

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)  
**July 1, 2008**

**PHILLIPS-VAN HEUSEN CORPORATION**

(Exact name of registrant as specified in its charter)

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

**001-07572**  
(Commission File Number)

**13-1166910**  
(IRS Employer  
Identification No.)

**200 Madison Avenue, New York, New York**  
(Address of principal executive offices)

**10016**  
(Zip Code)

Registrant's telephone number, including area code **(212) 381-3500**

**Not Applicable**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

On July 1, 2008, Phillips-Van Heusen Corporation (the "Company") entered into the First Amendment to Amended and Restated Employment Agreement (the "Amendment") with Allen Sirkin, the Company's President and Chief Operating Officer. The Amendment modifies the Amended and Restated Employment Agreement, dated as of June 14, 2007 (the "Agreement"), between the Company and Mr. Sirkin. The Amendment extends the term of Mr. Sirkin's employment from the date of the annual meeting of stockholders of the Company to be held in calendar year 2009 to the date of the annual meeting of stockholders of the Company to be held in calendar year 2011. The Amendment anticipates that Mr. Sirkin will retire at the end of the term and, therefore, Mr. Sirkin's duties have been modified to include expressly his active participation in the development of a succession plan relating to his position and duties and the training of, and transition of duties, to the person or persons who will succeed to such duties.

The Amendment establishes certain aspects of Mr. Sirkin's compensation for the extended term of the Agreement. Mr. Sirkin's annual base salary, which is currently \$910,000, will increase to \$950,000 effective June 1, 2009 and to \$1,000,000 effective June 1, 2010. Additionally, Mr. Sirkin will be granted awards of restricted stock units, each with a fair market value on the date of grant of at least \$1,250,000, on the dates in calendar year 2009 and 2010 that annual grants of equity awards are made to the other executive officers of the Company, provided that Mr. Sirkin is employed in his current position on each such date. These grants will be on substantially the same terms and conditions as the awards of restricted stock units previously made to the Company's executive officers and are in lieu of, and not in addition to, the annual grants of stock options and restricted stock units that Mr. Sirkin might otherwise have been granted consistent with past practice.

As consideration for Mr. Sirkin's agreement to extend his period of employment, the Compensation Committee of the Board of Directors of the Company granted 13,510 restricted stock units (having a grant date value of approximately \$500,000) to Mr. Sirkin on July 1, 2008. Additionally, Mr. Sirkin will be entitled to receive grants of restricted stock units, each with a fair market value on the date of grant of \$500,000, on the date of the annual meeting of stockholders of the Company to be held in calendar year 2009 and on the date of the annual meeting of stockholders of the Company to be held in calendar year 2010, provided that Mr. Sirkin is employed in his current position on each such date. These grants are in addition to the annual grants of restricted stock units to be granted to Mr. Sirkin, as discussed above.

The restricted stock units represent the contingent right to receive one share of Company common stock for each unit awarded, subject to vesting. The restricted stock units granted on July 1, 2008 vest in increments of 50% on each of the third and fourth anniversaries of the date of grant. The restricted stock

units to be granted on the dates of the annual meeting of stockholders of the Company to be held in calendar year 2009 and calendar year 2010 will vest in increments of 25% on the second anniversary of the date of grant, 25% on the third anniversary of the date of grant and 50% on the fourth anniversary of the date of grant. The restricted stock units are settled by the delivery of stock as soon as practicable after the vesting date. Mr. Sirkin will receive, upon vesting, in cash, the value of cash dividends that

