

MOVADO GROUP INC
Form DEF 14A
May 08, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

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

Check the appropriate
box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

MOVADO GROUP, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14(a)-6(i)(4) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is

calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

MOVADO GROUP, INC.
650 From Road, Ste. 375
Paramus, New Jersey 07652-3556

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

June 19, 2014

The 2014 Annual Meeting of Shareholders of Movado Group, Inc. will be held on Thursday, June 19, 2014 at 10:00 a.m., at the Company's offices located at 25 West 39th Street, 15th Floor, New York, NY 10018 for the following purposes:

1. To elect nine directors to serve on the Board until the next Annual Meeting and until their successors are elected and qualified.
2. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent accountants for the fiscal year ending January 31, 2015.
3. To approve an amendment and restatement of the Company's Executive Performance Plan, originally established effective February 1, 2001 and subsequently amended and restated effective February 1, 2014.
4. To approve, on an advisory basis, the compensation of the Company's named executive officers, as described in the proxy statement under "Executive Compensation".
5. To transact such other business as may properly come before the meeting or any postponement or adjournment thereof.

Holders of the Company's Common Stock and Class A Common Stock of record at the close of business on April 23, 2014 are entitled to notice of and to vote at the Annual Meeting of Shareholders or any postponements or adjournments thereof.

Again this year, we will furnish proxy materials to our shareholders via the Internet in order to expedite shareholders' receipt of proxy materials while lowering the cost of delivery and reducing the environmental impact of our Annual Meeting.

Accordingly, we are mailing to our shareholders of record and beneficial owners a Notice of Internet Availability of Proxy Materials, which provides instructions on how to access the attached proxy statement and our annual report to shareholders for the fiscal year ended January 31, 2014 via the Internet and how to vote online. The Notice of Internet Availability of Proxy Materials also contains instructions on how to obtain the proxy materials in printed form.

Dated: May 8, 2014

By order of the Board of
Directors

Timothy F. Michno
Secretary and General Counsel

Your vote is important. Regardless of whether you plan to attend the Annual Meeting, please follow the instructions you received to vote your shares as soon as possible, to ensure that your shares are represented at the Annual Meeting. Shareholders of record, or beneficial shareholders named as proxies by their shareholders of record, who

attend the meeting may vote their shares personally, even though they have sent in proxies or voted online.

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MOVADO GROUP, INC.

PROXY STATEMENT

Annual Meeting of Shareholders of Movado Group, Inc. to be held Thursday, June 19, 2014
Some Questions You May Have Regarding This Proxy Statement

What is the purpose of these materials?

The Board of Directors (the “Board”) of Movado Group, Inc. (the “Company”) is soliciting proxies for our 2014 Annual Meeting of Shareholders (the “Annual Meeting”). The Annual Meeting will be held on Thursday, June 19, 2014 at 10:00 a.m. at the Company’s offices located at 25 West 39th Street, 15th Floor, New York, NY 10018. The information included in this proxy statement relates to the proposals to be voted on at the Annual Meeting, the voting process, the compensation of Directors and our most highly paid executive officers, and other required information. Our annual report to shareholders for the fiscal year ended January 31, 2014 is available to review with this proxy statement. We are mailing a notice of the Annual Meeting (and, for those who request it, a paper copy of this proxy statement and the enclosed form of proxy) to our shareholders on or about May 8, 2014.

What proposals will be voted on at the Annual Meeting?

The four matters scheduled to be voted on at the Annual Meeting are:

1. The election of nine directors to serve on the Board;
2. The ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent accountants for the fiscal year ending January 31, 2015;
3. The approval of an amendment and restatement of the Company’s Executive Performance Plan, originally established effective February 1, 2001 and subsequently amended and restated effective February 1, 2014; and
4. The approval, on an advisory basis, of the compensation of the Company’s named executive officers, as described in the proxy statement under “Executive Compensation”.

In addition, such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof may be voted on.

Who can vote at the Annual Meeting?

Anyone owning shares of the Company’s Common Stock and/or its Class A Common Stock on April 23, 2014, the record date for this year’s Annual Meeting, is entitled to attend and to vote on all items properly presented at the Annual Meeting.

Who is asking me for my vote?

The Company is soliciting your proxy on behalf of the Board and has retained Broadridge Investor Communications Solutions, Inc., professional proxy solicitors, to assist with the solicitation. We will pay the entire cost of this proxy solicitation, including Broadridge’s fee, which we expect to be approximately \$10,000.

What are my voting rights?

Each share of Common Stock is entitled to one vote and each share of Class A Common Stock is entitled to 10 votes on each matter properly presented at the Annual Meeting. On April 23, 2014, the record date for determining the shareholders entitled to notice of, and to vote at, the Annual Meeting, there were 18,667,632 shares of Common Stock outstanding and 6,685,877 shares of Class A Common Stock outstanding. The Common Stock and the Class A Common Stock are hereinafter referred to together as the "Capital Stock". A list of all shareholders

as of the record date will be available during ordinary business hours at the Company's principal place of business located at 650 From Road, Ste. 375, Paramus, NJ 07652-3556, from the Secretary of the Company, at least 10 days before the Annual Meeting and will also be available at the Annual Meeting.

How does the Board recommend that I vote?

The Board recommends that you vote:

1. FOR the election of each of the director nominees;
2. FOR the appointment of PricewaterhouseCoopers LLP as our independent public accounting firm for the current fiscal year;
3. FOR the approval of the amended and restated Executive Performance Plan; and
4. FOR the approval, on an advisory basis, of the compensation of the Company's named executive officers, as described in the proxy statement under "Executive Compensation".

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full printed set?

In accordance with the rules of the Securities and Exchange Commission (the "SEC"), the Company is providing access to its proxy materials via the Internet. Accordingly, the Company is mailing a Notice of Internet Availability of Proxy Materials (the "Notice") to shareholders of record and beneficial owners. All shareholders will have the ability to access the proxy materials on a website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials via the Internet or to request a printed set may be found on the Notice. In addition, shareholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

Where can I view the proxy materials on the Internet?

The Notice provides you with instructions on how to:

- view proxy materials for the Annual Meeting via the Internet; and
- instruct the Company to send future proxy materials to you by email.

You can view the proxy materials for the Annual Meeting online at www.movadogroup.com by clicking on Investor Center and then Annual Report & Proxy Materials.

How do I vote?

If you are a shareholder on the record date, you may vote by following the instructions for voting on the Notice. If you receive paper copies of these proxy materials, you can vote by completing, signing and dating your proxy card and returning it in the enclosed envelope. Alternatively, you may attend the Annual Meeting and vote your shares in person. If you vote online, by phone or mail in a proxy card, you may still attend the Annual Meeting and vote in person but, in that case, only your in-person votes will count. If you wish to vote your shares in person at the Annual Meeting and they are held by your broker in "street name," you must bring a letter from the broker to the Annual Meeting showing that you were the beneficial owner of the shares on April 23, 2014.

Can I change my vote after I have delivered my proxy?

Yes. You may change your vote at any time before voting concludes at the Annual Meeting by:

- providing another proxy, using any of the available methods for voting, with a later date;
- notifying the Company's Secretary in writing before the Annual Meeting that you wish to revoke your proxy; or
- voting in person at the Annual Meeting.

What is a quorum?

For the purposes of the Annual Meeting, a “quorum” is a majority in voting power of the outstanding shares of Capital Stock owned by shareholders on the record date who are present in person or represented by proxy at the Annual Meeting. There must be a quorum for the Annual Meeting to be held. Broker non-votes (as further described below) and abstentions are counted for purposes of determining a quorum.

What is broker “discretionary” voting?

Under the rules of the New York Stock Exchange (“NYSE”), brokers who have transmitted proxy materials to customers will have discretion to vote the shares of customers who fail to provide voting instructions on “routine matters,” but brokers may not vote such shares on “non-routine matters” without voting instructions. When a broker’s customer does not provide the broker with voting instructions on non-routine matters, the broker cannot vote either way and reports the number of such shares as broker “non-votes.” Broker non-votes are counted as present for the purpose of determining the presence of a quorum for the transaction of business, but they are not counted as shares voting. Thus, broker non-votes can have the effect of preventing approval of certain proposals where the number of affirmative votes, although a majority of the votes cast, does not constitute a majority of the required quorum. Non-routine matters include: the election of directors, the approval of the Company’s amended and restated Executive Performance Plan, and the approval, on an advisory basis, of executive compensation of the Company’s named executive officers. Therefore, if you hold your shares in street name through a broker, you must cast your vote if you want it to count in respect of these non-routine matters. The ratification of the appointment of the Company’s independent registered public accounting firm is a routine matter, so brokers will have discretion to vote any uninstructed shares on that proposal (Proposal 2).

How are matters presented at the Annual Meeting approved?

Directors are elected by a plurality of the votes cast at the Annual Meeting. Approval of the proposals to: (i) ratify the selection of PricewaterhouseCoopers LLP as the Company’s independent accountants for fiscal 2015, (ii) amend and restate the Company’s Executive Performance Plan and (iii) approve, on an advisory basis, the compensation of the Company’s named executive officers, requires the affirmative vote of the holders of a majority in voting power of the outstanding shares of Capital Stock present in person or represented by proxy and entitled to vote at the Annual Meeting. With respect to the aforementioned proposals, abstentions will not be counted as votes cast in accordance with New York law. For this reason, abstentions will have no effect on the election of directors or the advisory vote to approve the compensation of the Company’s named executive officers.

May I vote confidentially?

Yes. Our policy is to keep your vote confidential, except as otherwise legally required, to allow for the tabulation and certification of votes and to facilitate proxy solicitation.

Who will count the votes?

A representative of Broadridge will count the votes and act as the inspector of election for the Annual Meeting.

What if additional matters are presented to the Annual Meeting?

