

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): March 14, 2013 (March 13, 2013)

G-III APPAREL GROUP, LTD.

(Exact name of registrant as specified in its charter)

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)

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))

Item 1.01 Entry into a Material Definitive Agreement.

(a) On March 13, 2013, the Board of Directors (the “Board”) of G-III Apparel Group, Ltd. (the “Company”) approved an amendment to Section 3 and the addition of new Section 13(f) of the Company’s Amended and Restated 2005 Stock Incentive Plan (the “2005 Stock Plan”). The amendments prohibit repricing and recycling of options and stock appreciation rights granted under the 2005 Stock Plan. A copy of the 2005 Stock Plan, as amended to reflect these amendments, is filed as Exhibit 10.1 hereto.

(b) On March 13, 2013, the Board approved, and Morris Goldfarb, the Chairman of the Board and Chief Executive Officer of the Company, entered into, a letter agreement (the “Goldfarb Letter Agreement”) with the Company that amends his Employment Agreement, dated February 1, 1994, as amended, with the Company. The Goldfarb Letter Agreement amends the bonus provision of Mr. Goldfarb’s Employment Agreement to provide that, with respect to each fiscal year of the Company commencing with the fiscal year ending January 31, 2014, (i) no cash bonus will be payable to him under his Employment Agreement unless the Company’s Pre-Tax Income (as defined therein) exceeds \$10,000,000 for such fiscal year and (ii) the maximum annual cash bonus payable to him under his Employment Agreement with respect to a fiscal year shall be no more than two times the target annual bonus for that fiscal year based on the budgeted Pre-Tax Income (as defined therein) for that fiscal year as determined no later than April 30 of such fiscal year by the Compensation Committee of the Board. A copy of the Goldfarb Letter Agreement is filed as Exhibit 10.2 hereto.

(c) On March 13, 2013, the Board approved, and Sammy Aaron, the Vice Chairman of the Company, entered into, a letter agreement (the “Aaron Letter Agreement”) with the Company that amends his Employment Agreement, dated July 11, 2005, as amended, with the Company. The Aaron Letter Agreement amends the bonus provision of Mr. Aaron’s Employment Agreement to provide that, with respect to each fiscal year of the Company commencing with the fiscal year ending January 31, 2014, (i) no cash bonus will be payable to him under his Employment Agreement unless the Company’s Pre-Tax Income (as defined therein) exceeds \$10,000,000 for such fiscal year and (ii) the maximum annual cash bonus payable to him under his Employment Agreement with respect to a fiscal year shall be no more than two times the target annual bonus for that fiscal year based on the budgeted Pre-Tax Income (as defined therein) for that fiscal year as determined no later than April 30 of such fiscal year by the Compensation Committee of the Board. A copy of the Aaron Letter Agreement is filed as Exhibit 10.3 hereto.

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

(e) For a description of the amendments to the Employment Agreements of Messrs. Goldfarb and Aaron, see paragraphs (b) and (c) of Item 1.01 of this Form 8-K.

In addition, on March 13, 2013, the Board approved and adopted an Executive Incentive Compensation Recoupment Policy (the “Clawback Policy”). Pursuant to the Clawback Policy, in the event that the Company is required to restate its financial statements for any financial year

commencing after January 31, 2013, other than as a result of a change in generally accepted accounting principles or their interpretation, the Compensation Committee of the Board may, in its discretion, recoup incentive compensation paid to individuals who were executive officers of the Company within one year prior to the restatement. The incentive compensation subject to recoupment will consist of performance-based bonuses (including bonuses paid pursuant to employment agreements) and long-term incentive awards or equity grants, to the extent that such bonuses, awards or grants were predicated upon achievement of financial results that are subsequently restated. A copy of the Clawback Policy will be available in the "Investor Relations" section of the Company's website at <http://www.g-iii.com>.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On March 13, 2013, the Board approved an amendment to Article IV, Section 4 of the Company's by-laws (the "By-laws"), to provide that the Lead Director (as defined below) shall preside over meetings of the Board in the absence of the Chairman of the Board. A copy of the amended By-laws is filed as Exhibit 3.1 hereto.

Item 8.01 Other Events.

On March 13, 2013, the Board approved the following additional changes to its executive compensation and corporate governance programs:

(a) *Adoption of an Insider Trading, Hedging and Pledging Policy* (the "Trading Policy"). The Trading Policy amends the Company's prior insider trading policy which was contained in the Company's Code of Ethics. The Trading Policy applies to all directors and officers of the Company and all employees of the Company and its subsidiaries ("Company Personnel"), and prohibits trading or causing trading of the Company's securities while the applicable person is in possession of material non-public information. The Trading Policy prohibits directors, executive officers and other Company Personnel specified by the Company from time to time from trading in Company securities during Company-established blackout periods, except (i) pursuant to Board-approved written trading plans adopted in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, at least 30 days prior to any trade, (ii) stock option exercises for cash with no associated open market transaction and (iii) the surrender of shares to the Company or the retention and withholding of shares by the Company upon vesting of restricted stock in satisfaction of tax withholding obligations with no associated open market transaction. The Trading Policy also prohibits Company Personnel from entering into hedging transactions with respect to the Company's securities, pledging Company securities as collateral for a loan or holding Company securities in a margin account. The Board may, in limited circumstances, permit a share pledge by a director or executive officer after giving consideration to the number of shares to be pledged as a percentage of his or her total shares held and the Company's total shares outstanding. A copy of the Trading Policy will be available in the "Investor Relations" section of the Company's website at <http://www.g-iii.com>.

(b) *Adoption of Stock Ownership Guidelines* (the "Stock Ownership Guidelines"). The Stock Ownership Guidelines require that (i) the Company's Chief Executive Officer retain Company shares valued at six times his annual base salary; (ii) the Company's Vice Chairman retain Company shares valued at two times his annual base salary; (iii) the Company's other

executive officers retain Company shares valued at one time their respective annual base salaries and (iv) each non-employee director of the Company retain Company shares valued at five times his or her annual cash retainer. Until these share ownership levels are achieved, the Company's executive officers and directors are required to retain 50% of any net, after-tax, shares received upon exercise or vesting of Company equity grants. A copy of the Stock Ownership Guidelines will be available in the "Investor Relations" section of the Company's website at <http://www.g-iii.com>.

(c) *Creation of the new position of lead independent director of the Board (the "Lead Director") and Appointment of Richard White as Lead Director.* The Board created the position of Lead Director to promote independent leadership on the Board. Mr. White's appointment as Lead Director became effective on March 13, 2013.

In addition, the Company issued a press release on March 13, 2013 describing, among other things, the changes to its executive compensation and corporate governance programs described in this Form 8-K. A copy of the press release is filed as Exhibit 99.1 hereto.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
3.1	By-Laws, as amended, of the Company.
10.1	Amended and Restated 2005 Stock Incentive Plan of the Company.
10.2	Letter Amendment, dated March 13, 2013 to the Employment Agreement, dated February 1, 1994, by and between the Company and Morris Goldfarb.
10.3	Letter Amendment, dated March 13, 2013 to the Employment Agreement, dated as of July 11, 2005, by and between Sammy Aaron and the Company.
99.1	Press release, issued by the Company on March 14, 2013, concerning changes to its executive compensation and corporate governance programs.

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.

Date: March 14, 2013

G-III APPAREL GROUP, LTD.

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

EXHIBIT INDEX

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**BY-LAWS
OF
G-III APPAREL GROUP, LTD.**

**ARTICLE I
OFFICES**

Section 1. The registered office shall be in the City of Dover, County of Kent, State of Delaware.

Section 2. The Corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

**ARTICLE II
MEETINGS OF STOCKHOLDERS**

Section 1. All meetings of the stockholders for the election of directors shall be held at such place as may be fixed from time to time by the board of directors either within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Stockholders need not be physically present to participate in a meeting of stockholders, but may participate by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other.

