

G III APPAREL GROUP LTD /DE/
Form PRE 14A
April 16, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

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

(Amendment No.)

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

G-III APPAREL GROUP, LTD.

(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 14a-6(i)(1) 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):

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Proposed maximum aggregate value of transaction:

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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:

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of G-III Apparel Group, Ltd. to be held on Tuesday, June 9, 2015 at 10:00 a.m., New York time, at the offices of Norton Rose Fulbright US LLP, 666 Fifth Avenue, 33rd Floor, New York, New York 10103.

The formal Notice of Meeting and the accompanying Proxy Statement set forth proposals for your consideration this year. You are being asked (i) to elect eleven directors to serve on our Board of Directors for the ensuing year, (ii) to approve our 2015 Long-Term Incentive Plan, (iii) to approve an amendment to our certificate of incorporation that will increase the number of authorized shares of our common stock from 80,000,000 shares to 120,000,000 shares, (iv) for an advisory and non-binding vote on the compensation of our named executive officers and (v) to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2016. At the meeting, we will also report on the affairs of G-III, and a discussion period will be provided for questions and comments of general interest to stockholders.

We look forward to greeting personally those of you who are able to be present at the meeting. However, whether or not you are able to be with us at the meeting, it is important that your shares be represented. Accordingly, you are requested to sign, date and mail, at your earliest convenience, the enclosed proxy in the envelope provided for your use.

Thank you for your cooperation.

Very truly yours,

MORRIS GOLDFARB
Chief Executive Officer
May 6, 2015

G-III APPAREL GROUP, LTD.

512 Seventh Avenue

New York, New York 10018

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

and

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

June 9, 2015

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of G-III Apparel Group, Ltd. will be held on Tuesday, June 9, 2015 at 10:00 a.m., New York time, at the offices of Norton Rose Fulbright US LLP, 666 Fifth Avenue, 33rd Floor, New York, New York 10103, for the following purposes:

1.

To elect eleven directors to serve on our Board of Directors for the ensuing year.

2.

To approve our 2015 Long-Term Incentive Plan.

3.

To approve an amendment to our certificate of incorporation that will increase the total number of authorized shares of our common stock from 80,000,000 shares to 120,000,000 shares.

4.

To hold an advisory and non-binding vote on the compensation of our named executive officers.

5.

To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2016.

6.

To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Only stockholders of record at the close of business on May 1, 2015 will be entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

All stockholders are cordially invited to attend the Annual Meeting in person. However, whether or not you plan to attend the Annual Meeting in person, each stockholder is urged to complete, date and sign the enclosed form of proxy and return it promptly in the envelope provided. No postage is required if the proxy is mailed in the United States.

Stockholders who attend the Annual Meeting may revoke their proxies and vote their shares in person.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on June 9, 2015

The Proxy Statement and our 2014 Annual Report to Stockholders are available in the "Investor Relations" section of our website at <http://www.g-iii.com>.

By Order of the Board of Directors

WAYNE S. MILLER

Secretary

New York, New York
May 6, 2015

G-III APPAREL GROUP, LTD.

512 Seventh Avenue
New York, New York 10018

PROXY STATEMENT
GENERAL INFORMATION

General

This Proxy Statement (first mailed to stockholders on or about May 11, 2015) is furnished to the holders of common stock, par value \$.01 per share (“Common Stock”), of G-III Apparel Group, Ltd. (“G-III”) in connection with the solicitation by our Board of Directors of proxies for use at the Annual Meeting of Stockholders (the “Annual Meeting”), or at any adjournment thereof, pursuant to the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held on Tuesday, June 9, 2015, at 10:00 a.m., New York time, at the offices of Norton Rose Fulbright US LLP, 666 Fifth Avenue, 33rd Floor, New York, New York 10103.

It is proposed that at the Annual Meeting: we (i) elect eleven directors to serve on our Board of Directors for the ensuing year, (ii) approve our new 2015 Long-Term Incentive Plan (the “2015 Plan”), (iii) approve an amendment to our certificate of incorporation that will increase the total number of authorized shares of our Common Stock from 80,000,000 shares to 120,000,000 shares, (iv) hold an advisory and non-binding vote on the compensation of our named executive officers and (v) ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2016.