We do not know of any business to be considered at the Annual Meeting other than the proposals described in this proxy statement. If any other business is presented at the Annual Meeting, your properly executed proxy gives authority to Timothy F. Michno, our General Counsel and Corporate Secretary, and to Sallie A. DeMarsilis, our Chief

Financial Officer, to vote on such matters at his or her discretion.

Where can I find the voting results from the Annual Meeting?

We will announce preliminary voting results at the Annual Meeting and will publish final results in a Form 8-K that we will file with the SEC within four business days after the date of the Annual Meeting.

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How can I obtain information about the Company?

A copy of our fiscal 2014 Annual Report is available on our website at www.movadogroup.com. Shareholders may also obtain a free copy of our Annual Report on Form 10-K for the fiscal year ended January 31, 2014 by visiting our website or by sending a request in writing to Timothy F. Michno, Corporate Secretary, at the Company's address set forth in the Notice.

When are shareholder proposals due for consideration at next year's annual meeting?

Under the SEC rules, for shareholder proposals to be considered for inclusion in the proxy statement for the 2015 Annual Meeting, they must be submitted in writing to our Corporate Secretary, Movado Group, Inc., 650 From Road, Ste. 375, Paramus, NJ 07652-3556, on or before January 6, 2015. In addition, our by-laws provide that for directors to be nominated or other proposals to be properly presented at the 2015 Annual Meeting, an additional notice of any nomination or proposal must be received by us not less than 60 nor more than 90 days before the Annual Meeting. If less than 70 days' notice of our 2015 Annual Meeting is given, then to be timely, the notice by the shareholder must be received by us not later than the close of business on the tenth day following the day on which the first public announcement of the date of the 2015 Annual Meeting was made or the notice of the meeting was mailed, whichever occurs first.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the number of shares of the Company's Class A Common Stock and the Common Stock beneficially owned as of April 23, 2014 (except as otherwise noted in footnotes 3, 6, 7, 12 and 13) by (i) each shareholder who is known by the Company to beneficially own more than 5% of the outstanding shares of either the Class A Common Stock or the Common Stock, (ii) each current director, (iii) each executive officer named in the Summary Compensation Table, and (iv) all current executive officers and directors as a group.

Name of Beneficial Owner	Shares of		Percent of Outstanding Shares of Capital Stock		Percent of Total Voting Power (1)
	Class A Common Stock Beneficially Owned (1)	Shares of Common Stock Beneficially Owned (1)	Class A Common Stock (1)	Common Stock (1)	
Margaret Hayes Adame (2)	-	23,974	-	*	*
BlackRock Inc. (3)	-	2,155,272	-	11.5%	2.5%
Peter A. Bridgman	-	-	-	-	-
Richard J. Coté (4)	-	591,351	-	3.2%	*
Sallie A. DeMarsilis (5)	-	23,208	-	*	*
Dimensional Fund Advisors LP (6)	-	1,433,191	-	7.7%	1.7%
Goldman Sachs Asset Management, L.P. (7)	-	1,188,504	-	6.4%	1.4%
Alexander Grinberg (8)	3,990,806	6,837	60.1 %	*	46.7%
Efraim Grinberg (9)	5,739,508	173,992	86.5 %	*	67.2%
Alan H. Howard (2)	-	26,086	-	*	*
Richard Isserman (2)	-	9,430	-	*	*
Nathan Leventhal (2)	-	6,520	-	*	*
Timothy F. Michno	-	42	-	*	*
Frank A. Morelli (10)	-	30,294	-	*	*
Miriam Phalen (11)	3,910,567	15,721	58.9 %	*	45.7%
Maurice S. Reznik	-	7,946	-	*	*
The Vanguard Group, Inc. (12)	-	1,095,611	-	5.9%	1.3%
Wells Fargo & Company (13)	-	1,512,362	-	*	*
All executive officers and directors as a group (13 persons) (14)	6,074,674	899,680	90.9 %	4.8%	71.9%

* Denotes less than one percent

The address for Messrs. Bridgman, Coté, A. Grinberg, E. Grinberg, Howard, Isserman, Leventhal, Michno, Morelli, Reznik and Ms. Hayes Adame, Ms. DeMarsilis and Ms. Phalen is c/o Movado Group, Inc., 650 From Road, Ste. 375, Paramus, New Jersey 07652-3556.

- (1) Although each share of Class A Common Stock is convertible at any time into one share of Common Stock, the shares of Common Stock shown as beneficially owned by each of the persons or groups listed in the table above do not include the shares of Common Stock deemed to be beneficially owned by such persons or groups as a result of beneficial ownership of shares of Class A Common Stock, which shares are shown in a separate column. The percentage of outstanding shares of Common Stock shown as beneficially owned by each of the persons or groups in the table above is shown on the same basis. In calculating the percent of total voting power held by each person or group, the voting power of shares of Common Stock (one vote per share) and Class A Common Stock (10 votes per share) has been aggregated.
- (2) The total number of shares of Common Stock reported as beneficially owned by each of Ms. Hayes Adame, Mr. Howard and Mr. Isserman includes 4,500 shares which each has the right to acquire by the exercise of options under the Company's Stock Incentive Plan. The total number of shares of Common Stock reported as beneficially owned by Mr. Leventhal includes 1,500 shares which he has the right to acquire by the exercise of options under the Company's Stock Incentive Plan.
- (3) On January 9, 2014, in a filing on Schedule 13G under the Securities Exchange Act of 1934, as amended ("Exchange Act"), BlackRock Inc. reported beneficial ownership as of December 31, 2013 of 2,155,272 shares of Common Stock. It reported having sole voting power as to 2,105,687 of such shares and sole dispositive power as to all such shares. It also reported that all of the shares of Common Stock that it beneficially owns were acquired in the ordinary course of business and not for the purpose or with the effect of changing or influencing control of the Company, or in connection with any transaction having such purpose or effect. The address of BlackRock Inc. is 40 East 52nd Street, New York, NY 10022.
- (4) The total number of shares of Common Stock reported as beneficially owned by Mr. Coté includes 89,000 shares which he has the right to acquire by the exercise of options under the Company's Stock Incentive Plan and 2,120 shares held by a trust for the benefit of his children as to which shares Mr. Coté has shared dispositive power with his spouse who is the trustee with sole voting power. The total also includes 169,388 shares held by a trust for the benefit of his children as to which Mr. Coté's spouse is the sole trustee with sole voting and dispositive power and 4,500 shares held by a charitable foundation as to which Mr. Coté and his spouse share dispositive and voting power. Mr. Coté disclaims beneficial ownership of the 171,508 shares of common stock held in trust for the benefit of his children and the 4,500 shares held by the charitable foundation.
- (5) The total number of shares of Common Stock reported as beneficially owned by Ms. DeMarsilis includes 10,000 shares which she has the right to acquire by the exercise of options under the Company's Stock Incentive Plan.
- (6) On February 10, 2014, in a filing on Schedule 13G under the Exchange Act, Dimensional Fund Advisors LP ("DFA") reported beneficial ownership as of December 31, 2013 of 1,433,191 shares of Common Stock, as to all of which it has sole dispositive power. DFA reported having sole voting power as to 1,406,996 of the shares. DFA also reported that all of the shares of Common Stock that it beneficially owns were acquired in the ordinary course of business and not for the purpose or with the effect of changing or influencing control of the Company, or in connection with any transaction having such purpose or effect. The address of DFA is Palisades West, Building One, 6300 Bee Cave Road, Austin, TX 78746.
- (7) February 13, 2014, in a filing on Schedule 13G under the Exchange Act, Goldman Sachs Asset Management, L.P. ("Goldman") reported beneficial ownership as of December 31, 2013 of 1,188,504 shares of Common

Stock. Goldman reported having shared dispositive power as to 1,188,504 of such shares and shared voting power as to 1,120,382 of such shares. It also reported that all of such shares were acquired in the ordinary course of business and not for the purpose or with the effect of changing or influencing control of the Company, or in connection with any transaction having such purpose or effect. The address of Goldman is 200 West Street, New York, NY 10282.