ANNUAL MEETINGS

Section 2. Annual meetings of stockholders shall be held on the second Tuesday of June if not a legal holiday, and if a legal holiday, then on the next secular day following, at 10:00 A.M., or at such other date as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which the stockholders shall elect a board of directors, and transact such other business as may properly be brought before the meeting as further described in Article III of these by-laws.

Section 3. Written notice of the annual meeting stating the place (if any), date, hour and means of remote communication, if any, of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

STOCK LEDGER AND STOCKHOLDER LIST

Section 4. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten days prior to the meeting, (a) on a reasonably accessible electronic network if the information required to gain access to such list was provided with the notice of meeting, or (b) during ordinary business hours, at the principal place of business of the Corporation. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is held solely by means of remote communication, the list shall also be open for inspection by any stockholder during the whole time of the meeting as provided by applicable law.

SPECIAL MEETINGS

Section 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the president or secretary and shall be called by the chairman of the board, president or secretary at the request in writing of a majority of the board of directors, or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of a special meeting stating the place (if any), date, hour and means of remote communication, if any, of the meeting, and the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting, to each stockholder entitled to vote at such meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

QUORUM, ADJOURNMENT AND VOTING MATTERS

Section 8. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time

to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting (except that any election of directors shall be decided by a plurality of the votes cast at the meeting by the holders of stock entitled to vote in the election), unless the question is one upon which by express provision of the statutes or of the certificate of incorporation or these by-laws, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 10. Unless otherwise provided in the certificate of incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

CONDUCT OF MEETINGS

Section 11. The board of directors may adopt by resolution such rules and regulations for the conduct of the meeting of the stockholders as it shall deem appropriate. At every meeting of stockholders, the chairman selected by the board of directors as provided in Article IV, Section 4 of these by-laws shall serve as the chairman of, and preside at, the meeting. The secretary or, in his or her absence or inability to act, the person whom the chairman of the meeting shall appoint

secretary of the meeting (who may be the Corporation's external counsel), shall act as secretary of the meeting and keep the minutes thereof. Except to the extent inconsistent with such rules and regulations as adopted by the board of directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the board of directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (c) rules and procedures for maintaining order at the meeting and the safety of those present; (d) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (e) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (f) limitations on the time allotted to questions or comments by participants.

STOCKHOLDER ACTION BY WRITTEN CONSENT

Section 12. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its place of business, or the secretary of the Corporation. Every written consent shall bear the date of signature of each stockholder who signs the

consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered in the manner required by this Section to the Corporation, written consents signed by a sufficient number of holders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or the secretary of the Corporation. Delivery made to the Corporation at any of such specified offices shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

ADVANCE NOTICE OF STOCKHOLDER NOMINATIONS AND PROPOSALS

DEFINITIONS

Section 1. For purposes of this Article III, the capitalized terms listed below shall have the definitions that follow them:

- (a) "Exchange Act": the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
- (b) "Proposing Stockholder": a stockholder or stockholders of record intending to propose business at a meeting of the Corporation's stockholders.
- (c) "Public Disclosure": a disclosure made in a press release reported by the Dow Jones News Services, The Associated Press or a comparable national news service or in a document filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

TIMELY NOTICE

Section 2. At a meeting of the stockholders, only such nominations of persons for the election of directors and such other business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, nominations or such other business must be: (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors or any committee thereof, (b) otherwise properly brought before the meeting by or at the direction of the board of directors or any committee thereof, or (c) otherwise properly brought before an annual meeting by a stockholder who is a stockholder of record of the Corporation at the time such notice of meeting is delivered, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Article III. In addition, any proposal of business (other than the nomination of persons for election to the board of directors) must be a proper matter for stockholder action. For business (including, but not limited to, director nominations) to be properly brought before an annual meeting by a stockholder, the Proposing Stockholder must have given timely notice thereof pursuant to this Section 2 or Section 4 of this Article III, as applicable, in writing to the secretary of the Corporation even if such matter is already the subject of any notice to the stockholders or Public Disclosure from the board of directors. To be timely, a Proposing Stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation: (x) not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, in advance of the anniversary of the previous year's annual meeting if such meeting is to be held on a day which is not more than 30 days in advance of the anniversary of the previous year's annual meeting or not later than 70 days after the anniversary of the previous year's annual meeting; and (y) with respect to any other annual meeting of stockholders, the close of business on the tenth day following the date of Public Disclosure of the date of such meeting. In no event shall the Public Disclosure of an adjournment or postponement of an annual meeting commence a new notice time period (or extend any notice time period).

STOCKHOLDER NOMINATIONS

Section 3. For the nomination of any person or persons for election to the board of directors, a Proposing Stockholder's notice to the secretary of the Corporation shall set forth (a) the name, age, business address and residence address of each nominee proposed in such notice, (b) the principal occupation or employment of each such nominee, (c) the number of shares of capital stock of the Corporation which are owned of record and beneficially by each such nominee (if any), (d) such other information concerning each such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved) or that is otherwise required to be disclosed, under Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder, (e) the consent of the nominee to being named in the proxy statement as a nominee and to serving as a director if elected, and (f) as to the Proposing Stockholder: (i) the name and address of the Proposing Stockholder as they appear on the Corporation's books and of the beneficial owner, if any, on whose behalf the nomination is being made, (ii) the class and number of shares of the Corporation which are owned by the Proposing Stockholder (beneficially and of record) and owned by the beneficial owner, if any, on whose behalf the nomination is being made, as of the date of the Proposing Stockholder's notice, (iii) a description of any agreement, arrangement or understanding with respect to such nomination between or among the Proposing Stockholder and any of its affiliates or associates, and any others (including their names) acting in concert with any of the foregoing, (iv) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the Proposing Stockholder's notice by, or on behalf of, the Proposing Stockholder or any of its affiliates or

associates, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the Proposing Stockholder or any of its affiliates or associates with respect to shares of stock of the Corporation, (v) a representation that the Proposing Stockholder is a holder of record of shares of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, and (vi) a representation whether the Proposing Stockholder intends to deliver a proxy statement and/or form of proxy to holders of the Corporation's outstanding capital stock and/or otherwise to solicit proxies from stockholders in support of the nomination. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

OTHER STOCKHOLDER PROPOSALS

Section 4. For all business other than director nominations, a Proposing Stockholder's notice to the secretary of the Corporation shall set forth as to each matter the Proposing Stockholder proposes to bring before the annual meeting: (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) any other information relating to such stockholder and beneficial owner, if any, on whose behalf the proposal is being made, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the proposal and pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder and (c) the information as to the Proposing Stockholder required by Section 3(f) above.

PROXY RULES

Section 5. The foregoing notice requirements of Section 4 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with the applicable rules and regulations promulgated under Section 14(a) of the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

SPECIAL MEETINGS OF STOCKHOLDERS

Section 6. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting delivered to the stockholders as provided in Article II, Section 7 of these by-laws. Nominations of persons for election to the board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the board of directors or the stockholders pursuant to Article II, Section 5 of these by-laws or (b) provided that the board of directors or stockholders pursuant to Article II, Section 5 of these by-laws has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Article III is delivered to the secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Article III. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the board of directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by this Article III shall be delivered to the secretary at the principal executive offices of the Corporation not

later than the close of business on the 90th day prior to such special meeting and not earlier than the close of business on the later of the 120th day prior to such special meeting or the tenth (10th) day following the date of Public Disclosure of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall the Public Disclosure of an adjournment or postponement of a special meeting commence a new time period (or extend any notice time period).