Management currently is not aware of any other matters that will come before the Annual Meeting. If any other matters properly come before the Annual Meeting, the persons designated as proxies intend to vote in accordance with their best judgment on such matters. Proxies for use at the Annual Meeting are being solicited by our Board of Directors. Proxies will be solicited chiefly by mail; however, certain of our officers, directors, employees and agents, none of whom will receive additional compensation therefor, may solicit proxies by telephone or other personal contact. We will bear the cost of the solicitation of the proxies, including postage, printing and handling, and will reimburse the reasonable expenses of brokerage firms and others for forwarding material to beneficial owners of shares of Common Stock.

Revocability and Voting of Proxy

A form of proxy for use at the Annual Meeting and a return envelope for the proxy are enclosed. Stockholders may revoke the authority granted by their execution of a proxy at any time prior to the effective exercise of the powers conferred by that proxy, by filing with the Secretary of G-III a written notice of revocation or a duly executed proxy bearing a later date, or by voting in person at the Annual Meeting.

Shares of Common Stock represented by executed and unrevoked proxies will be voted in accordance with the instructions specified in such proxies. If no specifications are given, the proxies intend to vote the shares represented thereby “for” the election of each of the eleven nominees for director as shown on the form of proxy, “for” approval of the 2015 Plan, “for” approval an amendment to our certificate of incorporation that will increase the total number of authorized shares of our Common Stock from 80,000,000 shares to 120,000,000 shares, “for” approval of the compensation of our named executive officers, and “for” the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2016 and in accordance with their best judgment on any other matters which may properly come before the meeting.

Stock Split

On April 1, 2015, our Board of Directors declared a two-for-one stock split in the form of a 100% stock dividend effective for stockholders of record on April 20, 2015 that was distributed on May 1, 2015. All share and per share amounts in this proxy statement have been adjusted to reflect this stock split.

Record Date and Voting Rights

On May 1, 2015, there were 44,979,214 shares of Common Stock outstanding (excluding shares held in treasury). Each of these shares is entitled to one vote upon each of the matters to be presented at the Annual Meeting. Only stockholders of record at the close of business on May 1, 2015 are entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

The quorum requirement for holding the Annual Meeting and transacting business is a majority of the outstanding shares entitled to be voted at the Annual Meeting. The shares may be present in person or represented by proxy at the Annual Meeting. Abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum.

A “broker non-vote” occurs when shares held by a broker, bank, or other nominee in “street name” for a beneficial owner are not voted with respect to a particular proposal because the broker, bank, or other nominee (1) has not received voting instructions from the beneficial owner and (2) lacks discretionary voting power to vote those shares with respect to that particular proposal. Under current New York Stock Exchange rules, brokers have discretionary voting power with respect to the proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2016, but do not have discretionary voting power with respect to the proposals to elect our eleven nominees for director, approve the 2015 Plan, approve the amendment to our certificate of incorporation to increase the total number of authorized shares of our Common Stock from 80,000,000 shares to 120,000,000 shares or approve, on an advisory basis, the compensation of our named executive officers, unless you provide voting instructions to your broker.

The affirmative vote of the holders of a plurality of the shares of Common Stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required for the election of directors. The eleven nominees receiving the highest number of affirmative votes of the shares present in person or represented by proxy and entitled to vote for them shall be elected as directors.

The affirmative vote of a majority of the outstanding shares of our Common Stock is required to approve the amendment to our certificate of incorporation to increase the total number of authorized shares of our Common Stock from 80,000,000 shares to 120,000,000 shares. The affirmative vote of the holders of a majority of the shares of Common Stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to decide the other matters to be voted on at the Annual Meeting.

You may vote “FOR,” “AGAINST,” or “ABSTAIN” with respect to each of the director nominees. If you elect to abstain from voting on the election of directors, the abstention will not have any effect on the election of directors. In tabulating the voting results for the election of directors, only “FOR” and “AGAINST” votes are counted.

You may vote “FOR,” “AGAINST,” or “ABSTAIN” with respect to the proposal to approve the 2015 Plan, the proposal to approve the amendment to our certificate of incorporation to increase the total number of authorized shares of our Common Stock from 80,000,000 shares to 120,000,000 shares, the proposal to approve, on an advisory basis, the compensation of our named executive officers and the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm. If you elect to abstain from voting on any of these proposals, the abstention will have the same effect as an “AGAINST” vote with respect to such proposal.

If you sign and return your accompanying proxy card without giving specific voting instructions, your shares will be voted as recommended by our Board and in accordance with the discretion of the persons named on the accompanying proxy card with respect to any other matters to be voted upon at the Annual Meeting. If you are a beneficial holder and do not return a voting instruction form, your broker may not vote on any of the matters to be presented at the Annual Meeting.