- (8) The total number of shares of Class A Common Stock beneficially owned by Mr. A. Grinberg includes 3,655,640 shares owned by Grinberg Partners L.P., a Delaware limited partnership (“GPLP”) of which Mr. A. Grinberg is a limited partner, and 84,790 shares owned by trusts for the benefit of Mr. A. Grinberg’s niece and nephew, of which trusts he is a co-trustee with Mr. Mark Fishman. Mr. A. Grinberg has shared voting power with GPLP, Grinberg Group Partners, a Delaware general partnership (“GGP”) which is the general partner of GPLP, Mr. E. Grinberg and Ms. Phalen over the 3,655,640 shares owned by GPLP and shared voting and investment power with Mr. Fishman over the 84,790 shares owned by the trusts.
- (9) Of the shares reported as beneficially owned by Mr. E. Grinberg: 64,567 are shares of Common Stock owned by Mr. E. Grinberg directly as to which he has sole voting and dispositive power; 98,000 are shares of Common Stock which Mr. E. Grinberg has the right to acquire by the exercise of options under the Company’s Stock Incentive Plan; 6,425 are shares of Common Stock held by a remainder trust for the benefit of Mr. E. Grinberg (“Remainder Trust”), for which trust Mr. E. Grinberg is co-trustee together with Sharon Trulock with whom he shares voting and dispositive power; and 5,000 are shares of Common Stock held by the Efraim Grinberg Family Foundation for which Mr. E. Grinberg is one of two directors with shared voting and dispositive power. The balance of Mr. E. Grinberg’s shares is comprised of shares of Class A Common Stock. Included in Mr. E. Grinberg’s total number of shares of Class A Common Stock are: 251,501 shares which he owns directly and as to which he has sole voting and dispositive power; an aggregate of 563,306 shares held by several trusts for the benefit of Mr. E. Grinberg’s siblings and himself, of which trusts Mr. E. Grinberg is sole trustee; 342,570 shares held by seven testamentary trusts for the benefit of Mr. E. Grinberg’s children and the children of his siblings, of which trusts he is sole trustee and 1,695 shares held by a testamentary trust for the benefit of Mr. E. Grinberg and his siblings of which Mr. E. Grinberg is the sole trustee. As sole trustee of the foregoing trusts, Mr. E. Grinberg has sole investment and voting power with respect to the Class A Common Stock held in such trusts. In addition, the number of shares of Class A Common Stock reported for Mr. E. Grinberg also includes: an aggregate of 862,940 shares held by several trusts for the benefit of Mr. E. Grinberg’s siblings and himself; 855 shares held by a trust for the benefit of Mr. E. Grinberg’s nephew and 1 share held by the Remainder Trust. Mr. E. Grinberg is co-trustee with Sharon Trulock for all three of these trusts and, as co-trustee, Mr. E. Grinberg has shared voting and dispositive power, together with Ms. Trulock, with respect to the Class A Common Stock held in such trusts. The number of shares of Class A Common Stock reported for Mr. E. Grinberg also includes 38,000 shares held by CAP I Partners L.P., which Mr. E. Grinberg beneficially owns as the managing partner of CAP I Partners LLC (the general partner of CAP I Partners L.P.) with sole power to vote and dispose of such shares. The total number of shares of Class A Common Stock beneficially owned by Mr. E. Grinberg also includes 3,655,640 shares owned by GPLP. As the managing partner of GGP, the general partner of GPLP, Mr. E. Grinberg shares voting and dispositive power with respect to the 3,655,640 shares of Class A Common Stock held directly by GPLP with GGP and GPLP. Mr. E. Grinberg also shares voting power with respect to such shares with Ms. Phalen and with Alexander Grinberg, both of whom are also limited partners of GPLP. Of the shares of Class A Common Stock held by trusts of which Mr. E. Grinberg is sole trustee or co-trustee (other than the shares held in the Remainder Trust), Mr. E. Grinberg disclaims beneficial ownership as to the 955,348 shares held by the trusts for the benefit of his siblings of which he is trustee or co-trustee; the 855 shares held by the trust for the benefit of his nephew, and the 342,570 shares held by the seven testamentary trusts for the benefit of his children and the children of his siblings. Mr. E. Grinberg also disclaims beneficial ownership as to the 38,000 shares of Class A Common Stock owned by CAP I Partners L.P. and the 3,655,640 shares of Class A Common Stock owned by GPLP, except, in each case, to the extent of his pecuniary interest therein.
- (10) The total number of shares of Common Stock beneficially owned by Mr. Morelli includes 10,000 shares which he has the right to acquire by the exercise of options under the Company’s Stock Incentive Plan.
- (11) Of the shares reported as beneficially owned by Ms. Phalen: 254,906 are shares of Class A Common Stock owned by Ms. Phalen directly and as to which she has sole voting and dispositive power; 21 are shares of Class A

Common Stock owned jointly with her husband and as to which she shares voting and dispositive power with her husband; and 3,655,640 are shares of Class A Common Stock owned by GPLP, in which Ms. Phalen is a limited partner. Ms. Phalen shares voting power with respect to the 3,655,640 shares of Class A Common Stock held directly by GPLP with GPLP, GGP (GPLP's general partner), Mr. E. Grinberg (GGP's Managing Partner) and Mr. Alexander Grinberg. The remaining shares reported as beneficially owned by Ms. Phalen are 9,935 shares of Common Stock, which she owns directly and as to

which she has sole voting and dispositive power, and 5,786 shares of Common Stock, which she owns jointly with her husband and as to which she shares voting and dispositive power with her husband.

- (12) On February 11, 2014, in a filing on Schedule 13G under the Exchange Act, The Vanguard Group, Inc. (“Vanguard”) reported beneficial ownership as of December 31, 2013 of 1,095,611 shares of Common Stock, as to which it reported having shared dispositive power of 27,468 shares; sole voting power of 28,668 shares and sole dispositive power of 1,068,143 shares. Vanguard reported that all of the shares of Common Stock that it beneficially owns were acquired in the ordinary course of business and not for the purpose or with the effect of changing or influencing control of the Company, or in connection with any transaction having such purpose or effect. Vanguard’s address is 100 Vanguard Boulevard, Malvern, PA 19355.
- (13) On January 27, 2014, in a filing on Schedule 13G under the Exchange Act, Wells Fargo & Company (“Wells”) reported beneficial ownership as of December 31, 2013 of 1,512,362 shares of Common Stock, as to which it reported having shared dispositive power of 1,499,795 shares; sole dispositive power of 12,567 shares; shared voting power of 1,395,450 shares and sole voting power of 12,567 shares. Wells reported that all of the shares of Common Stock that it beneficially owns were acquired in the ordinary course of business and not for the purpose or with the effect of changing or influencing control of the Company, or in connection with any transaction having such purpose or effect. Wells’ address is 420 Montgomery Street, San Francisco, CA 94104.
- (14) Excludes double counting of shares deemed to be beneficially owned by more than one person. Unless otherwise indicated, the individuals named have sole investment and voting power.

PROPOSAL 1 - ELECTION OF DIRECTORS

Directors hold office until the next annual meeting of shareholders and until the election and qualification of their successors. Under the Company's by-laws, the Board of Directors can change the number of directors comprising the entire Board so long as the number is not less than three. The Board currently consists of nine directors.

All of the nominees are members of the present Board of Directors. If any nominee for election to the Board of Directors should be unable to accept nomination or election as a director, which is not expected, your proxy may be voted for a substitute or substitutes designated by the Board of Directors or the number of directors constituting the Board may be reduced in accordance with the Company’s by-laws. Directors will be elected by the holders of a plurality of the voting power present in person or represented by proxy and entitled to vote. Abstentions will not be counted for purposes of the election of directors. The Board recommends that shareholders vote FOR the election of the nominees listed below.

Name	Age	Director Since	Position
Margaret Hayes Adame	74	1993	Director
Peter A. Bridgman	61	2014	Director
Richard J. Coté	59	2000	President and Chief Operating Officer; Director
Efraim Grinberg	56	1988	Chairman of the Board of Directors and Chief

			Executive Officer; Director
Alex Grinberg	51	2011	Senior Vice President Customer/Consumer Centric Initiatives; Director
Alan H. Howard	54	1997	Director
Richard Isserman	79	2005	Director
Nathan Leventhal	71	2003	Director
Maurice Reznik	59	2011	Director

Except for Efraim Grinberg and Alex Grinberg, who are brothers, there are no family relationships between any of the Company's directors. There are no arrangements between any director and any other person pursuant to which any of them was elected a director.

Margaret Hayes Adame is the President and Chief Executive Officer of Fashion Group International, Inc., an international, non-profit trade organization working with the fashion industry, which she joined in March 1993. From 1981 to March 1993, Ms. Hayes Adame was a Senior Vice President and general merchandise manager at Saks Fifth Avenue, a major retailer. For more than 19 years, she was also a member of the board of directors of International Flavors & Fragrances, Inc., a manufacturer and supplier of flavors and fragrances for the food, beverage, personal care and household products industries. She also serves on the Board of Trustees of Montefiore Medical Center. Her expertise in the areas of retail and fashion provide her with a thorough understanding of numerous issues involving the Company's products and customers and makes her very suitable for service on the Board.

Peter A. Bridgman was elected to the Board of Directors of the Company in February 2014, prior to which he served as SVP and General Auditor at PepsiCo Inc. From 2000-2011, Mr. Bridgman was SVP and Controller at PepsiCo Inc., during which time he led the financial reporting and control functions for the \$67 billion global consumer products company, ensuring best practice governance and regulatory compliance around the world. From 1992-2000, Mr. Bridgman served as SVP and Controller of Pepsi Bottling Group and from 1985-1992, he held positions of increasing responsibility at Pepsi International. Prior to that, Mr. Bridgman spent 12 years at KPMG where he had global client audit responsibilities. Mr. Bridgman served on the board of Alltel Corporation, a \$10 billion wireless provider acquired by Verizon in 2009, and Pepsi Bottling Ventures, an \$800 million private beverage manufacturer. He received a B.S. in Economics and Accounting from Bristol University in England, and is both a Certified Public Accountant in the United States and a Chartered Accountant in England. Mr. Bridgman's extensive experience in financial reporting and internal control and his background in public accounting qualify him for service on our Board and bring the Board additional expertise in these areas.

Richard Coté joined the Company in January 2000 as Executive Vice President – Finance and Administration. In May 2001, Mr. Coté was promoted to Executive Vice President - Chief Operating Officer and in March 2010, he was promoted to the position of President and Chief Operating Officer. Prior to joining the Company, Mr. Coté worked for Colgate-Palmolive, a global consumer goods company, where, from 1998 to 2000, he was Vice President and Chief Financial Officer for U.S. operations, and from 1993 to 1998, he was Vice President and Chief Financial Officer for Asia/Pacific operations. Prior to joining Colgate-Palmolive, Mr. Coté spent eight years at KPMG LLP in public accounting. He is a licensed CPA. Mr. Coté's extensive experience in the areas of international business, accounting and corporate operations make him well qualified to deal with the challenges and opportunities of overseeing the operations and general management of the Company and for service on the Board.

Efraim Grinberg joined the Company in June 1980 and served as the Company's Vice President of Marketing from February 1985 until July 1986, at which time he was elected to the position of Senior Vice President of Marketing. From June 1990 to October 1995, Mr. Grinberg served as the Company's President and Chief Operating Officer and, from October 1995 until May 2001, served as the Company's President. In May 2001, Mr. Grinberg was elected to the position of President and Chief Executive Officer and, in addition, effective January 31, 2009, he was elected Chairman of the Board. In March 2010 Mr. Grinberg resigned as President. He continues to serve as the Company's Chairman of the Board and Chief Executive Officer. Mr. Grinberg's three decades of experience in the watch industry and in a variety of positions at the Company during this period of its growth provides him with a detailed and extensive knowledge of the Company's brands, markets, competitors, customers and virtually every other aspect of its business and the industry as a whole and qualifies him for service on the Board. Mr. Grinberg also serves on the board of directors of Lincoln Center for the Performing Arts, Inc. and the Jeweler's Fund for Children.