EFFECT OF NONCOMPLIANCE

Section 7. Notwithstanding anything in these by-laws to the contrary: (a) no nominations shall be made or business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Article III, and (b) unless otherwise required by law, if a Proposing Stockholder intending to propose business or make nominations at an annual meeting pursuant to this Article III does not provide the information required under this Article III to the Corporation within the time frames specified herein, or the Proposing Stockholder (or a qualified representative of the Proposing Stockholder) does not appear at the meeting to present the proposed business or nominations, such business or nominations shall not be considered, notwithstanding that proxies in respect of such business or nominations may have been received by the Corporation. The requirements of this Article III shall apply to any business or nominations to be brought before an annual meeting by a stockholder whether such business or nominations are to be included in the Corporation's proxy statement pursuant to Rule 14a-8 of the Exchange Act or presented to stockholders by means of an independently financed proxy solicitation. The requirements of Article III are included to provide the Corporation notice of a stockholder's intention to bring business or nominations before an annual meeting and shall in no event be construed as imposing upon any stockholder the requirement to seek approval from the Corporation as a condition precedent to bringing any such business or make such nominations before an annual meeting.

ARTICLE IV

DIRECTORS

Section 1. The number of directors which shall constitute the whole board shall be fixed from time to time by the board of directors or stockholders but shall not be less than two. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 of this Article, and each director elected shall hold office until his respective successor is elected and qualified. The directors need not be stockholders.

Section 2. Except as otherwise provided by statute or by the certificate of incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

Section 3. The business of the Corporation shall be managed by or under the direction of its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

THE CHAIRMAN OF THE BOARD

Section 4. The board of directors annually shall choose from among its members a chairman, and may choose from among its members a vice chairman. The chairman of the board of directors shall preside at all meetings of stockholders and of the board of directors. He shall have such other powers and perform such other duties as are provided in these by-laws and, in addition thereto, as the board of directors may from time to time determine. The chairman of the board of directors shall not be deemed an officer of the Corporation under any provision of the statutes or of the certificate of incorporation or these by-laws. In the absence of the chairman of the board of directors, the lead independent director, if one is then appointed by the board of directors, shall preside over meetings of the board of directors.

MEETINGS OF THE BOARD OF DIRECTORS

Section 5. The board of directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 6. The first meeting of each newly elected board of directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected board of directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

Section 7. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

Section 8. Special meetings of the board may be called by the chairman of the board, the chief executive officer, the president or the secretary on notice, in accordance with Article V, Section 1, to each director; special meetings shall be called by the chairman of the board, the chief executive officer, the president or the secretary in like manner and on like notice on the written request of two directors.

Section 9. At all meetings of the board a majority of the directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 10. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmissions are filed with the minutes of proceedings of the board or committee.

Section 11. Unless otherwise restricted by the certificate of incorporation or these by-laws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

Section 12. The board of directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the General Corporation Law of the State of Delaware to be submitted to stockholders for approval or (b) adopting, amending or repealing any by-law of the corporation. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

Section 13. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

COMPENSATION OF DIRECTORS

Section 14. Unless otherwise restricted by the certificate of incorporation or these by-laws, the board of directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of

attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director. Nothing herein shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

REMOVAL OF DIRECTORS

Section 15. Unless otherwise restricted by the certificate of incorporation or these by-laws, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE V

NOTICES

Section 1. Whenever under the provisions of the statutes or of the certificate of incorporation or of these by-laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid. In the case of a notice addressed to a stockholder, such notice by mail shall be deemed effective at the time when the same shall be deposited in the United States mail. Without limiting the manner by which notice otherwise may be given effectively to stockholders, notice of meetings may be given to stockholders by means of electronic transmission (as defined below) in accordance with applicable law. In the case of a director, such notice by mail shall be deemed effective if so deposited properly addressed to a director at his or her address shown on the records of the Corporation at least three days before the meeting. Notice to directors may also be given by private carrier, orally, by facsimile or by e-mail or

other electronic transmission. If notice is delivered by private carrier, the notice shall be deemed effective when dispatched to a director at his or her address shown on the records of the Corporation at least three days before the meeting. If notice is delivered orally, by telephone or in person, the notice shall be deemed effective if personally given to the director at least twenty-four hours before the meeting. If notice is delivered by wire or wireless equipment that transmits a facsimile of the notice, the notice shall be deemed effective when dispatched at least twenty-four hours before the meeting to a director at his or her telephone number or other number shown in the records of the Corporation. If notice is delivered by e-mail or other electronic transmission, the notice shall be deemed effective when dispatched at least twenty-four hours before the meeting to a director at his or her e-mail address or other electronic transmission address shown on the records of the Corporation. For purposes of these by-laws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these by-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to notice. A person entitled to notice of any meeting of the board of directors or stockholders, as the case may be, waives such notice if he appears in person or, in the case of a stockholder, by proxy at such meeting, except when the person attends a meeting for the express purposes of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VI

OFFICERS

Section 1. The officers of the Corporation shall be chosen by the board of directors and shall be a chief executive officer, a president, a vice-president, a secretary and a treasurer. The board of directors may also choose additional vice-presidents, and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these by-laws otherwise provide.

Section 2. The board of directors annually shall choose a chief executive officer, a president, one or more vice-presidents, a secretary and a treasurer.

Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers and agents of the Corporation shall be fixed by the board of directors.

Section 5. The officers of the Corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the Corporation shall be filled by the board of directors.

THE CHIEF EXECUTIVE OFFICER

Section 6. The chief executive officer shall have general and active management of the business of the Corporation, and in the absence of the chairman of the board, shall preside at all meetings of the stockholders and the board of directors. The chief executive officer shall make reports to the board of directors

and stockholders, and shall perform any and all other duties as are incident to the office or are properly required of the chief executive officer by the board of directors. The chief executive officer shall see that all orders and resolutions of the board of directors are carried into effect.

THE PRESIDENT

Section 7. The president shall have general supervision of the affairs of the Corporation, shall sign or countersign all certificates, contracts, or other instruments of the corporation as authorized by the board of directors and shall have such other powers and perform such other duties as are provided in these by-laws and, in addition thereto, as the board of directors may from time to time determine.

Section 8. The president shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the Corporation.

THE VICE-PRESIDENTS

Section 9. In the absence of the president or in the event of his inability or refusal to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

Section 10. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the Corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

Section 11. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 12. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the board of directors.

Section 13. He shall disburse the funds of the Corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the Corporation.

Section 14. If required by the board of directors, he shall give the Corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 15. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VII

INDEMNIFICATION

Section 1. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer or employee of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement

actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer or employee of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. To the extent that a director, officer or employee of the Corporation has been successful on the merits or otherwise in defense of any action,

suit or proceeding referred to in Sections 1 or 2 of this Article VII, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

Section 4. Any indemnification under Sections 1 or 2 of this Article VII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer or employee is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article VII. Such determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the stockholders.

Section 5. Expenses incurred by a director, officer or employee of the Corporation in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director, officer or employee to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article.

Section 6. The indemnification and advancement of expenses provided by, or granted pursuant to, the other Sections of this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, or vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

Section 7. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or

agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

Section 8. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE VIII

STOCK CERTIFICATES AND UNCERTIFICATED SHARES

Section 1. The shares of the Corporation may be represented by certificates, uncertificated shares or a combination thereof. A resolution approved by a majority of the members of the board of directors may provide that some or all of any or all classes and series of the stock of the Corporation will be uncertificated shares that may be evidenced by a book-entry system maintained by the transfer agent or registrar of such stock appointed by the Corporation. Every holder of shares of stock of the Corporation represented by certificates shall be entitled to a certificate representing the number of shares held in certificated form, to be in such form as shall be prescribed by law and adopted by the board of directors, certifying the number of such shares of the Corporation owned by such stockholder. The certificates for such shares shall be numbered in the order in which they shall be issued and shall be signed, in the name of the Corporation, by the president or a vice-president and by the secretary or an assistant secretary or by such officers as the board of directors may designate.

Section 2. Any or all of the signatures on a certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were an officer, transfer agent, or registrar at the date of issue. Uncertificated shares of the Corporation's stock may be evidenced by registration in the holder's name in uncertificated, book-entry form maintained by the transfer agent or registrar of such stock appointed by the Corporation, in accordance with a direct registration system approved by the Securities and Exchange Commission and by the New York Stock Exchange, the NASDAQ Stock Market or any securities exchange on which the stock of the Corporation may from time to time be traded.