PROXY SUMMARY

About G-III

Since our IPO in 1989, G-III has transformed from a small, exclusively leather apparel manufacturer with net sales of \$98.8 million and net income of \$5.9 million into the large diversified apparel and retail company we are today, with net sales of \$2.12 billion and net income of \$110.4 million in our fiscal year ended January 31, 2015 (“fiscal 2015”). This transformation is due to the strategic vision, flexibility, ingenuity, management skills and strong personal relationships maintained by our entire leadership team, under the guidance of Morris Goldfarb, our Chairman, Chief Executive Officer and President. We view our management team as critical to our development and essential to our continued success in the future. The apparel business is a challenging one, and many of our early competitors did not survive, underscoring the importance of the long-term vision and execution of Mr. Goldfarb. In light of the growth in stockholder returns attributable to Mr. Goldfarb’s vision and the execution by our management team, we have included a brief description of our business and financial and stock market performance below.

G-III today capitalizes on the following competitive strengths to achieve our goal of creating an all-season diversified apparel company:

- **Broad portfolio of recognized brands.** We have built a broad and deep portfolio of over [40] licensed and proprietary brands. We believe we are a licensee of choice for well-known brands, as demonstrated by our partnerships with such brands as Calvin Klein, Guess, Kenneth Cole, Tommy Hilfiger, Cole Haan, Dockers and Levi’s, that have built a loyal following of both fashion-conscious consumers and retailers who desire high quality, well designed products. In addition to our licensed brands, we own several successful proprietary brands, including Vilebrequin, Bass, G.H. Bass, Andrew Marc, Marc New York, Eliza J and Jessica Howard. In an environment of rapidly changing consumer fashion trends, we benefit from a balanced mix of well-established and newer brands;

- **Diversified distribution base.** We market our products at multiple price points and across multiple channels of distribution, allowing us to provide products to a broad range of consumers. Our products are sold to approximately 2,900 customers, including a cross section of retailers such as Macy’s, TJX Companies, Ross Stores, Dillard’s, The Bon-Ton Stores, Nordstrom, Saks Fifth Avenue, Lord & Taylor, and JC Penney, and membership clubs such as Costco and Sam’s Club. Our Wilsons retail stores provide an additional distribution network for our products. We distribute our Vilebrequin products through a network of company owned and franchised specialty retail stores and shops, as well as through select wholesale distribution, and distribute our Bass and G.H. Bass products through our Bass outlet stores and through licensees;

- **Superior design, sourcing and quality control.** Our in-house design and merchandising team designs substantially all of our licensed, proprietary and private label products. We have a network of worldwide suppliers that allows us to negotiate competitive terms without relying on any single vendor. In addition, we employ a quality control team and a sourcing group in China to ensure the quality of our products. Our acquisition of Vilebrequin added experienced design capability and additional sourcing resources in Europe; and

- **Significant growth.** Our annual net sales have grown from \$215 million in our fiscal year ended January 31, 2005 to \$2.12 billion in our fiscal year ended January 31, 2015, a record for us. Our growth is the result of execution by our management team, strategic acquisitions such as the acquisition of the G.H. Bass & Co. business in November 2013, the addition of numerous new license agreements such as license agreements for Tommy Hilfiger women’s outerwear and Calvin Klein men’s and women’s swimwear in fiscal 2014 and the expansion and diversification of our product categories and channels of distribution.

We believe that our current position of leadership within the industry is in large part due to the involvement of Mr. Goldfarb and the rest of our management team in our business. G-III has continuously evolved over the years.