Alex Grinberg joined the Company in December 1994 as a territory manager for the Movado brand and was promoted to Vice President of International Sales for the Concord brand in June 1996. From February 1999 through October 2001 he was stationed in the Far East developing Movado Group brands in Hong Kong and Japan. Beginning in November 2001 he held a number of positions of increasing responsibility within the Concord brand in the United States until November 2010, when he was appointed to the position of Senior Vice President of Customer/Consumer Centric Initiatives with responsibility for creating programs to enhance the Company's relationships with its retail partners and improve its worldwide customer service and after sales service performance. Mr. Grinberg's many years with the Company, during which time he has held a number of positions in sales and brand management and his international experience, make him well qualified for service on the Board.

Alan Howard is the Managing Partner of Heathcote Advisors LLC, which he formed in March 2008 and which provides financial advisory services as well as makes principal investments. In addition, Mr. Howard is the President of Dynatech/MPX Holdings LLC ("D/M Holdings"), a privately held company that is a global supplier and service provider of military aircraft parts for multiple platforms and engines. Mr. Howard is on the Board of Directors of D/M Holdings as well as the Boards of its two operating companies, Military Parts Exchange LLC and Dynatech International LLC. From September 2008 through June 2010 he was Managing Partner of S3 Strategic Advisors LLC which provides strategic advice to hedge funds and asset managers. Previously, from July 2006 until July 2007, he was a Managing Director of Greenbriar Equity Group, LLC, a private equity firm focusing on transportation and transportation related investments. Prior to July 2006, Mr. Howard was a Managing Director of Credit Suisse First Boston LLC ("CSFB"), an international provider of financial services. He had been with CSFB and its predecessor companies since 1986. As a Managing Director in the Global Industrial and Services Investment Banking Group, he was an advisor to several of the company's most important clients on mergers and acquisitions, corporate finance and capital raising assignments. With his broad experience in investment banking, Mr. Howard is able to provide the Board with corporate finance, capital markets and mergers and acquisitions experience.

Richard Isserman had a distinguished career of nearly 40 years with KPMG LLP and for 26 years served as Audit Partner in KPMG's New York office. He also led KPMG's real estate audit practice in New York and was a member of the firm's SEC Reviewing Partner's Committee. Mr. Isserman retired from KPMG in June 1995. A licensed New York state CPA, Mr. Isserman also serves as the chairman of the budget and finance committee and a member of the audit committee for Federation Employment and Guidance Services, a social service agency in New York City. Based on his years of demonstrated leadership in the field of public accounting, Mr. Isserman provides our Board with in-depth knowledge and experience in financial, accounting and risk management issues.

Nathan Leventhal served as Chief of Staff to Mayor John Lindsay, Deputy Mayor to Mayor Ed Koch, and Transition Chairman for both Mayors David Dinkins and Michael Bloomberg. He chaired Mayor Michael Bloomberg's Committee on Appointments during his three terms as Mayor and was a Commissioner on the New York City Planning Commission from 2007 to 2011. He currently serves on the boards of a number of equity, fixed income and money market funds managed by the Dreyfus Corporation, an investment advisor, and serves on the Budget and Finance Committee of the Town of Southampton, New York. Mr. Leventhal is a former partner of the law firm Poletti Freidin Prashker Feldman & Gartner. Other New York City governmental positions held by Mr. Leventhal include Fiscal Director of the Human Resources Administration, Commissioner of Rent and Housing Maintenance, Commissioner of Housing Preservation and Development, and Secretary of the New York City Charter Revision Commission. In Washington, D.C., Mr. Leventhal served as an attorney in the Office of the Air Force General Counsel, Assistant to the Executive Director of the Equal Employment Opportunity Commission, and Chief Counsel to the U.S. Senate Subcommittee on Administrative Practice and Procedure. In the not-for-profit sector, Mr. Leventhal served for 17 years as President of Lincoln Center for the Performing Arts, where he is now President Emeritus. Mr. Leventhal's wealth of experience in the areas of government, law, public policy, fiscal affairs and management make him well qualified to serve on our Board.

Maurice Reznik served as the Chief Executive Officer and a member of the board of directors of Maidenform Brands, Inc., a global intimate apparel company, from July 2008 to April 2014. From May 2004 until assuming the CEO position, he was President of Maidenform Brands with responsibility for marketing, merchandising, design and sales for both branded and private label products. From April 1998 to May 2004, Mr. Reznik was President of the Maidenform division of Maidenform Brands' predecessor company and, in the 19 years prior to joining Maidenform, held various sales and management positions in the intimate apparel industry, including President of Warner's Intimate Apparel Group, a division of Warnaco, Inc., a global intimate apparel, swimwear and sportswear company. With over 30 years of experience working in positions of increasing responsibility in the intimate apparel industry and as the CEO of a public, consumer products company, Mr. Reznik

has expertise in product design and sourcing, wholesale, retail, brand development and merchandising as well as in core business areas such as strategy and business development, operations, brand management, finance, compliance and risk management, all of which make him well qualified to serve on the Board. Mr. Reznik is also the founder of the For Love of Life Colon Cancer charity and serves on the boards of ITAG, a B2B business focused on mobile shopping, Dignity U Wear, Queens College and the American Apparel and Footwear Association and Fashion Institute of Technology. He also serves on the Parent Leadership Council of Shatterproof, a 501(c)(3) organization dedicated to reducing the impact of addiction on families across America.

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board Leadership Structure

Prior to January 31, 2009, the positions of Chairman of the Board of Directors and Chief Executive Officer were held by two individuals. Following the retirement and passing of the Company's former Chairman, Mr. Gedalio Grinberg, the Board appointed Mr. Efraim Grinberg, who at that time was the Chief Executive Officer and a sitting Board member, to also serve as Chairman. In making the decision to combine the positions of the Chairman and Chief Executive Officer, the Board took into consideration Mr. E. Grinberg's almost 30 years of management, financial and administrative leadership at the Company and his extensive knowledge of, and experience with, all other aspects of the Company's business and concluded that he is the director most capable of guiding our business, at both the strategic and operational levels.

In May 2011, upon the recommendation of the Nominating/Corporate Governance Committee, the Board established the position of "lead director" to help coordinate the activities of the other independent directors and to perform such other duties and responsibilities as the Board may determine from time to time. Mr. Howard was appointed by the Board as lead director at that time and currently continues to serve in that capacity, in addition to chairing the Compensation Committee. The primary duties of the lead director include providing advice on agendas for and the scheduling of Board meetings, advising the Chairman as to the quality, quantity and timeliness of the information submitted by the Company's management to the Board, serving as the principal liaison for consultation and communication between the independent directors of the Board and the Chairman, without inhibiting direct communication between the Chairman and the other directors, and presiding at meetings of the Board in the absence of or upon the request of the Chairman and presiding at all meetings of the independent directors.

The composition of the Board, the tenure of the directors with the Company, the overall experience of the directors and the experience that the directors have had with the Chairman, the lead director and the executive management group permit and encourage each member to take an active role in all discussions, and each member does actively participate in all substantive discussions. We believe that our current Board leadership structure is serving the Company well at this time.

Board Meetings and Committees

In fiscal 2014, the Board of Directors held six meetings. All directors attended at least 75% of the meetings of the Board and of the committees on which they served.

The Board of Directors has three committees:

- Audit;
- Compensation; and
- Nominating/Corporate Governance.

The members of the committees and their chairs are appointed by the Board annually. Each committee is comprised entirely of independent directors in accordance with NYSE listing standards. Each committee operates under a written charter which is available at the Company's website at www.movadogroup.com by clicking on "Investor Center", "Corporate Governance", "Committee Composition" and then the name of the respective committee. Committee charters are also available in print upon the written request of any shareholder. The current committee membership is as follows:

Audit Committee	Compensation Committee	Nominating/Corporate Governance Committee
Richard Isserman *	Alan H. Howard *	Nathan Leventhal *
Peter A. Bridgman	Margaret Hayes Adame	Margaret Hayes Adame
Alan H. Howard	Nathan Leventhal	Richard Isserman
Maurice Reznik	Maurice Reznik	

* Committee Chair

Audit Committee

The Board of Directors has determined that each member of the Audit Committee is an “audit committee financial expert” as defined under the rules adopted by the SEC and, therefore, has accounting or related financial expertise in accordance with the NYSE listing standards. The Audit Committee held four meetings in fiscal 2014.

The principal functions of the Audit Committee are to (i) appoint, approve the compensation of, terminate and oversee the work of the Company’s independent auditors; (ii) approve in advance all audit and permissible non-audit services provided to the Company by independent auditors; (iii) review, in consultation with the Company’s independent auditors, management and the Company’s internal auditors, the Company’s financial reporting process, including its internal controls; (iv) review with management and the Company’s independent auditors, the Company’s annual and quarterly financial statements before the same are publicly filed, and (v) report regularly to the Board with respect to any issues that arise concerning, among other things, the quality or integrity of the Company’s financial statements, the performance of the internal audit function, the Company’s compliance with legal requirements and the performance and independence of the Company’s independent auditors.

Compensation Committee

The Compensation Committee held seven meetings in fiscal 2014. The principal functions of the Compensation Committee are to (i) review and approve corporate goals and objectives relevant to the CEO’s compensation, evaluate the CEO’s performance in light of those goals and objectives and set the CEO’s compensation level based on that evaluation; (ii) review and approve compensation levels for executive non-CEO officers and key employees of the Company; (iii) review significant employee benefit programs and (iv) establish and administer executive compensation programs, including bonus plans, stock option and other equity-based programs, deferred compensation plans and any other cash or stock incentive programs.