LOST CERTIFICATES

Section 3. Any person claiming a certificate of stock to be lost, stolen, mislaid, or destroyed shall make an affidavit or affirmation of that fact and verify the same in such manner as the board of directors may require, and shall, if the board of directors so requires, give the Corporation, its transfer agent, registrar, and/or other agents a bond of indemnity in form approved by counsel, and in amount and with such sureties as may be satisfactory to the secretary of the Corporation, before a new certificate (or uncertificated shares in lieu of a new certificate) may be issued of the same tenor and for the same number of shares as the one alleged to have been lost, stolen, mislaid, or destroyed.

TRANSFERS OF STOCK

Section 4. Transfer of shares on the books of the Corporation may be authorized only by the stockholder of record thereof, or the stockholder's legal representative, who shall furnish proper evidence of authority to transfer, or the stockholder's duly authorized attorney-in-fact, and, in the case of certificated

shares, upon surrender of the certificate or the certificates for such shares to the Corporation or its transfer agent duly endorsed. The Corporation may treat as the absolute owner of shares of the Corporation the person or persons in whose name shares are registered on the books of the Corporation. The board of directors may appoint one or more transfer agents and registrars to maintain the share records of the Corporation and to effect share transfers on its behalf.

FIXING RECORD DATE

Section 5. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meetings, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 6. In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors shall fix a record date, which record date shall not precede the date upon which the resolution fixing the record is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors.

Section 7. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any

rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors shall fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted and which record date shall be more than sixty days prior to such action.

REGISTERED STOCKHOLDERS

Section 8. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE IX

GENERAL PROVISIONS

DIVIDENDS

Section 1. Dividends upon the capital stock of the Corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the statutes and the provisions of the certificate of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

CHECKS

Section 3. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 4. The fiscal year of the Corporation shall end on January 31 unless otherwise fixed by resolution of the board of directors.

SEAL

Section 5. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

BOOKS AND RECORDS

Section 6. Subject to any provisions contained in the statutes, the books and records of the Corporation may be kept at such place or places either within or without the State of Delaware as shall be designated from time to time by the board of directors.

ARTICLE X

AMENDMENTS

Section 1. These by-laws may be altered, amended or repealed or new by-laws may be adopted by the stockholders or by the board of directors, when such power is conferred upon the board of directors by the certificate of incorporation, at

any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the board of directors if notice of such alteration, amendment, repeal or adoption of new by-laws be contained in the notice of such special meeting. If the power to adopt, amend or repeal by-laws is conferred upon the board of directors by the certificate of incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal by-laws.

**G-III APPAREL GROUP, LTD.
AMENDED AND RESTATED 2005 STOCK INCENTIVE PLAN**

1. Purpose. The purpose of the G-III Apparel Group, Ltd. 2005 Stock Incentive Plan (the "Plan") is to enable G-III Apparel Group, Ltd., a Delaware corporation (the "Company"), and its stockholders to secure the benefits of ownership of Company common stock, \$.01 par value (the "Common Stock") by, and otherwise provide incentive compensation to, eligible personnel of the Company and its affiliates. The Board of Directors of the Company (the "Board") believes that the grant of awards pursuant to the Plan will foster the Company's ability to attract, retain and motivate such persons.

2. Types of Awards. Awards under the Plan may be in the form of any one or more of the following: (a) options to purchase shares of Common Stock at a specified price during specified time periods granted pursuant to Section 7(b) ("Options"), including Options intended to qualify as "incentive stock options" ("ISOs") under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and Options that do not qualify as ISOs; (b) stock appreciation rights granted pursuant to Section 7(c) ("SARs"); (c) Common Stock granted pursuant to Section 7(d) which is subject to certain restrictions and to a risk of forfeiture ("Restricted Stock"); (d) rights to receive Common Stock at the end of a specified deferral period granted pursuant to Section 7(e) ("Deferred Stock"), whether denominated as "stock units," "restricted stock units," "phantom shares" or "performance shares"; (e) other stock-based awards and cash incentive awards granted pursuant to Section 7(f) ("Other Awards"); and/or (f) performance-based awards granted pursuant to Section 7(h) ("Performance Awards").

3. Available Shares. Subject to the provisions of Section 9, the Company may issue a total of 3,449,771 shares of Common Stock pursuant to the Plan. Notwithstanding the preceding sentence, subject to the provisions of Section 9, in no event may more than 1,340,000 shares of Common Stock be issued pursuant to the exercise of ISOs granted under the Plan. In determining the number of shares available for issuance pursuant to the Plan at any time, the following shares shall be deemed not to have been issued (and shall remain available for issuance) pursuant to the Plan: (a) shares related to awards paid in cash; (b) shares related to awards that expire, are forfeited or cancelled or terminate for any other reason without issuance of shares and any shares that are returned to the Company upon a participant's termination of employment; and (c) any shares issued in connection with awards that are assumed, converted or substituted as a result of the acquisition of an acquired company by the Company or a combination of the Company with another company. Such shares may be either authorized and unissued or held by the Company in its treasury. No fractional shares of Common Stock may be issued under the Plan.

4. Per-Person Award Limitations. In each fiscal year during any part of which the Plan is in effect, an eligible person may be granted stock-based awards intended to qualify as "performance-based compensation" under Section 162(m) of the Code relating to up to his Annual Share Limit. Subject to the provisions of Section 9, an eligible person's "Annual Share Limit" shall equal, in any year during any part of which the eligible person is then eligible under the Plan, 200,000 shares plus the amount of the eligible person's unused Annual Share Limit as of the close of the previous year. For each fiscal year, the maximum amount a participant may earn pursuant to a cash incentive award granted under Section 7(f) shall be limited to \$5,000,000.

For these purposes, an award is “earned” upon satisfaction of the applicable performance conditions, even if settlement is deferred or subject to continuing service and/or other non-performance conditions; and an employee’s annual limit is deemed to be used in a calendar year to the extent a share or cash award could be earned in that year, regardless of the extent to which such award is earned.

5. Administration.

(a) Committee. The Plan shall be administered by the Compensation Committee of the Board or such other committee appointed by the Board to administer the Plan from time to time (the “Committee”). The full Board may perform any function of the Committee hereunder, in which case the term “Committee” shall refer to the Board. Notwithstanding the foregoing, the Compensation Committee will have sole responsibility and authority for matters relating to the grant and administration of awards to non-employee directors of the Company.

(b) Responsibility and Authority of Committee. Subject to the provisions of the Plan, the Committee, acting in its discretion, shall have responsibility and full power and authority to (i) select the persons to whom awards shall be made; (ii) prescribe the terms and conditions of each award and make amendments thereto; (iii) construe, interpret and apply the provisions of the Plan and of any agreement or other document evidencing an award made under the Plan; and (iv) 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. In exercising its responsibilities under the Plan, the Committee may obtain at the Company’s expense such advice, guidance and other assistance from outside compensation consultants and other professional advisers as it deems appropriate.

(c) Delegation of Authority. To the fullest extent authorized under Section 157(c) of the Delaware General Corporation Law, the Committee may 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 administrative functions, as the Committee may determine.

(d) Committee Actions. A majority of the members of the Committee shall constitute a quorum. The Committee may act by the vote of a majority of its members present at a meeting at which there is a quorum or by unanimous written consent. The decision of the Committee as to any disputed question, including questions of construction, interpretation and administration, shall be final and conclusive on all persons. The Committee shall keep a record of its proceedings and acts and shall keep or cause to be kept such books and records as may be necessary in connection with the proper administration of the Plan.

(e) Indemnification. The Company shall indemnify and hold harmless each member of the Board, the Committee or any officer or subcommittee member to whom authority is delegated by the Committee and any employee of the Company who provides assistance with the administration of the Plan 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 fees and other expenses incident thereto and, to the extent permitted by applicable law, advancement of such fees and expenses) 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.