- We were one of the first companies in the industry to identify the importance of overseas production and were instrumental in the technological developments which further reduced manufacturing costs. We were also among the first to license nationally recognized brands for a variety of classifications. G-III has been transformed from an exclusively leather, mostly private label manufacturer of outerwear, to a diversified provider of differentiated apparel products.
- Under Mr. Goldfarb's leadership, we were also quick to recognize the importance of licensing major names as a way to better serve the markets in which we compete. Towards this end, we have built a strong portfolio of licensed brands including:
- Licenses with Calvin Klein, Guess, Kenneth Cole, Tommy Hilfiger, Cole Haan, Dockers and Levi's, among others;
- Team logo wear for the NFL, MLB, NHL, NBA and college teams, including both coats and knits, which is an expanding portion of our business; and
- Our Ivanka Trump apparel, a brand we believe has strong growth potential.
- Our management team also recognized the importance of owning our own proprietary brands, which led to acquisitions such as Andrew Marc in 2008, Vilebrequin in 2012 and G.H. Bass & Co. in 2013. These acquisitions have given us greater control over the design, manufacture and distribution of our products.
- To diversify our revenue stream and mitigate the seasonality of the outerwear business, we have continuously expanded our product line:
- Since the creation of our dress business in 2006, we have evolved into one of the largest dress manufacturers in the United States.
- From our outerwear base, we began producing sportswear, women's suits, women's performancewear and swimwear, in addition to dresses.
- As a result of our acquisition of the G.H. Bass & Co. business in 2013, we now produce footwear, including the iconic original penny loafer, known as "Weejuns."
- Beyond apparel, we also produce luggage, women's handbags, small leather goods and cold weather accessories.
- Our management recognized the growing importance of the status goods market, which culminated in our purchase of Vilebrequin in 2012. Our acquisition of Vilebrequin gave us a foothold in the high-margin, status market, and we are executing a strategic plan to grow the brand into a men's and women's lifestyle brand with an expanded retail presence

and a revamped web site. Vilebrequin sells its products in 78 company owned stores and 73 franchised stores, as well as through select specialty and department stores.

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Following our identification of the importance of leveraging retail distribution as a way to mitigate risks associated with design and product decisions, move excess inventory and serve as a testing ground for new product designs, we acquired and successfully integrated the Wilson's Leather retail outlets. In November 2013, we acquired G.H. Bass & Co. and added their chain of outlet stores to our portfolio. As of January 31, 2015, we operated 185 Wilsons stores, 156 G.H. Bass stores, and 5 Calvin Klein Performance stores.

Furthermore, we believe the leadership provided by Mr. Goldfarb and the rest of our management team has been instrumental in ensuring that G-III is well-managed and well-positioned for the long-term, which has contributed to our ability to deliver strong results to our stockholders.

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We have successfully recruited and retained a strong team of seasoned managers. Our ability to minimize turnover, particularly within our senior ranks, has provided our company with continuity and a long-term perspective.

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We have built an in-house design and merchandising team which designs substantially all of our licensed, proprietary and private label products. We believe that this creative design team, coupled

with our sourcing expertise, gives us an advantage in product development. These factors are important differentiators from our competition, and we believe we have developed a significant customer following and positive reputation in the industry as a result of our design capabilities, sourcing expertise, on-time delivery and high standards of quality control.

- Our broad distribution platform and ability to adapt quickly to changes in the retail environment through our internal design, sourcing and manufacturing capabilities, have made us an important resource for our retail partners, which we believe has enhanced our standing as a licensee and supplier of choice.

- We are prudently financed. In August 2012, concurrent with our acquisition of Vilebrequin, we entered into a secured credit agreement with a group of lenders led by JPMorgan Chase Bank. The credit agreement is a five year senior secured credit facility providing for borrowings in the aggregate principal amount of up to \$450,000,000 through August 2017. This credit agreement and cash generated from operations allowed us to finance the acquisitions of Vilebrequin and G.H. Bass & Co. In June 2014, we further enhanced our balance sheet through a public offering of our common stock that resulted in the receipt of net proceeds of \$128.7 million. We believe that cash on hand and from operations, together with funds available from our credit agreement, are sufficient to meet our expected operating and capital expenditure requirements.

Our Response to Stockholder Feedback

Our Compensation Committee, with the assistance of Steven Hall & Partners, a nationally recognized independent compensation consultancy, has worked hard to ensure that our compensation and corporate governance programs support our short- and long-term strategic objectives, are responsive to concerns raised by our stockholders and are reflective of best practices. We were pleased that 77% of the vote of our stockholders was cast in favor of our most recent Say on Pay proposal at our most recent annual meeting of stockholders.

We have been responsive to prior feedback from our stockholders and stockholder advisory firms as evidenced by the revisions made by our two senior executives to the bonus arrangements in their employment agreements and to our robust corporate governance initiatives.

As demonstration of their commitment to our stockholders, last year, Morris Goldfarb, our Chairman, Chief Executive Officer and President, and Sammy Aaron, our Vice Chairman, agreed to modifications to their annual incentive compensation arrangements. It is important to note that these modifications to their contractual rights were made voluntarily, and that neither executive was obligated to make these changes. The modifications are described in “Compensation Discussion and Analysis” under “Annual Incentive Arrangement for Mr. Goldfarb” and “Annual Incentive Arrangement for Mr. Aaron.”