For additional information concerning the operation of the Compensation Committee, including the role of outside compensation consultants and management in the process of determining the amount and form of executive compensation, see “Compensation Discussion and Analysis” below.

Compensation Committee Interlocks and Insider Participation

The Company's Compensation Committee was at all times during fiscal year 2014 comprised entirely of independent directors who at no time were executive officers or employees of the Company. No executive officer of the Company has ever served as a member of the board of directors or compensation committee of any company whose executive

officers include a member of the Board of Directors or the Compensation Committee.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee held two meetings in fiscal 2014. The principal functions of the Nominating/Corporate Governance Committee are to (i) identify individuals qualified to become directors, consistent with criteria approved by the Board, and recommend director candidates to the Board of Directors; (ii) develop and recommend corporate governance principles to the Board of Directors; (iii) oversee the adoption of a code of ethics for directors, officers and employees of the Company and assure that procedures are in place for disclosure of any waivers of that code for directors or executive officers; and (iv) facilitate an annual assessment of the performance of the Board and each of its committees.

Identifying and Evaluating Candidates for the Board

In considering possible candidates to serve on the Board of Directors, the Nominating/Corporate Governance Committee will take into account all appropriate qualifications, qualities and skills in the context of the current make-up of the Board and will consider the entirety of each candidate's credentials. In addition, the Nominating/Corporate Governance Committee will evaluate each nominee according to the following criteria: personal character, accomplishments, integrity, and reputation in the business community; knowledge of the industry in which the Company does business; sound business judgment; leadership ability and capacity for strategic thinking; experience working constructively with others; sufficient time to devote to Board matters; diversity of viewpoints and backgrounds and the absence of any conflict of interest that might interfere with performance as a director. While the Nominating/Corporate Governance Committee has no other policy with respect to the consideration of diversity in identifying nominees, it seeks directors who represent a diverse mix of backgrounds and experiences that will enhance the quality of the Board's deliberations and decisions.

Shareholders may recommend director candidates for consideration by the Nominating/Corporate Governance Committee. To have a candidate considered by the Nominating/Corporate Governance Committee, a shareholder must submit the recommendation in writing and must include the following information:

- The name and address of the shareholder and evidence of the shareholder's ownership of Company stock, including the number and class of shares owned and the length of time of ownership;
- A description of all arrangements or understandings between the shareholder and each candidate pursuant to which the nomination is being made;
- The name of the candidate, the candidate's resume or a listing of his or her qualifications to be a director of the Company and the person's consent to be named as a director if nominated by the Board of Directors; and
- Such other information regarding each proposed candidate as would be required to be included in a proxy statement under the rules of the SEC if such candidate had been nominated by the Board of Directors.

Each such recommendation must be sent to the Secretary of the Company at Movado Group, Inc., 650 From Road, Ste. 375, Paramus, New Jersey 07652-3556 and must be received within the time indicated above under "When are shareholder proposals due for consideration at next year's annual meeting?". The Nominating/Corporate Governance Committee will evaluate shareholder recommended director candidates in the same manner as it evaluates director candidates identified by other means.

Corporate Governance Guidelines

The Company's Corporate Governance Guidelines and its Code of Business Conduct and Ethics are available on the Company's website at www.movadogroup.com by clicking on "Investor Center" and then "Corporate Governance". The Corporate Governance Guidelines and the Code of Business Conduct and Ethics are also available in print upon the written request of any shareholder.

Director Independence

The listing standards of the NYSE require that a majority of the Board of Directors be independent. No director qualifies as independent unless the Board of Directors affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Board of Directors broadly considers all relevant facts and circumstances

relative to independence and considers the issue not merely from the standpoint of the director, but also from the viewpoint of persons or organizations with which the director has an affiliation. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships (among others). In accordance with the NYSE listing standards, the Board has adopted categorical standards of director independence that provide that none of the following relationships will be considered a material relationship that would impair a director's independence:

- A director who is a director, an executive officer or an employee, or whose immediate family member is a director, an executive officer or an employee, of a company that makes payments to, or receives payments from, the Company for goods or services in an amount which, in any single fiscal year, is less than the greater of \$1,000,000 and 2% of such other company's consolidated gross revenues; or
- A director who serves, or whose immediate family member serves, as an executive, officer, director, trustee or employee of a charitable organization and the Company's discretionary charitable contributions to the organization are less than the greater of \$1,000,000 and 2% of that organization's consolidated gross revenues.

The Board of Directors has determined that all of the members of the Board of Directors, with the exception of those three members who are employees of the Company (namely Alex Grinberg, Efraim Grinberg and Richard Coté), representing a majority of the entire Board, are independent under the NYSE listing standards and satisfy the Company's categorical standards set forth above.

In addition, in accordance with the NYSE listing standards, the Board of Directors has determined that the Compensation Committee and Nominating/Corporate Governance Committee are composed entirely of independent directors. The Board of Directors has also determined that each member of the Audit Committee is independent under the applicable rules of the SEC and under the NYSE listing standards.

Executive Sessions of Non-Management Directors

The non-management directors hold regular executive sessions without management at least once each quarter. The lead director is designated to chair these executive sessions under the Company's Corporate Governance Guidelines.

Board Role in Risk Oversight

While management is responsible for managing the various risks that may arise in the course of the Company's business, the Board has a role in the oversight of the risk management process. The Board and, as appropriate, its committees regularly meet to receive and discuss operating and financial reports presented by the Chairman of the Board and Chief Executive Officer, the President and Chief Operating Officer, the Chief Financial Officer, the Company's General Counsel, the Senior Vice President of Human Resources, the Senior Vice President of Global Business Processes and Chief Information Officer, the Vice President of Internal Audit and Business Controls and numerous other officers and employees of the Company as well as experts and other advisors. In addition, each year management presents a budget and business plan for the following fiscal year which is reviewed by and discussed with the Board. Management also regularly discusses with the Board strategic initiatives and the associated risks. The Board also reviews specific risk areas on a regular basis. These include insured risks, disaster recovery, management authority and internal controls, litigation risks, foreign currency risks, risks associated with the Company's customer mix, supply chain and credit risks, inventory risks and other operational and financial risks. The Audit Committee has particular oversight responsibility with respect to the preparation and audit of the Company's financial statements and internal audit issues and is specifically charged in its charter to, and does, discuss with management and the independent auditor the Company's policies with respect to risk assessment and risk management. The Audit Committee concerns itself most specifically with the integrity of the financial reporting process, but also with personnel, asset and information security risk. All committee meetings are open to the other directors and many regularly attend because the committee meetings are regularly scheduled on the same day as Board meetings.

Compensation Risk Assessment

We believe that the performance goals and incentive plan structures generally established under the Company's executive, annual and long-term incentive programs would not contribute to excessive risk by our senior executives or

employees. The approved goals under our incentive programs are consistent with our financial operating plans and strategies, and these programs are discussed and reviewed by the Compensation Committee. The Company's compensation systems are balanced, rewarding both short-term and long-term performance, and its performance goals are team oriented rather than individually focused, and are based on measurable factors and

objective criteria that are transparent to shareholders. The Compensation Committee is actively engaged in setting compensation systems, monitoring those systems during the year and using discretion in making rewards, as necessary. As a result of the procedures and practices described above, the Committee believes that the Company's compensation policies and practices for its employees do not encourage risk taking that is reasonably likely to have a material adverse effect on the Company.

Communications with the Board of Directors

Shareholders and other interested parties desiring to communicate directly with the full Board of Directors, the Audit Committee of the Board of Directors, the non-management directors as a group or with any individual director or directors may do so by sending such communication in writing addressed to the attention of the intended recipient(s), c/o Secretary and General Counsel, Movado Group, Inc., 650 From Road, Ste. 375, Paramus, NJ 07652-3556. Interested parties may communicate anonymously and/or confidentially if they desire. All communications received that relate to accounting, internal accounting controls or auditing matters will be referred to the chairman of the Audit Committee unless the communication is otherwise addressed. All other communications received will be forwarded to the appropriate director or directors.

Director Attendance at Annual Meeting

The Company encourages all of the directors to attend each annual meeting of shareholders. To the extent reasonably practicable, the Company regularly schedules a meeting of the Board of Directors on the same day as the Annual Meeting of Shareholders. All members of the Board of Directors attended the 2013 Annual Meeting of Shareholders.

EXECUTIVE OFFICERS

For detailed information concerning Richard Coté and Efraim Grinberg, see the listing for each under the heading "ELECTION OF DIRECTORS" above. The names of the other executive officers of the Company (and their respective ages as of the date of this proxy statement) are set forth below, together with the positions held by each during the past five years.

Name	Age	Position
Sallie A. DeMarsilis	49	Chief Financial Officer; Principal Accounting Officer
Frank A. Morelli	63	Senior Vice President Global Business Processes and Chief Information Officer
Timothy F. Michno	57	Secretary and General Counsel

Ms. DeMarsilis joined the Company in January 2008 as a Senior Vice President of Finance and was appointed Chief Financial Officer and Principal Accounting Officer effective March 31, 2008. From December 2004 through December 2007, she served as Senior Vice President of Finance with The Warnaco Group, Inc., a publicly traded global wholesaler and retailer of apparel. Prior to that, Ms. DeMarsilis held several senior financial positions with Ann Inc. (formerly known as Ann Taylor Stores Corporation) from November 1994 through December 2004, including Controller and Senior Vice President of Finance. Ann Inc. is a publicly traded specialty retailer in the United States of women's apparel, shoes and accessories. Ms. DeMarsilis is a certified public accountant and worked in public accounting with Deloitte & Touche LLP for eight years before joining Ann Inc.