6. Eligibility. Awards may be granted under the Plan to any member of the Board (whether or not an employee of the Company or its affiliates), to any officer or other employee of the Company or its affiliates (including prospective officers and employees) and to any consultant or other independent contractor who performs or will perform services for the Company or its affiliates.

7. Specific Terms of Awards.

(a) General. Awards may be granted on the terms and conditions set forth in this Section 7. In addition, the Committee may impose on any award or the exercise thereof, at the date of grant or thereafter, such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine, including terms requiring forfeiture of awards in the event of termination of employment or service by the recipient. The Committee shall require the payment of lawful consideration for an award to the extent necessary to satisfy the requirements of the Delaware General Corporation Law, and may otherwise require payment of consideration for an award except as limited by the Plan. The Committee may not accelerate the vesting of an outstanding award in connection with the termination of a participant's employment unless either (1) such termination is in connection with a change in control or the participant's death, total disability or retirement, or (2) 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 cause the Company to exceed the 10% limitation contained in Section 7(g) (relating to the issuance of shares under full value stock awards), determined as if such issuance would be made pursuant to a full value stock award.

(b) Stock Options. The Committee is authorized to grant Options to eligible persons on the following terms and conditions:

(i) Exercise Price. The exercise price per share of Common Stock purchasable under an Option shall be determined by the Committee, provided that such exercise price shall not be less than the Fair Market Value (as defined below) of a share of Common Stock on the date of grant of such Option.

(ii) Option Term; Time and Method of Exercise. The Committee shall determine the term of each Option, which in no event shall exceed a period of ten years from the date of grant. The Committee shall determine the time or times at which or the circumstances under which an Option may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the methods by which such exercise price may be paid or deemed to be paid and the form of such payment (including, without limitation, cash, Common Stock (including through withholding of Common Stock deliverable upon exercise), other awards or awards granted under other plans of the Company or any affiliate, or other property (including through "cashless exercise" arrangements, to the extent permitted by applicable law) and the methods by or forms in which Common Stock shall be delivered or deemed to be delivered in satisfaction of Options.

(iii) ISO Grants to 10% Stockholders. Notwithstanding anything to the contrary in this Section 7(b), if an ISO is granted to an employee who owns stock representing more than 10% of the voting power of all classes of stock of the Company or a subsidiary corporation thereof (as such term is defined in Section 424 of the Code), the term of the Option shall not exceed five years from the date of grant and the exercise price shall be at least 110% of the Fair Market Value (on the date of grant) of the Common Stock subject to the Option.

(c) Stock Appreciation Rights. The Committee is authorized to grant SARs to eligible persons on the following terms and conditions:

(i) Right to Payment. A SAR shall confer on the recipient a right to receive a payment, in shares of Common Stock, with a value equal to the excess of the Fair Market Value of a specified number of shares of Common Stock at the time the SAR is exercised over the exercise price of such SAR, which shall be no less than the Fair Market Value of the same number of shares at the time the SAR was granted.

(ii) Other Terms. The Committee shall determine the time or times at which and the circumstances under which a SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the method of exercise, the method by or forms in which Common Stock shall be delivered or deemed to be delivered to recipients upon exercise of a SAR, whether or not a SAR shall be free-standing or in tandem or combination with any other award, and the maximum term of an SAR, which in no event shall exceed a period of ten years from the date of grant.

(d) Restricted Stock. The Committee is authorized to grant Restricted Stock to eligible persons on the following terms and conditions:

(i) Grant and Restrictions. Restricted Stock shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse separately or in combination at such times, under such circumstances (including based on achievement of performance goals and/or future service requirements), in such installments or otherwise and under such other circumstances as the Committee may determine at the date of grant or thereafter. Notwithstanding the foregoing, (i) the original stated time-based vesting period applicable to a restricted stock award may not be shorter than three years, and (ii) the original stated performance period applicable to performance-based vesting of a restricted stock award may not be shorter than one year. Except to the extent restricted under the terms of the Plan and any award document relating to the Restricted Stock, a recipient of Restricted Stock shall have all of the rights of a stockholder, including the right to vote the Restricted Stock and the right to receive dividends thereon (subject to any mandatory reinvestment or other requirements imposed by the Committee).

(ii) Forfeiture. Except as otherwise determined by the Committee, upon termination of employment or service during the applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited and reacquired by the Company; provided that the Committee may provide, by rule or regulation or in any award document, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock shall lapse in whole or in part, including in the event of terminations resulting from specified causes.

(iii) Certificates for Stock. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the recipient, the Committee may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, that the Company retain physical possession of the certificates and that the recipient deliver a stock power to the Company, endorsed in blank, relating to the Restricted Stock.

(e) Deferred Stock. The Committee is authorized to grant Deferred Stock to eligible persons, which are rights to receive Common Stock, other awards, or a combination thereof at the end of a specified deferral period, subject to the following terms and conditions:

(i) Award and Restrictions. The issuance of Common Stock shall occur upon expiration of the deferral period specified for an award of Deferred Stock by the Committee. Notwithstanding the foregoing, (i) the original stated time-based vesting period applicable to a deferred stock award may not be shorter than three years, and (ii) the original stated performance period applicable to performance-based vesting of a deferred stock award may not be shorter than one year. In addition, Deferred Stock shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, in installments or otherwise, and under such other circumstances as the Committee may determine at the date of grant or thereafter. Deferred Stock may be satisfied by delivery of Common Stock, other awards, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

(ii) Forfeiture. Except as otherwise determined by the Committee, upon termination of employment or service during the applicable deferral period or portion thereof to which forfeiture conditions apply (as provided in the award document evidencing the Deferred Stock), all Deferred Stock that is at that time subject to such forfeiture conditions shall be forfeited; provided that the Committee may provide, by rule or regulation or in any award document, or may determine in any individual case, that restrictions or forfeiture conditions relating to Deferred Stock shall lapse in whole or in part, including in the event of terminations resulting from specified causes. Each Deferred Stock award shall be settled no later than the 15th day of the third month following the calendar year in which such award becomes vested; provided, however, that, subject to compliance with Section 409A, the Committee, in its discretion, may provide for deferred settlement.

(f) Other Stock-Based and Cash Incentive Awards. The Committee is authorized, subject to limitations under applicable law, to grant to eligible persons such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Common Stock or factors that may influence the value of Common Stock, including, without limitation, stock bonuses, dividend equivalents, convertible or exchangeable debt securities, other rights convertible or exchangeable into Common Stock,

purchase rights for Common Stock, awards with value and payment contingent upon performance of the Company or business units thereof or any other factors designated by the Committee, awards valued by reference to the book value of Common Stock or the value of securities of or the performance of specified subsidiaries or affiliates or other business units and awards designed to comply with or take advantage of the applicable local laws or jurisdictions other than the United States. The Committee shall determine the terms and conditions of such stock-based Other Awards. In addition, the Committee may grant performance-based cash incentive awards, including annual incentive awards and long-term incentive awards, denominated and settled in cash, subject to such terms and conditions as the Committee may determine, provided, however, that any such cash incentive award that is intended to qualify for the performance-based compensation exemption from the deduction limitation provisions of Section 162(m) of the Code will be subject to terms and conditions described in Section 7(h). Unless the Committee, acting in a manner that is consistent with the election and distribution timing requirements of Section 409A, determines otherwise, Other Awards, including cash incentive awards, earned in or for any fiscal year, shall be settled and paid by the 15th day of the third month of the following fiscal year.

(g) Notwithstanding anything to the contrary contained herein, the aggregate number of shares the Company may issue pursuant to full value stock awards under Section 7(f) may not exceed 10% of the aggregate number of shares that may be issued under the Plan.

(h) Performance Awards. The Committee is authorized to grant Performance Awards to eligible persons on the following terms and conditions:

(i) Generally. The Committee may specify that any stock-based or cash incentive award granted under the Plan shall constitute a Performance Award by conditioning the grant, exercise, amount, vesting or settlement, and the timing thereof, upon achievement or satisfaction of such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce or increase the amounts payable under any award subject to performance conditions, except as limited under this Section 7(h) in the case of a Performance Award intended to qualify as “performance-based compensation” under Section 162(m) of the Code.