Where possible, we have modified the design of our executive compensation program so that it conforms with broadly accepted best practices and is responsive to the views of our shareholders. Today our program:

- Incorporates increased pre-tax income performance thresholds which must be met prior to payment of an annual cash incentive award to Morris Goldfarb and Sammy Aaron and includes an annual cap on the amounts which they can earn pursuant to their annual incentive awards; and

- Requires achievement of two separate performance metrics in order to earn our performance-based long-term equity incentive awards.

We also have in place a number of corporate governance programs that demonstrate our commitment to our stockholders:

- An Executive Incentive Compensation Recoupment Policy, or “clawback policy,” for executive officers;

- An Anti-Hedging and Anti-Pledging Policy;
- Stock Ownership Guidelines for executive officers and directors; and
- An explicit prohibition of repricing options and SARs.

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How Pay is Tied to Performance

Our compensation program is designed to ensure that the interests of our executive officers are aligned with those of our stockholders and, accordingly, the majority of compensation paid to our executive officers each year is based solely on the achievement of performance which we believe enhances the value of our stock. Our compensation program is designed to enhance stockholder value in the following ways:

- The majority of compensation paid to our executives is variable and aligned with the short- and long-term performance of G-III;
- Our annual incentive compensation structure is oriented towards bottom-line results, fosters an entrepreneurial environment and empowers management with the flexibility to quickly make decisions which are responsive to ever-changing market conditions, a hallmark of our business;
- Our long-term incentive program aligns the interests of executive officers with those of our stockholders through the use of performance-vested restricted shares which are earned only upon the achievement of two separate performance metrics; and
- We offer a competitive compensation program which enables us to attract and retain highly qualified managerial and executive talent necessary to achieve our objectives.

Over the last 15 years, we have delivered significant returns to our stockholders.

We have delivered exceptional returns to our stockholders over the past fifteen years. During this period from February 1, 2000 through January 31, 2015, our stock price has increased 4,103%, significantly out-performing the 43% increase in the S&P 500 and the 451% increase in the S&P Textiles & Apparel Industry Index over the same period.

Under the leadership of Morris Goldfarb, our Chairman, Chief Executive Officer and President, and a dedicated team of other executive officers, G-III has delivered top quartile performance in total stockholder return and growth in

revenues, net income and market capitalization, demonstrating both our long-term orientation as well as our commitment to delivering top quartile results to stockholders, particularly with respect to total stockholder return.

TSR & Select Growth Measures — 1, 5, 10 & 15 Years
G-III vs. Pay & Practice Peers*

*

Pay Peers include: Carter's Inc.; Columbia Sportswear Co.; Crocs, Inc.; Deckers Outdoor Corp.; Kate Spade & Co. (formerly Fifth & Pacific Companies, Inc.); Lululemon Athletica, Inc.; Oxford Industries, Inc.; Perry Ellis International, Inc.; Quiksilver, Inc.; Skechers USA, Inc.; Steven Madden, Ltd.; Under Armour, Inc.; and Wolverine World Wide, Inc. Practice Peers include: Guess?, Inc.; PVH Corp.; Ralph Lauren Corp.; and VF Corp. This analysis excludes pay and practice peers that have been acquired.

Note: All financial numbers sourced from Bloomberg to ensure comparability with peers. In instances where historical data is not available, company is excluded from the comparison. In instances where a growth calculation is not valid, the data point has been omitted from the analysis for that period only.

During Fiscal 2015, we delivered strong operational results and significant returns to our stockholders.

Business highlights include:

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We grew sales by 23.2% to \$2.12 billion, a record for us, with across-the-board strength in our business;

•

We increased net income per diluted share to \$4.97, also a record for us, surpassing our plan and up 34.0% over last year;

•

We extended the terms of all of our Calvin Klein license agreements through the end of 2023; and

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We entered into a wholesale license agreement with Genesco to design, distribute, and market G.H. Bass men's, women's and children's footwear in the United States and Canada. Using our in-house expertise, we expect to launch Bass women's apparel for delivery in Fall 2015.

How Fiscal 2015 Performance Impacted Chief Executive Officer Compensation

Granted Versus Realized Pay in Fiscal 2015 — Our Pay For Performance Philosophy in Action

Because our long-term incentive compensation is based on the achievement of two separate pre-determined performance metrics, as well as satisfaction of time-vesting periods, executives have not yet realized any value from the awards made in fiscal 2015.