Mr. Morelli began with the Company in February 2006 as Senior Vice President Business Processes and Chief Information Officer. Immediately prior to joining the Company and since 1995, Mr. Morelli was the Vice President – Global Information Technology at Colgate-Palmolive, a global consumer goods company, which he joined in 1973. Prior to 1995, Mr. Morelli held a number of different positions of increasing responsibility in the areas of information technology, finance, customer service, distribution/logistics and marketing.

Mr. Michno joined the Company in 1992 and since then has served as its Secretary and General Counsel. He has practiced law since 1983. Immediately prior to joining the Company and since 1986, he was an associate at

the New York firm of Chadbourne & Parke. From 1988 to 1991, he served as a resident outside counsel to Fortune Brands, Inc. (formerly known as American Brands, Inc.), a consumer products company.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Role of the Compensation Committee

The Compensation Committee of the Board of Directors (for purposes of this analysis, the “Committee”) is responsible for reviewing and approving annually corporate goals with respect to the compensation of the Company’s Chief Executive Officer (“CEO”), evaluating the performance of the CEO against those goals and determining the CEO’s compensation based on that evaluation. In addition, the Committee also reviews and approves the structure and levels of compensation for the Company’s other executive officers and senior management; reviews and approves significant compensation programs generally, including performance goals under annual and long-term incentive plans; and reviews and administers the Company’s Stock Incentive Plan as amended and restated as of April 8, 2004 and as further amended and restated as of April 4, 2013 (the “Stock Plan”). Throughout this proxy statement, the individuals who served as the Company’s CEO or Chief Financial Officer (“CFO”) during fiscal 2014, as well as the other individuals included in the SUMMARY COMPENSATION TABLE below, are referred to as the “named executive officers”.

The Committee considers feedback from our shareholders regarding the Company’s executive compensation programs, including the results of our shareholders’ advisory vote on executive compensation at the 2013 annual meeting which approved the executive compensation program by over 99% of the votes cast. Also, in accordance with the preference indicated by more than 97% of the votes cast regarding the frequency of future advisory votes on executive compensation, the Board of Directors decided that such future advisory votes would be submitted to shareholders every year. Shareholders are invited to express their views to the Board of Directors regarding executive compensation as well as other matters as described in this proxy statement under the heading “Communications with the Board of Directors”.

Compensation Objectives

The fundamental purpose served by every compensation decision made by the Company and approved by the Committee is to attract, retain, motivate and appropriately reward a group of highly qualified individuals who are expected to contribute to the Company’s continued success, with the ultimate objective of enhancing shareholder value. The three most significant elements of compensation used by the Company in fashioning specific compensation packages offered to its executives and management level employees generally are: (1) base salary, (2) annual incentive cash bonuses and (3) long term equity participation. Of these, the variable elements, incentive cash bonuses and equity compensation, are performance-based and/or directly linked to the creation of long-term shareholder value and, as such, most closely align executives’ interests with those of the Company’s shareholders by rewarding performance for meeting or exceeding the established goals. The Company and the Committee believe that the most effective executive compensation programs are those designed to reward the achievement of specific annual and long-term strategic goals set by the Company and therefore a significant portion of the total compensation that may be earned by the named executive officers is determined by these variable elements.

Setting Executive Compensation

With the foregoing objectives in mind, the Company targets overall compensation levels for the named executive officers and senior management at the median percentile for similar positions, subject to exceptions that may occur

from time to time based on particular facts and circumstances, including, for example, the experience level and performance of the individual executive and market factors.

The Committee has periodically engaged the services of independent executive compensation and benefits consulting firms, including Frederic W. Cook & Co., Inc. (“FW Cook”), to advise on the structure of the Company’s compensation programs and to assist it in assessing the competitiveness of the Company’s executive and independent director compensation levels. The chairman of the Committee typically discusses compensation matters with representatives of FW Cook annually. In fiscal 2014, FW Cook was consulted on matters relating to the structure and levels of equity compensation for the senior executives, including the named executive officers, and the level of compensation for the independent directors.

The Committee does not rely solely, or even primarily, on available compensation data from any single group of companies because the Committee believes that the Company competes for top executive talent with many other larger companies in addition to companies that may be considered to be the Company's peer group. Therefore, the Committee considers prevailing compensation trends and practices in other industries and other companies but does not engage in any formal benchmarking with respect to these other industries or companies.

Consistent with the Company's compensation philosophy, a significant percentage of total compensation, particularly in the case of the named executive officers, is allocated to variable incentive compensation. There is no pre-established policy or target for the allocation between either cash and non-cash or short-term and long-term incentive compensation. Rather, the Committee reviews all information made available to it periodically from outside compensation consultants and annually from the Company's Senior Vice President of Human Resources to determine the appropriate level and mix of incentive compensation. In setting the compensation for the CEO and the other named executive officers for fiscal 2014, the Committee considered the financial performance of the Company in fiscal 2013, the Company's projected financial performance in fiscal 2014, the Company's historical base pay, bonus and equity grant data from the previous three fiscal years and information relating to compensation survey data from the luxury goods industry provided by the Company's Senior Vice President of Human Resources.

The Committee makes all compensation decisions affecting the compensation awarded to the CEO. With respect to the compensation of Mr. Coté, the Company's President and Chief Operating Officer ("President/COO"), the Committee considers the recommendation of the CEO and the Company's Senior Vice President of Human Resources. With respect to the compensation of the other named executive officers and other senior executives, the Committee considers the recommendations of the CEO, the President/COO and the Senior Vice President of Human Resources, including recommendations regarding salary adjustments and annual award amounts. Subject to any applicable plan limitations, the Committee can exercise its discretion in modifying any recommended adjustments or awards to executives. The Committee also takes into account total compensation earned by and awarded to the named executive officers for the prior three years.

Fiscal 2014 Executive Compensation Components

For the fiscal year ended January 31, 2014, the principal components of compensation for the named executive officers were:

- base salary;
- performance-based annual cash compensation;
- equity incentive compensation;
- retirement and other post-employment benefits; and
- perquisites and other personal benefits.

Base Salary

The Company provides named executive officers and other employees with base salary to compensate them for services rendered during the fiscal year. Base salaries for named executive officers are determined by the Committee for each individual in light of the Committee's assessment of the responsibilities relative to the position under consideration, as well as each individual's background, training, experience and by reference to the competitive marketplace for comparable talent. Annual increases in base salary levels, if warranted, are reviewed with reference

to the individual's performance, the performance of the Company as a whole and the prevailing rate of increase in base salary levels generally in the competitive marketplace with respect to similar executive positions. During its review of base salaries for executives, the Committee primarily considers:

- market data with respect to average merit and cost of living increases for similar positions;
- internal review of the executive's compensation, both individually and relative to other executive officers; and
- individual performance of the executive.

For fiscal 2014, the Committee approved an increase in the annual base salary of the CEO from \$950,000 to \$1 million considering that there had been no increase in his base salary in the last six years. The Committee also approved the joint recommendation of the CEO and the Senior Vice President of Human Resources to raise the President/COO's base salary level approximately 7.7% which the Committee deemed appropriate based on the contributions that the President/COO has made and is expected to make to the future success of the Company. The

Committee also accepted management's recommendation to increase the base salary levels of the other named executive officers approximately 2.4% on average which was substantially consistent with the overall recommended increase applicable to all of the Company's other U.S. based employees.

Performance-Based Annual Cash Compensation

The Company has two plans under which it provides its named executive officers, other executives and key management level employees annual performance-based opportunities for cash bonuses: the Movado Group, Inc. Executive Performance Plan (the "EPP"), in which only the named executive officers participate, and the Annual Incentive Compensation Plan, in which the remaining bonus-eligible employees participate. Both plans are designed to tie a significant portion of participants' annual cash compensation to the Company's annual financial performance.

Under the EPP and consistent with the requirements of Section 162(m) of the Internal Revenue Code, as amended (the "Code"), within 90 days after the beginning of each fiscal year the Committee establishes target and maximum cash incentive levels for the named executive officers that are expressed as a percentage of their respective base salaries. At the same time it sets cash incentive targets, the Committee also establishes a corporate performance objective that must be met before any cash incentive payments can be made under the EPP to any of the named executive officers. The EPP provides that the Committee shall establish a performance objective based on earnings per share, calculated according to generally accepted accounting principles as consistently applied by the Company ("GAAP"), unless the Committee determines that earnings per share is unsuitable as a performance measure due to any change in the Company's business or because of other events or circumstances, in which event the Committee can modify the performance objective. Accordingly, as was the case in the three prior fiscal years, for fiscal 2014 the Committee determined that adjusted operating profit would be a more appropriate measure of the Company's actual performance than earnings per share based on GAAP because the former eliminates the effects of unusual items that are not characteristic of the Company's ongoing business and that may not accurately reflect fundamental business performance in any particular year.

For fiscal 2014, the Committee set the target cash incentive payments (based on 100% bonus pool funding of the Annual Incentive Compensation Plan discussed below) for the CEO at 100% of his base salary; for the President/COO at 75% of his base salary; for Mr. Morelli and Ms. DeMarsilis at 50% of their respective base salaries and for Mr. Michno at 40% of his base salary. The Committee determines the target bonus under the EPP for each named executive officer by exercising its subjective judgment of what an appropriate percentage is, informed by a consideration of the target bonus that was in effect for such officer for each of the three previous years and such person's total compensation compared to target bonus levels and total compensation payable to other executive officers in other positions within the Company and, more generally, relative to similar executive positions in the broad competitive marketplace. In addition, the Committee established the maximum cash incentive payments under the EPP to any of the named executive officers at 200% of their target cash incentive amounts. The EPP provides that total cash incentives payable thereunder to all the named executive officers (or any single named executive officer) in any year may not exceed \$5 million. Please see the GRANTS OF PLAN-BASED AWARDS TABLE for the target and maximum cash incentive awards payable to each of the named executive officers in respect of fiscal 2014.

No cash incentives are paid to any of the named executive officers under the EPP unless the threshold corporate performance objective for the year is achieved. For fiscal 2014, the performance goal under the EPP was established as operating profit of \$30 million, adjusted for restructuring charges and other unusual items.