(ii) Awards exempt under Section 162(m) of the Code. If the Committee determines that an award should qualify as “performance-based compensation” for purposes of Section 162(m) of the Code (other than Options or SARs which otherwise qualify as “performance-based compensation” for purposes of Section 162(m) of the Code), the grant, exercise, vesting, amount and/or settlement of such Performance Award shall be contingent upon achievement of one or more preestablished, objective performance goals, which shall be prescribed in writing by the Committee not later than 90 days after the commencement of the performance period and in any event before completion of 25% of the performance period. The performance goal or goals for such Performance Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this subsection (ii). One or more of the following business criteria for the Company, on a consolidated basis, and/or for specified subsidiaries or affiliates or other business units of the Company, shall be used by the Committee in establishing

performance goals for such Performance Awards, either on an absolute basis or relative to an index: (1) revenues on a corporate or product by product basis; (2) earnings from operations, earnings before or after taxes, earnings before or after interest, depreciation, amortization, incentives, service fees or extraordinary or special items; (3) net income or net income per common share (basic or diluted); (4) return on assets, return on investment, return on capital, or return on equity; (5) cash flow, free cash flow, cash flow return on investment, or net cash provided by operations; (6) economic value created or added; (7) operating margin or profit margin; and/or (8) stock price, dividends or total stockholder return. The targeted level or levels of performance with respect to such business criteria may be established at such levels and in such terms as the Committee may determine, in its discretion, including in absolute terms, as a goal relative to performance in prior periods, or as a goal compared to the performance of one or more comparable companies or an index covering multiple companies. All determinations by the Committee as to the establishment of performance goals, the amount potentially payable in respect of Performance Awards, the level of actual achievement of the specified performance goals relating to Performance Awards and the amount of any final Performance Award shall be recorded in writing. Specifically, the Committee shall certify in writing, in a manner conforming to applicable regulations under Section 162(m) of the Code, prior to settlement of each such award, that the performance objective relating to the Performance Award and other material terms of the award upon which settlement of the award was conditioned have been satisfied. The Committee shall have the authority, in its discretion, to reduce the formula amount otherwise payable pursuant to a cash incentive or other Performance Award, but may not increase the amount that would otherwise be payable under any such award.

8. Limits on Transferability. No award or other right or interest of an award recipient under the Plan shall be pledged, hypothecated or otherwise encumbered or subject to any lien, obligation or liability of such recipient to any party (other than the Company or an affiliate thereof), or assigned or transferred by such recipient otherwise than by will or the laws of descent and distribution or to a beneficiary upon the death of a recipient, and such awards or rights that may be exercisable shall be exercised during the lifetime of the recipient only by the recipient or his or her guardian or legal representative, except that awards and other rights may be transferred to one or more transferees during the lifetime of the recipient, and may be exercised by such transferees in accordance with the terms of such award, but only if and to the extent such transfers are permitted by the Committee, subject to any terms and conditions which the Committee may impose thereon. A beneficiary, transferee, or other person claiming any rights under the Plan from or through any award recipient shall be subject to all terms and conditions of the Plan and any award document applicable to such Participant, except as otherwise determined by the Committee, and to any additional terms and conditions deemed necessary or appropriate by the Committee. For purposes hereof, "beneficiary" shall mean the legal representatives of the recipient's estate entitled by will or the laws of descent and distribution to receive the benefits under a recipient's award upon a recipient's death, provided that, if and to the extent authorized by the Committee, a recipient may be permitted to designate a beneficiary, in which case the "beneficiary" instead shall be the person, persons, trust or trusts (if any are then surviving) which have been designated by the recipient in his or her most recent written beneficiary designation filed with the Committee to receive the benefits specified under the recipient's award upon such recipient's death.

9. Capital Changes: Change in Control.

(a) Adjustments upon Changes in Capitalization. The aggregate number and class of shares issuable pursuant to the Plan and pursuant to the exercise of ISOs, the Annual Share Limit, the number and class of shares and the exercise price per share covered by each outstanding Option, the number and class of shares and the base price per share covered by each outstanding SAR, the number and class of shares covered by each outstanding Award other than Options and SARs, any per-share base or purchase price or target market price included in the terms of any such award, and related terms shall all be adjusted by the Board proportionately or as otherwise deemed appropriate to reflect any increase or decrease in the number of issued shares of Common Stock resulting from an extraordinary cash dividend, split-up or consolidation of shares or any like capital adjustment, or the payment of any stock dividend, and/or to reflect a change in the character or class of shares covered by the Plan arising from a readjustment or recapitalization of the Company's capital stock. The determination of the Board with respect to any such adjustment shall be binding and conclusive.

(b) Effect of Change in Control on Outstanding Awards. If a Change in Control (as defined below) occurs, then, except as otherwise specifically provided by the applicable Award agreement (or any other applicable agreement approved by the Board or the Committee), each Award outstanding under the Plan immediately prior to the Change in Control will be either assumed and converted in accordance with part (i) below, or vested and disposed of in accordance with part (ii) below.

(i) Assumption and Conversion of Outstanding Awards. If a Change in Control occurs, the parties to the Change in Control may agree that any stock-based Award outstanding under the Plan immediately prior to the Change in Control shall, at the effective time of the Change in Control, be assumed and converted into a similar form of award with respect to shares of common stock of the successor or acquiring company (or a parent company thereof). If an Option or SAR is assumed, the number of shares and exercise price or base price per share covered by the assumed Award will 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. If a stock-based Award other than an Option or SAR is assumed, the number of shares covered by the assumed Award will be a whole number that reflects the exchange ratio applicable to holders of shares of Common Stock in connection with the Change in Control. An assumed or converted Award, as so adjusted, will be subject to substantially the same vesting and other terms and conditions as applied to the Award being assumed or converted, provided, however, that, in the case of a Performance Award, any performance criteria applicable to the Award will be deemed to have been satisfied immediately prior to the Change in Control to the maximum extent specified in connection with the Award. Notwithstanding the foregoing, if, within two years following a Change in Control, a participant's employment or other service is terminated either by the Company or a successor or acquiring company (or any of its or their affiliates) without Cause (as defined below) or by the participant for Good Reason (as defined below), then any outstanding assumed Awards held by such terminated participant shall immediately become fully vested and exercisable or payable, as the case may be in accordance with their terms.

(ii) Vesting and Disposition of Awards Not Assumed. Any Award outstanding under the Plan immediately prior to a Change in Control that is not assumed and converted pursuant to part (i) above (or, due to the nature of the Change in Control, cannot be assumed and converted because there is no transaction with a successor or acquiring entity), will be terminated at the effective time of the Change in Control. If the terminated Award is a restricted stock Award, then the restricted shares covered by the Award immediately prior to the effective time of the Change in Control will become fully vested and will participate in the Change in Control on the same basis as other outstanding shares of Common Stock. If the terminated Award is in a form other than a restricted stock Award, the holder of the terminated Award will be entitled to receive at the effective time of the Change in Control a single sum payment equal to the excess, if any, of the transaction value of the shares that are then covered by the outstanding Award over the aggregate purchase price or base price, if any, for or with respect to such shares pursuant to the terms of the Award. No consideration will be payable in respect of the termination of an outstanding Option or SAR with an exercise or base price per share that is greater than the transaction value per share. The amount (if any) payable with respect to the termination of an outstanding Award pursuant to this part (ii) will be paid in cash, unless and except to the extent that 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).

(c) Definitions.

(i) Change in Control. For the purpose hereof, a "Change in Control" shall be deemed to have occurred upon the happening of any of the following events:

(a) 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 50% or more 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

(b) 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

(c) 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

(d) 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.

(ii) Cause. For the purposes hereof, the term "Cause" 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 the term "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.