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Based on the information in this “Proxy Summary, “ as well as the more detailed information contained in “Compensation Discussion and Analysis,” our Board and our Compensation Committee strongly believe that our stockholders should vote “FOR” Proposal No. 4 — Advisory Vote on Compensation of our Named Executive Officers, commonly known as the “say on pay” proposal.

Proposal to Approve the 2015 Long-Term Incentive Plan

We are asking our stockholders to approve our new 2015 Long-Term Incentive Plan (the “2015 Plan”). (See Proposal No. 2.) The Board adopted the 2015 Plan on April 1, 2015, subject to approval by our stockholders at our Annual Meeting. The 2015 Plan would replace our 2005 Amended and Restated Stock Incentive Plan (the “2005 Plan”), which will expire on June 9, 2015 (the date of the Annual Meeting); for the avoidance of doubt, any shares available under our 2005 Plan will not be carried over into our 2015 Plan. The 2015 Plan would allow us to continue making various forms of equity- and cash-based incentive awards to our officers, employees and other eligible personnel similar to those authorized by the expiring 2005 Plan. Also, if approved by our stockholders, the 2015 Plan would allow us to grant performance-based incentive awards that are intended to be exempt from the tax deduction limitations of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”). Long-term equity and other forms of incentive compensation has been and are expected to continue to be a necessary and key component of our overall compensation program. Our ability to grant incentive compensation opportunities under the 2015 Plan will enable us to meet several objectives that are important to the success and growth of our business, including, for example, fostering an ownership mentality that aligns the interests of our management and other personnel with those of our stockholders, and enabling us to attract, motivate, reward and retain talented individuals whose skills, experience and efforts are essential to the continuing success and development of our business and the enhancement of stockholder value.

If the 2015 Plan is not approved, we will lose what has become an indispensable part of our compensation program (due to the expiration of the 2005 Plan). The Board believes we would therefore face serious challenges to our ability to attract and retain management and other key personnel which, if not otherwise addressed, would adversely affect our business. Our ability to continue making incentive compensation awards that are deductible for income tax purposes would also be significantly diminished. In short, the Board believes strongly that approval of the 2015 Plan is in the best interests of our company and our stockholders and that, if the 2015 Plan is not approved, our business

and the interests of our stockholders will be harmed.

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Proposal to Increase the Number of our Authorized Shares of Common Stock

We are also asking our shareholders to approve an amendment to our Certificate of Incorporation to increase the number of our authorized shares of Common Stock to 120,000,000 from 80,000,000. (See Proposal No. 3.) On April 1, 2015, our Board of Directors declared a two-for-one stock split of our Common Stock. At May 1, 2015, after giving effect to the stock split, there were 44,979,214 shares of Common Stock outstanding. An aggregate of 5,999,934 shares of Common Stock were reserved for issuance pursuant to our stock plans, including the 2,500,000 shares of our Common Stock subject to the 2015 Plan that is being submitted to our stockholders for approval at the Annual Meeting and outstanding equity awards granted under the 2005 Plan. At May 1, 2015, outstanding equity awards granted under the 2005 Plan include options to purchase 447,156 shares and restricted stock units (“RSUs”) representing 2,091,412 shares that have not fully vested. In addition, there are 961,366 shares that remain available for grant under the 2005 Plan that expires on June 9, 2015. As a result, as of May 1, 2015, we had outstanding or reserved for issuance 50,979,148 of the 80,000,000 authorized shares of Common Stock.

Our company has grown significantly over the past few years. We review and evaluate potential capital raising activities, strategic transactions and other corporate actions on an ongoing basis to determine if such actions would be in the best interests of G-III and its stockholders. Our Board believes that the currently available number of unissued and unreserved shares of Common Stock does not provide sufficient flexibility for corporate action in the future, and that additional authorized shares would provide us with needed ability to issue Common Stock or Common Stock-based instruments in the future to take advantage of opportunities that are presented to us or favorable market conditions without the potential expense or delay incident to obtaining stockholder approval for a particular issuance. Accordingly, the Board believes strongly that approval of the amendment to our Certificate of Incorporation to increase the number of our authorized shares of Common Stock is in the best interests of our company and our stockholders.

