue Code of 1986, as amended at the end of the 60-day time period described above and (y) with respect to all other such amounts, on the payroll date immediately following the Company's receipt of the release which is no long subject to revocation; and, on such applicable payment commencement date, you will be entitled to receive a single sum make-up payment equal to the sum of the severance payments (or applicable unpaid portion thereof) you would have received from the date of the event giving rise to such severance payments and the delayed start date for such payments.

For purposes of Section 409A of the Internal Revenue Code of 1986 and the regulations issued thereunder ("Section 409A"), each of the payments that may be made under this letter agreement shall be deemed to be a separate payment. With respect to the time of payment of any amounts under this letter agreement that are deemed to be "deferred compensation" subject to Section 409A, references to "termination of employment" (and terms of like import) shall mean "separation from service" within the meaning of Section 409A. Notwithstanding any provision to the contrary contained herein, if you are treated as a "specified employee" within the meaning of Section 409A at the time of the termination of your employment, any payment otherwise required to be made to you on account of such termination of employment which is properly treated as deferred compensation subject to Section 409A, shall be delayed until the first business day following the earlier of (1) the date six months following such termination of employment, or (2) the date of your death; and, on the payment date as so delayed, the Company will make a single lump sum payment to you (or your estate, as the case may be) equal to the aggregate amount of the payments that were so delayed. To the extent you are entitled to receive taxable reimbursements and/or in-kind benefits, the following provisions apply: (i) the amount of such reimbursements and benefits you receive in one year shall not affect amounts provided in any other year, (ii) such reimbursements must be made by the last day of the year following the year in which the expense was incurred, and (iii) such reimbursements and benefits may not be liquidated or exchanged for any other reimbursement or benefit. The parties intend that all payments under this letter agreement will be exempt from or will comply with Section 409A, as applicable, and this letter agreement shall be construed and interpreted in a manner that is consistent with that intent. Notwithstanding the foregoing, you shall be solely responsible, and the Company shall have no liability, for any taxes, acceleration of taxes, interest or penalties arising under Section 409A with respect to any amounts payable under this letter agreement.

Except for the Transition Agreement, this letter agreement contains the entire agreement of the parties with respect to the subject matter hereof, supersedes all prior and contemporaneous agreements, both written and oral, between the parties with respect to the subject matter hereof, and may be modified only by a written instrument signed by each of the parties hereto. To the extent that payments to you in connection with a termination of your employment in connection with a "Change of Control" (as such term is defined in the Transition Agreement) could be determined by the terms of both this letter agreement and the Transition Agreement, the terms of the Transition Agreement shall apply to determine such payments to you upon such a termination of your employment.

If the foregoing accurately sets forth our agreement, please execute two copies of this letter agreement and return one fully executed copy to the undersigned.

G-III APPAREL GROUP, LTD.

By: \_\_\_\_\_ /s/ Wayne S. Miller

Accepted and Agreed to:

\_\_\_\_\_  
/s/ Neal Nackman

Neal Nackman

[Letterhead of G-III Apparel Group, Ltd.]

[Date]

Mr. Neal Nackman  
[Address]

Dear Neal:

This will confirm that your employment with G-III Apparel Group, Ltd. (the “Company”) has been terminated as of [date]. In exchange for your general release and fulfillment of all of your commitments in this Agreement, which are set forth below, the Company will pay you the severance amounts set forth in the letter agreement, dated December \_\_\_\_, 2016, with the Company (the “Letter Agreement”). In addition, you agree (i) not to disparage the Company or any of its subsidiaries or affiliates (collectively, the “G-III Group”) or make or cause to be made any statement that is critical of or otherwise maligns the business reputation of the G-III Group and (ii) not to tortiously interfere in any manner with the present or future business activities of the G-III Group.

The foregoing voluntary payment is given in return for your discharge and release of all claims, obligations, and demands which you have, ever had, or in the future may have, against any member of the G-III Group and any of its or their stockholders, officers, directors, employees, or agents, arising out of or relating to your employment and the termination thereof up to the date of this Release, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act, applicable New York State law, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, the Older Workers Benefits Protection Act, the Employee Retirement Income Security Act of 1974, the Americans With Disabilities Act, and all other federal, state, and local discrimination laws, and claims for wrongful discharge. You further waive and release any claimed right to reemployment, or employment in the future with the Company or any other member of the G-III Group. You do not, however, waive or release any claims which arise after the date that you execute this agreement or any claims to enforce your rights to any payments or benefits owed under the letter agreement or pursuant to any benefit plans or any claims or rights to indemnification by the Company pursuant to any indemnification agreement as may be in effect for your benefit or pursuant to the Company’s articles of incorporation, bylaws or other governing documents.

The Company has advised you to consult with an attorney and/or governmental agencies prior to executing this Agreement. By executing this Agreement you acknowledge that you have been provided an opportunity to consult with an attorney or other advisor of your choice regarding the terms of this Agreement, that you have been given a minimum of twenty-one days in which to consider whether you wish to enter into this Agreement, and that you have elected to enter into this Agreement knowingly and voluntarily. You may revoke your assent to this

Agreement within seven days of its execution by you (the “ Revocation Period ”), and this Agreement will not become effective or enforceable until the Revocation Period has expired.

If this is in accordance with our agreement, please sign and return to us the enclosed copy of this Agreement, which shall then be a binding agreement between us.

G-III APPAREL GROUP, LTD.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Agreed and Accepted:

\_\_\_\_\_  
Neal Nackman