If the Company achieves the corporate performance goal under the EPP, the Committee then assesses the Company's overall financial performance and each named executive officer's individual performance in exercising its discretion to determine the cash incentive actually paid to any of them under the EPP, which may not, in any event, exceed the maximum set at the beginning of the year. To assess corporate performance for the fiscal year, the Committee

considers as a threshold matter whether the Company met the criteria for funding the bonus pool under the Annual Incentive Compensation Plan. Inasmuch as there is no separate bonus pool for the EPP, the bonus pool under the Annual Incentive Compensation Plan must be funded for there to be any payment under the EPP to any of the participants in that plan. Just as with the corporate performance objective established by the Committee under the EPP, the financial performance measures approved by the Committee under the Annual Incentive Compensation Plan (including the performance measure necessary to fund the bonus pool under that plan) are determined within 90 days after the beginning of the award period when the only information available to the Committee with respect to

the Company's financial performance for the fiscal year is the Company's operating budget for the year. If the Annual Incentive Compensation Plan bonus pool is funded, then the Committee also considers the overall level of bonus pool funding under that plan and the other criteria for measuring corporate performance that are established as financial targets under the Annual Incentive Compensation Plan as part of the annual budgeting process and approved by the Committee within 90 days after the beginning of each fiscal year.

In fiscal 2014, the Annual Incentive Compensation Plan provided for 100% bonus pool funding equal to \$8.8 million (comprised of \$6.8 million in cash and an equity component valued at \$2.0 million) if the Company achieved its operating profit goal of \$68 million, adjusted for restructuring charges and other unusual items, and additional bonus pool funding if actual operating profit for fiscal 2014 exceeded the goal. The equity component awarded with the cash incentive payment consists of a Common Stock award that cliff vests on the third anniversary of the grant date subject to the continued employment of the award grantee with the Company. See discussion under Equity Incentive Compensation below.

If the bonus pool is funded, the Committee considers the extent to which the other financial criteria under the Annual Incentive Compensation Plan have been met in determining the cash incentive amount to pay to each named executive officer under the EPP. The financial performance measures serve the purpose of providing the Committee with objective criteria by which to assess the Company's performance notwithstanding that they are not assigned a relative weight to one another. Those criteria consist of key indicators against which to measure how well or how poorly the Company performed overall for the year.

It is not necessary that every single corporate performance measure be met for bonuses to be paid. However, as discussed above, the corporate performance objective established by the Committee under the EPP must be met as a precondition to making any payments under that plan and the financial performance measure under the Annual Incentive Compensation Plan required for bonus pool funding must also be met before any bonuses will be paid under the EPP. If those predicate corporate performance measures are met, then the Committee may determine in its discretion to pay bonuses regardless of whether any of the other measures are met. Similarly, even if all the corporate performance measures are met, the Committee retains the discretion to decrease or eliminate but not to increase the maximum cash incentive payable to each named executive officer under the EPP. In other words, the Committee has the discretion to pay no bonuses or to pay reduced bonuses to the named executive officers even if all of the identified corporate performance measures are met.

In fiscal 2014, the Committee approved the following corporate performance measures under the Annual Incentive Compensation Plan at the 100% (target) funding level. The table below shows each measure at the target level and the corresponding result actually achieved on an adjusted basis.

Measure	Target	Actual (Adjusted)
o Net Sales	\$580 million	\$578.1 million
o Operating Expenses	\$242.3 million	\$234.8 million
o Gross Profit	\$310.3 million	\$310.3 million
o Gross Margin %	53.5%	53.7%
o Operating Profit	\$68 million	\$75.5 million
o Cash Flow from Operations	\$60 million	\$54.5 million
o EBITDA	\$79.5 million	\$87.7 million
o Net Income	\$46.5 million	\$53.6 million
o EPS	\$1.79	\$2.07

Considering that the Company's adjusted operating profit for fiscal 2014 was \$75.5 million (excluding an \$8.3 million charge related to the Company's decision to reduce the presence of its ESQ Movado brand in certain retail doors while expanding the Movado brand offerings in those locations, a \$2.5 million duty refund and a \$2.0 million charitable contribution to The Movado Group Foundation, or \$67.7 million on a GAAP basis), or approximately 111% of the performance target established to fund the bonus pool at a 100% level, the Committee approved funding the pool under the Annual Incentive Compensation Plan in the amount of \$8.5 million in cash and an equity component valued at approximately \$2.0 million. The Committee also considered the fact that the Company's actual financial performance for the year exceeded most of the other performance criteria under the Annual Incentive Compensation Plan.

There is no relative weight given by the Committee to the financial performance of the Company as compared to the individual performance of any executive officer. However, it is a precondition for any named executive officer to receive any payment under the EPP that the defined corporate performance objective under that plan must have been met. Further, as there is no separate funding for the EPP other than the bonus pool provided for under the Annual Incentive Compensation Plan, unless the predicate corporate performance measure for bonus pool funding under that plan is met, then there is no bonus pool from which to pay bonuses to the named executive officers under the EPP. Therefore, although the Committee has not assigned any numerical or weighted value to individual performance as compared to corporate financial performance, unless the foregoing threshold corporate performance measures are satisfied, the Committee will not consider individual performance and will not approve a cash incentive payment to any named executive officer under the EPP.

So long as the corporate performance objective established under the EPP has been met, the Committee retains the discretion to pay an award to any of the named executive officers under that plan regardless of whether any other performance criteria (individual or corporate) are met. However, in exercising its discretion the Committee does, in practice, take into account these other criteria, including individual named executive officer performance. In considering individual performance, the Committee is briefed by, and relies on a general summary assessment and recommendation provided by, the Company's CEO and/or Senior Vice President of Human Resources relative to the performance of each of the named executive officers (other than the CEO). That summary assessment and recommendation is based on and generally reflects the individual assessment provided to the Human Resources department by each named executive officer's immediate supervisor which itself would typically address the individual performance goals of such named executive officer as well as his or her overall performance. Therefore, when the Committee considers individual named executive officer performance in this way, including consideration of whether individual goals have been met, the Committee does so indirectly as it is not apprised of any named executive officer's specific personal goals nor does it (with the exception of the CEO) independently consider, or assess individual named executive officer performance relative to, those goals.

When it considers the individual performance of the CEO in exercising its discretion to approve any cash incentive payment made to him under the EPP, the Committee refers to the CEO's individual performance goals but does not base its assessment of his performance solely or even primarily on those goals since it may, consistent with the plan, approve award payments regardless of whether other performance criteria (besides the requisite corporate performance goal established under the EPP) have been met. In fiscal 2014, the CEO's individual objectives included net sales of \$580 million, operating profit of \$68 million and cash flow from operations of \$50 to \$60 million, all of which targets were exceeded. Other goals set by the CEO for fiscal 2014 included non-quantitative objectives that were not specifically considered by the Committee as part of its determination to approve his cash incentive payment under the EPP. However, the Committee does evaluate the CEO's individual performance against those other objectives for the year subsequent to and separate from the deliberative process conducted under the EPP.

Together with the cash incentive payment, each of the named executive officers also received an award of shares of restricted Common Stock, mirroring the equity components granted with the cash incentive awards made under the Annual Incentive Compensation Plan. Each such award cliff-vests on the third anniversary of the grant date, subject to the award grantee's continued employment with the Company through such vesting date, and is for that number of shares of Common Stock equal in value on the grant date (April 15, 2014) to approximately 25% of the grantee's target incentive cash payment amount for fiscal 2014 at the 100% bonus pool funding level. See discussion under Equity Incentive Compensation below.

Equity Incentive Compensation

Stock ownership is a key element of the Company's compensation program for the named executive officers, senior management generally, as well as mid-level managers throughout the Company. Under the Stock Plan, the Committee

may grant participants shares of the Company's Common Stock, restricted stock, share units, stock options, stock appreciation rights, performance units and/or performance bonuses. In granting these awards, the Committee may establish any conditions or restrictions it deems appropriate.

Most grants made by the Committee under the Stock Plan since its inception have been either in the form of stock options, time-vesting stock awards (pursuant to which, unrestricted shares of Common Stock are issued to the grantee when the award vests) or performance-based awards (under which vesting occurs only if one or more predetermined financial goals are achieved within the relevant performance period). The Committee believes that all

of these equity awards are useful retention tools to the extent that vesting only occurs after a period of several years and are also an effective means of encouraging award recipients to focus on enhancing shareholder value over the long term by directly aligning the recipient's financial interests with the interests of the Company's shareholders. The Committee normally makes annual grants under the Stock Plan within 30 days after the release of the Company's fourth quarter and year-end earnings.

All stock options granted under the Stock Plan have an exercise price equal to or greater than the fair market value of the Company's Common Stock on the grant date and typically have either vested incrementally over a period of three or five years or cliff-vested after three years. Most grants under the Stock Plan were in the form of stock options until fiscal 2004 when the Committee decided to utilize primarily time-vesting stock awards for most Stock Plan participants and to use stock options exclusively for grants to certain newly hired and/or newly promoted employees and for the CEO and the President/COO. Newly hired and promoted employees who receive stock options are granted them by the Committee either prospectively, effective on the specified date of their hire or the date of their promotion, or after their hiring or promotion on the next regularly scheduled meeting date of the Committee. Although the Committee did not make any stock option grants to any of the named executive officers between fiscal 2010 and fiscal 2012, it continues to view stock options as an effective means to closely tie individual performance directly to the Company's stock price performance because stock options will have no value unless the Company's share price has increased from the date of grant (unlike time-vesting stock awards, which have some value upon vesting even if the price of the Company's stock has declined since the date of grant). Accordingly, the Committee decided to resume the use of stock options as a long-term, non-cash incentive for the named executive officers and other senior executives beginning in fiscal 2013.