**BENEFICIAL OWNERSHIP OF COMMON STOCK BY
CERTAIN STOCKHOLDERS AND MANAGEMENT**

The following table sets forth information as of March 1, 2015 (except as otherwise noted in the footnotes) regarding the beneficial ownership of our Common Stock of: (i) each director; (ii) each person known by us to own beneficially more than five percent of our outstanding Common Stock; (iii) each executive officer named in the Fiscal 2015 Summary Compensation Table; and (iv) all directors and executive officers as a group. Except as otherwise specified, the named beneficial owner has the sole voting and investment power over the shares listed. The percentage of ownership is based on 44,957,194 (excludes treasury shares) shares of Common Stock outstanding as of March 1, 2015 (except as otherwise noted in the footnotes). Unless otherwise indicated in the table below, each beneficial owner has an address in care of our principal executive offices at 512 Seventh Avenue, New York, New York 10018. All share amounts in this table have been adjusted to reflect the two-for-one stock split that was effective on May 1, 2015.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership of Common Stock	Percentage of Common Stock
Morris Goldfarb	4,570,912(1)	10.2%
Sammy Aaron	120,904(2)	*
Thomas J. Brosig P.O. Box 7096 Gulfport, MS 39503	4,800(3)	*
Alan Feller	10,824(4)	*
Jeffrey Goldfarb	263,232(5)	*
Jeanette Nostra	10,000(6)	*
Laura Pomerantz	28,800(7)	*
Allen Sirkin	1,600(8)	*
Willem van Bokhorst Johan van Walbeeckplein 11 Curaçao	71,400(9)	*
Cheryl Vitali	8,600(10)	
Richard White FMR LLC(12) 82 Devonshire Street Boston, MA 02109	45,420(11) 6,397,900	14.2%
BlackRock, Inc.(13) 40 East 52nd Street New York, NY 10022	3,378,742	7.5%
The Vanguard Group(14) 100 Vanguard Blvd. Malvern, PA 19355	2,588,960	5.8%
Wayne S. Miller	11,870(15)	*
Neal S. Nackman	17,918(16)	*
All directors and executive officers as a group (13 persons)	5,167,080(17)	11.5%

*

Less than one percent

(1)

Includes (i) 216,750 shares of Common Stock held by Goldfarb Family Partners, L.L.C., of which Mr. Goldfarb is the sole Manager; (ii) 112,802 shares of Common Stock owned by The Morris and Arlene Goldfarb Family Foundation, Inc., of which Mr. Goldfarb is the President and Treasurer; (iii) 882,600 shares of Common Stock held by Morris and Arlene Goldfarb, as joint tenants; (iv) 29,666 shares of Common Stock owned by Arlene Goldfarb, Mr. Goldfarb's wife; (v) 200,000

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Common Shares held by The Morris Goldfarb 2012 Delaware Trust (Mr. Goldfarb serves as a member of the Trust Committee of the Trust which directs the Trustee's decisions as to voting and disposition of the Common Shares held in the Trust); and (vi) 200,000 shares held by The Arlene Goldfarb 2012 Delaware Trust (Arlene Goldfarb, Mr. Goldfarb's wife, serves as a member of the Trust Committee of the Trust, which directs the Trustee's decisions as to voting and disposition of the shares held in the Trust). In addition to the shares listed in the table, Mr. Goldfarb has the right to receive an aggregate of 590,936 shares pursuant to RSU awards for which performance conditions have been satisfied, subject to the satisfaction of required time vesting periods.

(2)

In addition to the shares listed in the table, Mr. Aaron has the right to receive an aggregate of 423,876 shares pursuant to RSU awards for which performance conditions have been satisfied, subject to the satisfaction of required time vesting periods.

(3)

Includes 2,400 shares of Common Stock which may be acquired upon the exercise of options that have vested. In addition to the shares listed in the table, Mr. Brosig has the right to receive an aggregate of 9,614 shares pursuant to RSU awards, subject to the satisfaction of required time vesting periods.

(4)

In addition to the shares listed in the table, Mr. Feller has the right to receive an aggregate of 9,614 shares pursuant to RSU awards, subject to the satisfaction of required time vesting periods.

(5)

Includes (i) 236,136 shares of Common Stock held by Jeffrey and Stacey Goldfarb, Mr. Goldfarb's wife, as joint tenants; (ii) 24,896 shares of Common Stock owned by the Amanda Julie Goldfarb Trust 2007 of which Mr. Goldfarb and his wife are co-trustees; and (iii) 2200 shares of Common Stock owned by the Ryan Gabriel Goldfarb Trust 2009 of which Mr. Goldfarb and his wife are co-trustees. In addition to the shares listed in the table, Mr. Goldfarb has the right to receive an aggregate of 129,598 shares pursuant to RSU awards for which performance conditions have been satisfied, subject to the satisfaction of required time vesting periods.