(iii) Good Reason. For the purposes hereof, the term “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 the term “Good Reason” shall mean any of the following events that occur, after expiration of any remedy or cure period, (1) a material diminution of the participant’s duties and responsibilities that result in a material adverse effect on the participant’s status and authority, (2) 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 its then current other location, except for travel reasonably required as part of such employment, (3) failure to timely pay the participant any salary or bonus when due or (4) any reduction in (i) 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 (ii) 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) 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) 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.

(d) Section 409A Compliance. Notwithstanding anything to the contrary contained herein or in an Award agreement, if a provision of the Plan or an Award agreement would cause a payment of deferred compensation that is subject to Section 409A of the Code to be made upon 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 of the Code. 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 termination of employment or service, without regard to any future service or performance requirements that otherwise would have applied.

(e) Dividends on Restricted Stock and Deferred Stock. If a dividend is declared with respect to Common Stock, then, unless the Committee determines otherwise at the time an award is granted, the holder of Restricted Stock or an unvested Deferred Stock award will be credited with dividends as if such Restricted Stock or the shares covered by the unvested Deferred Stock award were outstanding and otherwise entitled to participate in such dividend. Dividends with respect to Restricted Stock or an unvested Deferred Stock award will be in the form of additional shares of Restricted Stock or Deferred Stock and/or a right to receive cash, in an amount or having a value equal to the dividend, all as determined by the Committee.

Dividends with respect to Restricted Stock and Deferred Stock awards shall be subject to the same vesting conditions and payment terms as are applicable to the shares of Restricted Stock or Deferred Stock with respect to which such dividends are credited.

10. Tax Withholding; Section 409A Compliance. As a condition to the exercise of any award, the delivery of any shares of Common Stock pursuant to any award, the lapse of restrictions on any award or the settlement of any award, or in connection with any other event that gives rise to a federal or other governmental tax withholding obligation on the part of the Company or an affiliate relating to an award (including, without limitation, an income tax deferral arrangement pursuant to which employment tax is payable currently), the Company and/or the affiliate may (a) deduct or withhold (or cause to be deducted or withheld) from any payment or distribution to an award recipient whether or not pursuant to the Plan or (b) require the recipient to remit cash (through payroll deduction or otherwise), in each case in an amount sufficient in the opinion of the Company to satisfy such withholding obligation. If the event giving rise to the withholding obligation involves a transfer of shares of Common Stock, then, at the sole discretion of the Committee, the recipient may satisfy the withholding obligation described under this Section 10 by electing to have the Company withhold shares of Common Stock or by tendering previously-owned shares of Common Stock, in each case having a Fair Market Value equal to the amount of tax to be withheld (or by any other mechanism as may be required or appropriate to conform with local tax and other rules). It is intended that awards made under the Plan, including any deferred payment or settlement terms and conditions shall be structured, applied and interpreted in a manner that complies with Section 409A of the Code. Notwithstanding the foregoing, each participant shall be solely responsible for the tax consequences associated with awards made to such participant under the Plan and no participant shall have a claim against the Company by reason of an award being subject to Section 409A of the Code.

11. Fair Market Value. For purposes of the Plan, “Fair Market Value” shall mean the fair market value of the Common Stock as determined in good faith by the Committee or under procedures established by the Committee. Unless otherwise determined by the Committee, the Fair Market Value of the Common Stock as of any given date shall be the closing sale price per share of Common Stock reported on a consolidated basis for securities listed on the principal stock exchange or market on which the Common Stock is traded on the date as of which such value is being determined or, if there is no sale on that day, then on the last previous day on which a sale was reported.

12. Amendment and Termination of the Plan. Except as may otherwise be required by law or the requirements of any stock exchange or market upon which the Common Stock may then be listed, the Board, acting in its sole discretion and without further action on the part of the stockholders of the Company, may amend the Plan at any time and from time to time and may terminate the Plan at any time. No amendment or termination may affect adversely any outstanding award without the written consent of the award recipient.

13. General Provisions.

(a) Compliance with Law. The Company shall not be obligated to issue or deliver shares of Common Stock pursuant to the Plan unless the issuance and delivery of such

shares complies with applicable law, including, without limitation, the Securities Act, the Securities Exchange Act of 1934, as amended, and the requirements of any stock exchange or market upon which the Common Stock may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) 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.

(c) No Rights Conferred. Nothing contained herein shall be deemed to give any individual a right to receive an award under the Plan or to be retained in the employ or service of the Company or any affiliate.

(d) Decisions and Determinations to be Final. Any decision or determination 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 of the Committee are final and binding.

(e) 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.

(f) No Repricing. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding awards may not be amended to reduce the exercise price of outstanding Options or SARs or cancel outstanding Options or SARs in exchange for cash, other awards or Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs without stockholder approval.

14. Governing Law. The Plan and each award agreement or other document evidencing an award shall be governed by the laws of the State of Delaware, without regard to its principles of conflict of laws.

15. Term of the Plan. The Plan shall become effective on the date on which it is approved by the Company's stockholders (the "Effective Date"). Unless sooner terminated by the Board, the Plan shall terminate on the tenth anniversary of the Effective Date. The rights of any person with respect to an award made under the Plan that is outstanding at the time of the termination of the Plan shall not be affected solely by reason of the termination of the Plan 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.

G-III Apparel Group, Ltd.

March 13, 2013

Mr. Morris Goldfarb
21 Fairway Drive
Mamaroneck, New York 10543

Dear Mr. Goldfarb:

This letter agreement, when executed by you, shall constitute an amendment to the Employment Agreement (the "Agreement"), dated February 1, 1994, as amended, between G-III Apparel Group, Ltd. (the "Company") and you.

The Company and you hereby agree that Section 4a of the Agreement shall be amended by the addition of the following language at the end of such section after the Pre-Tax Income table:

"provided, however, that, with respect to each fiscal year of the Company commencing with the fiscal year ending January 31, 2014, (i) no cash bonus shall be payable hereunder unless the Company's Pre-Tax Income shall exceed \$10,000,000 for such fiscal year and (ii) the maximum annual cash bonus payable with respect to such fiscal year shall be no more than two times the target annual bonus for such fiscal year based on the budgeted Pre-Tax Income for such fiscal year as determined no later than April 30 of such fiscal year by the Compensation Committee of the Board of Directors, and shall be payable no later than April 15 of the following year."

This Letter Agreement may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission, or in "PDF" format circulated by electronic means, shall be deemed to be an original signature hereto.

Except as modified herein, all terms and provisions of the Agreement continue in full force and effect. If the foregoing accurately sets forth our agreement, please execute this letter and return it to the undersigned.

Very truly yours,

G-III APPAREL GROUP, LTD.

By: /s/ Wayne S. Miller

Accepted and agreed to:

/s/ Morris Goldfarb
Morris Goldfarb

G-III Apparel Group, Ltd.

March 13, 2013

Mr. Sammy Aaron
17 Ormond Park Road
Brookville, New York 11545

Dear Mr. Aaron:

This letter agreement, when executed by you, shall constitute an amendment to the Employment Agreement (the "Agreement"), dated July 11, 2005, as amended, between G-III Apparel Group, Ltd. (the "Company") and you.

The Company and you hereby agree that Section 3(b) of the Agreement shall be amended by the addition of the following language after the Pre-Tax Income table:

"provided, however, that, with respect to each fiscal year of the Company commencing with the fiscal year ending January 31, 2014, (i) no cash bonus shall be payable hereunder unless the Company's Pre-Tax Income shall exceed \$10,000,000 for such fiscal year and (ii) the maximum annual cash bonus payable with respect to such fiscal year shall be no more than two times the target annual bonus for such fiscal year based on the budgeted Pre-Tax Income for such fiscal year as determined no later than April 30 of such fiscal year by the Compensation Committee of the Board of Directors, and shall be payable no later than April 15 of the following year."

This Letter Agreement may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission, or in "PDF" format circulated by electronic means, shall be deemed to be an original signature hereto.