were payable on an equal number of shares of Company common stock during the restricted period. If a stock dividend is declared on the Company common stock during the restricted period, Mr. Sirkin will receive, upon vesting, the number of securities that were deliverable to a holder of a number of shares of Company common stock equal to the number of restricted stock units held by him as of the dividend record date. The award granted on July 1, 2008 and the awards to be granted on the date of the 2009 and 2010 annual meetings become fully vested upon a termination of employment due to Mr. Sirkin's death or retirement; *provided, however*, that the awards will not be subject to accelerated vesting upon retirement unless Mr. Sirkin retires on or after the date of the annual meeting of stockholders of the Company to be held in calendar year 2011. In all other cases, upon the termination of employment unvested restricted stock units are forfeited. The award granted on July 1, 2008 is subject to the other terms and conditions set forth in the restricted stock unit award agreement entered into between the Company and Mr. Sirkin, which is attached as Exhibit 10.2 to this Report. The awards to be made on the dates of the annual meeting of stockholders of the Company to be held in calendar year 2009 and calendar year 2010 will be subject to the other terms and condition set forth in the form of restricted stock unit award agreement approved by the Compensation Committee, which is attached as Exhibit 10.3 to this Report. Other than the vesting schedule for the grant made on July 1, 2008 and the treatment of vesting upon Mr. Sirkin's retirement, the terms and conditions set forth in the attached agreements are the same in all material respects as those relating to awards of restricted stock units previously made to Mr. Sirkin and other executive officers of the Company.

The Amendment is attached as Exhibit 10.1 to this Report.

The Agreement outlines the compensation and benefits to be paid to Mr. Sirkin during his employment, as well as his rights to severance upon the termination of his employment. Mr. Sirkin is entitled to severance only if his employment is terminated by the Company without "cause" or if he terminates his employment for "good reason" and does not include the termination of employment upon Mr. Sirkin's retirement at the end of the term of the Agreement. "Cause" is generally defined as (1) gross negligence or willful misconduct in Mr. Sirkin's performance of the material responsibilities of his position, which results in material economic harm to the Company or in reputational harm causing demonstrable injury to the Company; (2) Mr. Sirkin's willful and continued failure to perform substantially his duties (other than any such failure resulting from incapacity due to physical or mental illness); (3) Mr. Sirkin's conviction of, or plea of guilty or *nolo contendere* to, a felony within the meaning of U.S. Federal, state or local law (other than a traffic violation); (4) Mr. Sirkin's having willfully divulged, furnished or made accessible any of the Company's confidential information (as defined in the Agreement); or (5) any act or failure to act by Mr. Sirkin, which, under the provisions of applicable law, disqualifies him from acting in his current position. "Good reason" is generally defined as (i) the assignment to Mr. Sirkin of any duties inconsistent in any material respect with his position or any other action that results in a material diminution in such position; (ii) a reduction of base salary; (iii) the taking of any action that substantially diminishes (A) the aggregate value of Mr. Sirkin's total compensation opportunity, and/or (B) the aggregate value of the employee benefits provided to him; (iv) requiring that Mr. Sirkin's services be rendered primarily at a location or locations more than 35 miles from the Company's principal executive offices; or (v) the Company's failure to require any successor company to it to assume expressly and agree to perform the Agreement.

In the event of a termination of employment without cause or for good reason (other than during the two-year period after a change in control) Mr. Sirkin is entitled to two times the average annual total cash compensation paid to or accrued for him during the two-year period preceding the date of termination. Mr. Sirkin is also only required to pay the active employee rate for medical and dental insurance during the period severance is paid. Additionally, Mr. Sirkin is entitled to severance upon the termination of his employment by the Company without cause or by him for good reason within two years after a change of control of the Company (as defined in the Agreement). In either such case, Mr. Sirkin will receive a lump sum payment in an amount equal to two times the average annual total cash compensation paid to or accrued for him during the two-year period preceding the date of termination. In addition, if any payments, entitlements or benefits received by Mr. Sirkin under the Agreement are subject to the excise taxes on excess parachute payments, he is entitled to an additional payment to restore the executive to the after-tax position that he would have been in if the excise tax had not been imposed. Mr. Sirkin also receives comparable medical, dental, life and disability insurance coverage for himself and his family for a two-year period after termination. The Agreement also includes certain restrictive covenants in favor of the Company, including agreements regarding the use of confidential information, non-interference with business relationships, non-solicitation of employees and post-termination employment restrictions.