(6)

In addition to the shares listed in the table, Ms. Nostra has the right to receive an aggregate of 22,550 shares pursuant to RSU awards for which performance conditions have been satisfied, subject to the satisfaction of required time vesting periods.

(7)

Includes 24,000 shares of Common Stock which may be acquired upon the exercise of options that have vested. Ms. Pomerantz has the right to receive an aggregate of 9,614 shares pursuant to RSU awards, subject to the satisfaction of required time vesting periods.

(8)

In addition to the shares listed in the table, Mr. Sirkin has the right to receive an aggregate of 8,814 shares pursuant to RSU awards, subject to the satisfaction of required time vesting periods.

(9)

Includes 28,800 shares of Common Stock which may be acquired upon the exercise of options that have vested. Mr. van Bokhorst has the right to receive an aggregate of 9,614 shares pursuant to RSU awards, subject to the satisfaction of required time vesting periods.

(10)

In addition to the shares listed in the table, Ms. Vitali has the right to receive an aggregate of 10,414 shares pursuant to RSU awards, subject to the satisfaction of required time vesting periods.

(11)

Includes 14,400 shares of Common Stock which may be acquired upon the exercise of options that have vested. Mr. White has the right to receive an aggregate of 10,820 shares pursuant to RSU awards, subject to the satisfaction of required time vesting periods.

(12)

Information is derived from the Schedule 13G/A filed by FMR LLC ("FMR"), Edward C. Johnson 3rd and Abigail P. Johnson with the Securities and Exchange Commission on February 13, 2015. FMR is a parent holding company in accordance with Exchange Act Rule 13d-1(b)(1)(ii)(G) and has sole voting power with respect to 7,948 of such shares, sole dispositive power with respect to 6,397,900 of such shares.

(13)

Information is derived from the Schedule 13G/A filed by BlackRock, Inc. ("BlackRock") with the Securities and Exchange Commission on January 26, 2015. BlackRock is a parent holding company or control person in accordance with Exchange Act Rule 13d-1(b)(1)(ii)(G) and has sole voting power and sole dispositive power with respect to such shares.

(14)
Information is derived from the Schedule 13G filed by The Vanguard Group, Inc. (“Vanguard”) with the Securities and Exchange Commission on February 10, 2015. Vanguard is an investment adviser in accordance with Exchange Act Rule 13d-1(b)(1)(ii)(E) and has sole voting power with respect to 50,958 of such shares, sole dispositive power with respect to 2,540,802 of such shares and shared dispositive power with respect to 48,158 of such shares.

(15)
In addition to the shares listed in the table, Mr. Miller has the right to receive an aggregate of 289,198 shares pursuant to RSU awards for which performance conditions have been satisfied, subject to the satisfaction of required time vesting periods.

(16)
In addition to the shares listed in the table, Mr. Nackman has the right to receive an aggregate of 54,840 shares pursuant to RSU awards for which performance conditions have been satisfied, subject to the satisfaction of required time vesting periods.

(17)
Includes 69,600 shares of Common Stock which may be acquired within 60 days of March 1, 2015 upon the exercise of options. In addition to the shares listed in the table, all directors and officers as a group have the right to receive an aggregate of 1,577,902 shares pursuant to RSU awards for which any performance conditions have been satisfied, subject to the satisfaction of required time vesting periods.

Section 16(a) Beneficial Ownership Reporting Compliance

To our knowledge, our directors, officers and beneficial owners of more than ten percent of our Common Stock were in compliance with the reporting requirements of Section 16(a) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), during fiscal 2015.

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CORPORATE GOVERNANCE

The Board of Directors has determined that Thomas Brosig, Alan Feller, Laura Pomerantz, Allen Sirkin, Willem van Bokhorst, Cheryl Vitali and Richard White are independent directors. The independent directors constitute a majority of the Board of Directors. In making its determination regarding the independence of the directors, the Board relied upon information provided by each of the directors and noted that each independent director meets the standards for independence set out in NASDAQ Listing Rule 5605(a)(2) and under the applicable rules and regulations of the Securities and Exchange Commission, and that there is no material busine