In fiscal 2007, with input from FW Cook, the Committee decided to limit time-vesting stock awards exclusively to the Company's middle management and, except to reward specific, exceptional performance or in connection with promotions, to no longer grant such awards to the Company's senior executives. Instead, beginning in fiscal 2007 and for each of the three fiscal years thereafter, the named executive officers and other senior executives were granted annual performance-based awards under the Stock Plan. The Committee took this action because it believed that performance-based awards were a more effective means to focus executives' efforts on the achievement of specific financial objectives tied to operating profit. All of the performance-based awards granted during that four year period were forfeited as a result of the Company's failure to achieve the requisite performance goals.

In the beginning of fiscal 2011, the Committee approved management's recommendation to suspend further grants of performance-based equity awards and, in lieu thereof, to grant three year cliff-vesting stock awards to all Stock Plan participants, including to the named executive officers except the CEO and the President/COO. Management concluded, and the Committee agreed, that such a grant of time-vesting awards would be more effective than performance-based awards in motivating and retaining key employees in the three year period before vesting occurs, considering particularly the forfeiture of all performance-based awards previously granted since fiscal 2007 and the continuing uncertain economic environment at that time. Accordingly, in March 2010 the Committee approved the grant of stock awards cliff-vesting on the third anniversary of the grant date, to all participants in the Stock Plan at the director level and above, except that no such grants were made to the CEO or the President/COO. Each grant was for that number of shares of Common Stock equal in value on the grant date to approximately 30% of each grantee's then current, full target cash bonus amount.

Also in March 2010, the Committee approved management's recommendation to include an equity component as part of the Annual Incentive Compensation Plan to supplement the maximum realizable value to bonus eligible employees, recognizing that no cash bonuses had been paid for the previous two fiscal years, while continuing to prudently limit the Company's current compensation expenses in light of ongoing uncertain economic conditions prevailing at that time. Each such equity grant was for that number of shares of Common Stock equal in value on the grant date to approximately 25% of the grantee's then current, full target bonus amount. The Annual Incentive Compensation Plans

approved by the Committee for each fiscal year since then have also contained the same equity component consisting of three year, cliff-vesting stock awards. Such stock grants made to the named executive officers in April 2013 are reported in the SUMMARY COMPENSATION TABLE for fiscal 2014 and in the GRANTS OF PLAN-BASED AWARDS table below. The Committee also decided to resume the use of stock options for the named executive officers and other senior executives and, therefore, as of April 19, 2013 also made stock option grants to the named executive officers which cliff-vest in three years. Those stock option grants are also

reported in the SUMMARY COMPENSATION TABLE for fiscal 2014 and in the GRANTS OF PLAN-BASED AWARDS table below.

Retirement and Other Post Employment Benefits

401(k) Plan

All employees in the United States including the named executive officers are eligible to participate in the Company's Employee Savings and Investment Plan ("401(k) Plan"). In addition, the named executive officers as well as certain other executives selected by the Committee are eligible to participate in the Deferred Compensation Plan for Executives.

Deferred Compensation Plan

The Company's Amended and Restated Deferred Compensation Plan for Executives ("DCP") was originally adopted effective June 1, 1995, and was originally approved by the Company's shareholders on June 14, 1996. It was subsequently amended and most recently amended and restated at the annual shareholders meeting in 2013 to extend its term through June 13, 2023. The DCP is designed to offer retirement benefits to the named executive officers, senior management and key employees, consistent with overall market practices to attract and retain the talent needed in the Company. Under the DCP, participants may defer amounts from their base salary and cash bonus (if any) annually, and the Company will credit to the account of each participant a matching contribution in an amount equal to one hundred percent of the compensation deferral, up to a maximum match equal to either 10% (for "Group I" participants) or 5% (for "Group II" participants) of the participant's base salary. Of the named executive officers, Mr. Grinberg and Mr. Coté are Group I participants. Messrs. Morelli and Michno and Ms. DeMarsilis are Group II participants. Twenty percent of the Company's matching contribution is in the form of rights to Common Stock vesting ratably in annual installments over five years. The DCP also permits the Company to make discretionary contributions to any participant's DCP account. As authorized by the Board of Directors, the Company temporarily suspended all matching contributions under the DCP in calendar years 2009 and 2010, and resumed making matching contributions in calendar 2011.

Participants may direct the investment of amounts in their DCP accounts (other than rights to Common Stock) among investment funds that are made available to them under the plan. Those funds and their returns for fiscal 2014 are shown and further information regarding the participation by the named executive officers in the DCP is discussed in further detail under the heading "NONQUALIFIED DEFERRED COMPENSATION" below.

Severance Agreements

The Company has severance agreements with Mr. Morelli and Mr. Michno which provide for certain benefits to the executives in exchange for certain post-employment restrictions which prohibit them from working in the watch or jewelry business for six months after the termination of their employment for any reason (and, in the case of Mr. Morelli, for the 12 months during which the Company pays him severance) and to prevent them from soliciting Company employees for 12 months after the termination of their employment. Under the agreement with Mr. Michno, he will continue to be paid his then current base salary plus costs for COBRA coverage for up to 12 months if the Company terminates his employment without cause. In addition, the Company has a change-in-control agreement with each of Mr. Coté and Mr. Morelli. Under these change-in-control agreements, each of Mr. Coté and Mr. Morelli will continue to be paid his then current base salary (for 24 months in the case of Mr. Coté and for 18 months in the case of Mr. Morelli) after the termination of his employment following a change in control unless termination was by the Company for cause (or as a result of his death or disability) or was voluntary by the employee without good reason.

For a detailed description of the agreements between the Company and each of Messrs. Coté, Morelli and Michno, please refer to the discussion under the heading “Severance Agreements” under POTENTIAL PAYMENTS ON TERMINATION OR CHANGE IN CONTROL below.

Perquisites and Other Personal Benefits

As part of providing a competitive executive compensation program, the Company provides to the CEO and the other named executive officers certain perquisites, described below, that the Company and the Committee

believe are reasonable and consistent with its overall compensation program. The Committee reviews annually the levels of perquisites provided to the named executive officers.

The Company pays the CFO a taxable housing allowance for the rental of an apartment located near the Company's New Jersey headquarters.

The Company provides each of its named executive officers with a taxable car allowance, and in some cases, automobile insurance reimbursement.

The Company has purchased life insurance policies insuring the CEO and pays the premiums for that insurance. Under the Company's arrangement with the CEO, the named insured is entitled to the cash surrender value in respect of these life insurance policies and the respective beneficiaries are entitled to the applicable death benefits without, in either event, reimbursement to the Company.

Attributed costs of the perquisites described above for the named executive officers for the fiscal year ended January 31, 2014 are included in column (i) of the SUMMARY COMPENSATION TABLE below.

Tax and Accounting Implications

Deductibility of Executive Compensation

The Committee reviews and considers the deductibility of executive compensation under Section 162(m) of the Code, which provides that the Company may not deduct compensation of more than \$1,000,000 that is paid to the chief executive officer and the three other highest paid executives (other than our chief financial officer) unless the compensation meets certain requirements relating to performance-based compensation. The Company's compensation plans (including our Stock Plan and EPP) have been approved by our shareholders (and our amended and restated EPP is being submitted to shareholders at our Annual Meeting (see "Proposal 3 – Approval of an Amendment and Restatement of the Company's Executive Performance Plan")) and are designed to enable the Committee to award annual bonuses and grants of stock options and other equity-based awards which could qualify for exemption from the application of Section 162(m). The Committee reviews compensation plans in light of applicable tax provisions, including Section 162(m), and may revise compensation plans from time to time to maximize deductibility. However, the Committee may approve compensation that does not qualify for deductibility when we deem it to be in our best interests (including grants of time-based restricted stock and use of discretion in our annual bonus arrangements).

Accounting for Stock-Based Compensation

Beginning on February 1, 2006, the Company began accounting for stock-based payments in accordance with the requirements of FASB Statement 123(R) (currently FASB ASC Topic 718). The Committee considers the expense implications of the equity compensation awards in determining the aggregate annual award levels.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and the Company's Annual Report on Form 10-K for the year ended January 31, 2014.

THE COMPENSATION COMMITTEE

Alan H. Howard, Chairman, Lead Director
Margaret Hayes Adame
Nathan Leventhal
Maurice Reznik

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SUMMARY COMPENSATION TABLE FOR FISCAL 2014

The following Summary Compensation Table sets forth information about the compensation paid in respect of fiscal 2014 by the Company to the CEO, the CFO and the three most highly compensated executive officers of the Company other than the CEO and the CFO who were serving as executive officers at January 31, 2014. The foregoing individuals are referred to in this proxy statement as the “named executive officers”.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Name and Principal Position	Year	Salary (\$)(1)	Bonus (\$)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Non-Equity Incentive Plan Compensation (\$)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Efraim Grinberg, Chairman and Chief Executive Officer	2014	1,028,843	-	713,081	469,400	950,000	-	266,432 (5)	3,427,756
	2013	950,000	-	178,126	721,800	1,045,000	-	309,010	3,203,936
	2012	950,000	-	118,745	-	819,375	-	185,894	2,074,014
Sallie A. DeMarsilis, Chief Financial Officer	2014	486,154	-	172,786	113,760	223,250	-	60,540 (6)	1,056,490
	2013	458,077	-	56,238	226,164	253,000	-	58,940	1,052,419
	2012	446,986	-	59,671	-	247,500	-	57,169	811,326
Richard Coté, President, Chief Operating Officer	2014	717,309	-	366,113	241,200	498,750	-	118,415 (7)	1,941,787
	2013	640,385	-	112,502	452,328	585,000	-	133,519	1,923,734
	2012	595,288	-	79,070	-	562,500	-	72,266	1,314,124
Frank A. Morelli, Senior Vice President Global Business Processes, CIO	2014	475,769	-	168,508	111,600				
	2013	448,077	-	54,988					
	2012	437,173	-	63,750					