Except as modified herein, all terms and provisions of the Agreement continue in full force and effect. If the foregoing accurately sets forth our agreement, please execute this letter and return it to the undersigned.

Very truly yours,

G-III APPAREL GROUP, LTD.

By: /s/ Wayne S. Miller

Accepted and agreed to:

/s/ Sammy Aaron
Sammy Aaron

Company Contact: Wayne Miller
Chief Operating Officer
(212) 403-0500

Investor Relations Contact: James R. Palczynski
ICR, Inc.
(203) 682-8229

**G-III Apparel Group, Ltd. Announces Changes to Executive Compensation
and Corporate Governance Programs**

New York, New York – March 14, 2013 – G-III Apparel Group, Ltd. (NasdaqGS: GIII) today announced changes to its compensation and governance programs.

In 2011, 97% of the votes cast on our Say on Pay proposal indicated that our shareholders supported the compensation program for our executive officers. In light of such overwhelming approval G-III made no material changes to the structure of the program in 2012. In 2012, only 35% of the votes cast on our Say on Pay proposal were voted in support of the program. The Company and the Compensation Committee were disappointed with these results and have taken significant steps to address the concerns raised by shareholders.

“The views of our shareholders are very important to us, and we implemented several significant changes in our executive compensation and corporate governance programs that we believe will address the concerns of shareholders and ensure a more favorable Say on Pay vote this year,” commented Morris Goldfarb, Chairman and Chief Executive Officer of G-III Apparel Group.

“We are pleased with these modifications and believe that they reflect a good balance between addressing the compensation and governance concerns raised by our shareholders and continuing to motivate a talented and proven management team which has delivered stock price appreciation of 857% to shareholders over the past 15 years, significantly outperforming the S&P 500,” added Richard White, Chairman of G-III’s Compensation Committee. “We are confident that under the leadership of Morris Goldfarb, G-III is well-positioned to continue its transformation into a diversified, global apparel and retail company that will continue to deliver long-term growth in shareholder value.”

Modifications to the Executive Compensation and Corporate Governance Programs

With respect to the design of the executive compensation program, the Company’s Board and Compensation Committee took the following actions:

- ***Increased the pre-tax income performance thresholds which must be met prior to payment of an annual cash incentive award to Morris Goldfarb and Sammy Aaron.*** In response to shareholder concerns that annual incentive performance targets were not sufficiently rigorous, both Messrs. Goldfarb and Aaron agreed to amend their employment agreements with G-III. Under their amended agreements, Messrs. Goldfarb and Aaron are not eligible to receive an annual incentive payment unless G-III’s pre-tax income, as defined in their respective agreements, exceeds \$10,000,000.
- ***Instituted an annual cap on the amounts which Morris Goldfarb and Sammy Aaron can earn pursuant to their annual incentive awards.*** In response to shareholder concerns that annual incentive compensation awards to Messrs. Goldfarb and Aaron are uncapped, Messrs. Goldfarb and Aaron also agreed to amend their respective employment agreements to incorporate caps on

their annual incentive payments. Each year, the Compensation Committee will establish a target annual incentive based on the budgeted pre-tax net income value for the year. The total annual incentive opportunity will then be capped at two times the target value.

- ***Incorporated a second performance metric into the performance conditions required for earning our performance-based long-term equity incentive awards beginning with the awards made in October 2012.*** In response to shareholder concerns that our performance-vested long-term equity incentive awards were earned only upon the achievement of a single, absolute stock price performance metric, awards made on October 5, 2012 will be earned only upon the achievement of two performance metrics, (i) a stock price performance target set at a 15% premium to the stock price on the date of grant and (ii) a consolidated earnings after taxes performance target. In addition, consistent with past grant practice, the right to receive these shares of common stock is also subject to a time vesting condition pursuant to which shares become vested at an annual rate of 25% beginning on the second anniversary of the date of grant, subject to the satisfaction of the two performance conditions. The time vesting condition provides an additional retention element to these awards.

The Company's Board and Compensation Committee also took additional actions to address shareholder concerns including the implementation of:

- ***A clawback policy*** pursuant to which the Compensation Committee may recoup incentive compensation paid to executive officers predicated at least in part upon the achievement of financial results which are subsequently restated;
- ***A hedging and pledging policy*** which explicitly prohibits the hedging of shares of company stock by executives, non-employee directors or employees of G-III and limits the pledging of shares of G-III stock, except in certain limited instances as permitted by the Compensation Committee after consideration of the number of shares to be pledged as a percentage of the executive's total shares held and the Company's total shares outstanding;
- ***Share ownership guidelines*** requiring that executives hold shares in amounts equal to six times the annual base salary for the Chief Executive Officer, two times the annual base salary for the Vice Chair and one times annual base salary for all other named executive officers. Additionally, G-III's non-employee directors will be required to hold shares in amounts equal to five times the annual cash retainer payable to such director;
- ***Holding requirements*** requiring executives and directors to retain 50% of net, after-tax, shares received upon exercise or vesting of grants until the share ownership guidelines described above are satisfied; and
- ***Explicit prohibition of repricing and recycling of options and SARs*** under the Amended and Restated 2005 Stock Incentive Plan.

Other Actions Taken to Address Shareholder Concerns

Other actions taken to address governance concerns raised by our shareholders include:

- ***Creation of a Lead Independent Director position and Election of Richard White to serve as the Lead Independent Director of the Board*** to ensure that our Board continues to operate in an independent and cohesive manner;
- ***Morris Goldfarb's resignation from the board of one other public company***, so that he now serves as a director of only two public boards, in addition to his leadership as Chairman of the G-III Board; and
- ***Nominated Allen Sirkin for election as a director of the Company by our stockholders at the 2013 Annual Meeting of Stockholders to be held in June 2013.*** Mr. Sirkin is the former President of PVH Corp. Mr. Sirkin's significant experience as a senior operating executive of a well-respected apparel company will add to the industry expertise of our Board. Additionally, he will serve as another independent director, enhancing the overall independence of the Board.

About G-III Apparel Group, Ltd.

G-III is a leading manufacturer and distributor of outerwear, dresses, sportswear, swimwear, beachwear and women's suits, as well as handbags and luggage, under licensed brands, our own brands and private label brands. G-III sells swimwear, resort wear and related accessories under our own Vilebrequin brand. G-III also sells outerwear and dresses under our own Andrew Marc, Marc New York and Marc Moto brands and has licensed these brands to select third parties in certain product categories. G-III has fashion licenses under the Calvin Klein, Sean John, Kenneth Cole, Cole Haan, Guess?, Jones New York, Jessica Simpson, Vince Camuto, Ivanka Trump, Nine West, Ellen Tracy, Tommy Hilfiger, Kensie, Mac & Jac, Levi's and Dockers brands and sports licenses with the National Football League, National Basketball Association, Major League Baseball, National Hockey League, Touch by Alyssa Milano and more than 100 U.S. colleges and universities. Our other owned brands include Jessica Howard, Eliza J, Black Rivet, G-III, G-III Sports by Carl Banks and Winlit. G-III also operates retail stores under the Wilsons Leather, Vilebrequin, Calvin Klein Performance and Andrew Marc names.

Statements concerning G-III's business outlook or future economic performance, anticipated revenues, expenses or other financial items; product introductions and plans and objectives related thereto; and statements concerning assumptions made or expectations as to any future events, conditions, performance or other matters are "forward-looking statements" as that term is defined under the Federal Securities laws. Forward-looking statements are subject to risks, uncertainties and factors which include, but are not limited to, reliance on licensed product, reliance on foreign manufacturers, risks of doing business abroad, the current economic and credit environment, the nature of the apparel industry, including changing customer demand and tastes, customer concentration, seasonality, risks of operating a retail business, customer acceptance of new products, the impact of competitive products and pricing, dependence on existing management, possible disruption from acquisitions and general economic conditions, as well as other risks detailed in G-III's filings with the Securities and Exchange Commission. G-III assumes no obligation to update the information in this release.