

PIRC Summary Report Appendix

US

RALPH LAUREN CORP AGM Date: 2011-08-11

- | | |
|---|-----------------|
| 1.01 Elect Frank A. Bennack Jr. | Withhold |
| <p>Class A Non-Executive Director. Independent by company, not independent by PIRC as he has served on the board for over nine years. There are insufficient independent directors on the board according to PIRC guidelines.</p> | |
| 1.02 Elect Joel L. Fleishman | Withhold |
| <p>Class A Non-Executive Director. Independent by company, not independent by PIRC as he has served on the board for over nine years. There are insufficient independent directors on the board according to PIRC guidelines. It is noted that he is the Chair of the Compensation Committee, who awarded the Chairman and CEO Ralph Lauren \$29.7 million in aggregate remuneration during the year under review, an amount considered to be excessive.</p> | |
| 2 Appoint the auditors | Abstain |
| <p>Ernst & Young LLP proposed. The unacceptable non-audit fees were 45.5% of audit and audit related fees during the year under review. Non-audit fees over a three-year period were approximately 44.5% of audit and audit related fees. It is commended that the company has put the auditors resolution up for shareholder approval when it is not required as a "controlled company"; however, there are concerns that this level of non-audit fees creates a potential for conflict of interest on the part of the independent auditor. An abstain vote is therefore recommended.</p> | |
| 3 Advisory Vote on Executive Compensation | Oppose |
| <p>As a result of new SEC legislation that has entered into force (Section 951 of The Dodd-Frank Wall Street Reform and Consumer Protection Act), the company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The detailed commentary on the disclosures made by the company are contained in the body of this report and the voting outcome for this resolution reflects the balance of our opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CDC</p> <p>Disclosure rating: C</p> <p>Balance rating: D</p> <p>Contracts rating: C</p> <p>Based upon this rating an oppose vote is recommended.</p> | |
| 4 An advisory vote on the frequency of holding an advisory vote on executive compensation. | 1 |
| <p>The Company is providing shareholders with an advisory vote on whether the advisory vote on executive compensation should be held every one, two or three years. The Board is required by Section 951 of The Dodd-Frank Wall Street Reform and Consumer Protection Act to offer this vote on the frequency of a say-on-pay proposal not less than every six years, although they have the option to offer this proposal more often.</p> <p>The Board of Directors recommends an annual vote for shareholders on their executive compensation. An annual vote on executive compensation is considered to be best practice for companies, and a vote with the Board for a vote for every year is recommended.</p> | |

For Private Circulation only

Copyright 2011 PIRC Ltd.