**Item 9.01 Financial Statements And Exhibits.**

(d) Exhibits:

<u>Exhibit</u>	<u>Description</u>
10.1	First Amendment to Amended and Restated Employment Agreement, dated July 1, 2008, between Phillips-Van Heusen Corporation and Allen Sirkin
10.2	Restricted Stock Unit Award Agreement, dated July 1, 2008, between Phillips-Van Heusen Corporation and Allen Sirkin
10.3	Form of Restricted Stock Unit Award Agreement for Special Grants to Allen Sirkin

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

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer  
Mark D. Fischer, Senior Vice President

Date: July 3, 2008

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**Exhibit Index**

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## FIRST AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

FIRST AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Amendment"), dated July 1, 2008, between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation ("PVH" and, together with its affiliates and subsidiaries, the "Company"), and ALLEN SIRKIN (the "Executive").

## WITNESSETH:

WHEREAS, the Company has previously entered into that certain Amended and Restated Employment Agreement with the Executive, dated as of June 1, 2007 (the "Employment Agreement"); and

WHEREAS, the parties desire to amend the Employment Agreement to provide for the extension of the term thereof and establish certain elements of compensation during the extension.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Employment Agreement.
2. Consideration. As consideration for the Executive's agreement to extend the Employment Period on and subject to the terms and conditions of this Amendment, it is hereby agreed that the Executive shall be entitled to receive grants of restricted stock units under the Company's 2006 Stock Incentive Plan (as the same may hereafter be amended or under any successor plan), each with a fair market value on the date of grant (as determined in accordance with such plan) of \$500,000, as follows:
  - (a) upon the execution of this Amendment by both parties;
  - (b) on the date of the annual meeting of stockholders of the Company to be held in calendar year 2009; and
  - (c) on the date of the annual meeting of stockholders of the Company to be held in calendar year 2010.

Such awards (x) shall be made on substantially the same terms and conditions as the awards of restricted stock units made to the Executive during the Initial Period, subject to changes adopted by the Company in connection with any change in applicable law, rule or regulation, including, without limitation, changes in tax or accounting treatment, regardless of whether such change is statutory in nature or effected through other means; *provided, however*, that (i) the grant made upon the execution of this Amendment shall vest 50% on the third anniversary of the date of grant and 50% on the fourth anniversary of the date of grant; (ii) the grants shall not be subject to

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accelerated vesting upon retirement, unless the Executive shall retire on or after the date of the annual meeting of stockholders of the Company to be held in calendar year 2011; and (y) are in addition to the annual grants of restricted stock units to be granted to the Executive pursuant to Section 6 of this Amendment. Notwithstanding the foregoing, such grants shall not be made if the Executive is not employed by the Company in his current position on the date of grant.

3. Extension of Employment Period. It is hereby agreed that the Employment Period shall end on the date of the annual meeting of stockholders of the Company to be held in calendar year 2011, subject to earlier termination in accordance with the terms of the Employment Agreement. In order to effect the foregoing, Section 1(b) of the Employment Agreement is hereby deleted in its entirety and the following substituted in lieu thereof:

(b) Employment Period. The Company agrees to continue to employ the Executive, and the Executive agrees to continue to be employed by the Company, in accordance with the terms and conditions hereof, for an initial period commencing on the Effective Date and ending on the date of the Company's Annual Meeting of Stockholders of the Company to be held in calendar year 2009 (the "Initial Period") and an extension period commencing on the day immediately following the end of the Initial Period and ending on the date of the Company's Annual Meeting of Stockholders of the Company to be held in calendar year 2011 (the "Renewal Period"), and subject to earlier termination in accordance with the provision of Section 4 hereof. The period of time commencing on the Effective Date and ending on the Executive's last day of employment, regardless of the reason for the termination of his employment, is referred to herein as the "Employment Period." Each of the parties acknowledges and agrees that either party may terminate the Executive's employment at any time, for any reason, with or without Cause (as defined in Section 3(a)).

4. Transition Duties. It is hereby agreed that from and after the execution and delivery of this Amendment by the parties, the Executive's duties shall specifically include active participation in the development of a succession plan relating to the Executive's position and duties and in the training of, and transition of duties to, the person or persons who will succeed to such duties. In order to effect the foregoing, Section 1(c)(i) of the Employment Agreement is hereby deleted in its entirety and the following substituted in lieu thereof:

(c) Position and Duties. (i) During the Employment Period, (A) the Executive shall serve as the President and Chief Operating Officer of the Company, with such duties and responsibilities as shall from time to time be assigned to him and as are consistent and commensurate with his title and position, and (B) the Executive's services shall be performed at the Company's headquarters in New York, New York as of the Effective Date or such other location as may be mutually agreed between the Company and the Executive, except for travel, and visits to Company offices and facilities worldwide, reasonably required to attend to the Company's business. Without limiting the generality of the foregoing, the Executive shall actively participate in the development of a succession plan relating to the Executive's position and duties and in the training of, and transition of duties to, the person or persons who will succeed to such duties.

5. Base Salary Increases. It is hereby agreed that the Executive's Base Salary shall be increased to an annual rate of \$950,000 effective June 1, 2009 and to an annual rate of \$1,000,000 effective June 1, 2010. In order to effect the foregoing, Section 2(a) of the Employment Agreement is hereby deleted in its entirety and the following substituted in lieu thereof:

(a) Base Salary. During the Employment Period, the Company shall pay the Executive a salary at the annual rate of \$900,000, increasing to \$910,000 effective June 1, 2007, to \$950,000 effective June 1, 2009 and to \$1,000,000 effective June 1, 2010 ("Base Salary"), payable in accordance with the normal payroll procedures of the Company in effect from time to time. The term Base Salary as utilized in this Agreement shall refer to the Executive's annual base salary as then in effect.

6. Equity Awards. It is hereby agreed that the Executive shall be entitled to receive awards of restricted stock units under the Company's 2006 Stock Incentive Plan, each with a fair market value of \$1,250,000, at the same time that annual grants are made to the other executive officers of the Company in calendar years 2009 and 2010, *provided* that the Executive is employed in his current position on each such date. In order to effect the foregoing, a new Section 2(e) is hereby added to the Employment Agreement, reading as follows:

(e) Equity Awards. Notwithstanding anything in this Agreement to the contrary, during the Renewal Period the Executive shall receive awards under the Company's 2006 Stock Incentive Plan (as the same may hereafter be amended or under any successor plan), as follows:

(i) on the date in calendar year 2009 that annual grants of equity awards are made to the other executive officers of the Company, restricted stock units having a fair market value on the date of grant (as determined in accordance with such plan) of no less than \$1,250,000; and

(ii) on the date in calendar year 2010 that annual grants of equity awards are made to the other executive officers of the Company, restricted stock units having a fair market value on the date of grant (as determined in accordance with such plan) of no less than \$1,250,000.

For the avoidance of doubt, such awards (x) shall be made on substantially the same terms and conditions as the awards of restricted stock units made to the Executive during the Initial Period, subject to changes adopted by the Company in connection with any change in applicable law, rule or regulation, including, without limitation, changes in tax or accounting treatment, regardless of whether such change is statutory in nature or effected through other means; (y) are in lieu of, and not in addition to, the annual grants of stock options and restricted stock units that the Executive might otherwise have been granted consistent with past practice; *provided, however*, that nothing herein shall prohibit the Board from making additional or larger awards to the Executive under the 2006 Stock Incentive Plan (or successor plan); and (z) shall not affect any performance-based long term incentive award that the Board, in its sole discretion, may grant to the Executive in the form of performance shares under the 2006 Stock Incentive Plan

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(or successor plan) or a cash award under the Company's 2005 Long-Term Incentive Plan.

7. Voluntary Retirement. Section 3(c) is hereby deleted in its entirety and the following substituted in lieu thereof to make clear the treatment of equity awards made during the Initial Period as compared to those made during the Renewal Period in the event of a voluntary termination, to delete references to the renewal of the Employment Agreement, to conform the language to defined terms added by this Amendment and to make certain other ministerial changes:

(c) Termination by Voluntary Resignation (without Good Reason) by the Executive; Non-Renewal; Retirement. The voluntary resignation of employment by the Executive (other than for Good Reason and which shall not include a resignation in connection with a termination by the Company for Cause) or the expiration of this Agreement on the last day of the Renewal Period (if the Executive remains employed through the end of such period) shall be deemed to be a retirement and shall be treated as a retirement for purposes of (x) any plan, policy, program or arrangement of the Company as to which the Executive holds rights as of such resignation or expiration date, whether as a participant, beneficiary or otherwise, or (y) any agreement between the Company and the Executive, except as may otherwise be expressly agreed upon by the Executive. In addition, the Executive shall be entitled to (i) the portion of the Base Salary for periods prior to the effective date of termination accrued but unpaid (if any), (ii) all unreimbursed expenses (if any), subject to Section 2(d), and (iii) the payment or provision of any Other Benefits. Notwithstanding the foregoing, with respect to any award granted after the Effective Date and prior to July 1, 2008 under the Company's 2006 Stock Incentive Plan, Performance Incentive Bonus Plan or Long-Term Incentive Plan, the termination of the Executive's employment by voluntary resignation (other than for Good Reason and which shall not include a resignation in connection with a termination by the Company for Cause) shall not be treated as a retirement under the applicable plan unless such retirement occurs after the last day of the Initial Period.

8. Restrictive Covenant. The Executive acknowledges and agrees that he plans to retire upon the end of the Renewal Period and, therefore, agrees that the restrictive covenants should apply as of the end of the Renewal Period. In order to give effect to the foregoing, Sections 5(b) and 5(c) of the employment Agreement are hereby deleted in their entirety and the following substituted therefore:

(b) Non-Interference. The Executive acknowledges that information regarding the Company's business and financial relations with its vendors and customers is Confidential Information and proprietary to the Company and that any interference with such relations based directly or indirectly on the use of such information would cause irreparable damage to the Company. The Executive acknowledges that by virtue of his employment with the Company, he has gained or may gain knowledge of such information concerning the Company's vendors and customers (respectively "Vendor Information" or "Customer Information"), and that he would inevitably have to draw on this Vendor Information and Customer Information and on other Confidential

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Information if he were to solicit or service the Company's vendors or customers on behalf of a competing business enterprise. Accordingly, and subject to the immediately following sentence, the Executive agrees that during the Employment Period and for a period of 18 months following the termination thereof, other than by reason of (i) a termination by the Company without Cause, or (ii) a termination by the Executive for Good Reason, the Executive shall not, on behalf of himself or any other person, other than the Company, directly or indirectly do business with, solicit the business of, or perform any services for any actual vendor or customer of the Company, any person that has been a vendor or customer of the Company within the 12-month period preceding such termination or any actively solicited prospective vendor or customer as to whom or which the Executive provided any services or as to whom or which the Executive has knowledge of Vendor Information, Customer Information or Confidential Information. The foregoing restrictive covenant shall only apply to business activities engaged in by the Executive on behalf of himself or any other person that are directly competitive with those of the operating divisions of the Company in which the Executive has worked or over which he has or has had supervisory responsibility, in terms of channels of distribution, types of products, gender for which the products have been designed and similarity of price range. In addition, the Executive agrees that, during the Employment Period and such 18-month period thereafter, he will not, directly or indirectly, seek to encourage or induce any such vendor or customer to cease doing business with, or lessen its business with, the Company, or otherwise interfere with or damage (or attempt to interfere with or damage) any of the Company's relationships with its vendors and customers, except in the ordinary course of the Company's business.

(c) Non-Competition. The Executive agrees that, during the Employment Period and for a period of 12 months following his termination of employment, other than by reason of (i) a termination by the Company without Cause, or (ii) a termination by the Executive for Good Reason, the Executive shall not, without the prior written consent of the Company, directly or indirectly, on the Executive's behalf or on behalf of any other person, firm, corporation, association or other entity, as an employee, director, advisor, partner, consultant or otherwise, engage in any business of, provide services to, enter the employ of, or have any interest in, any other person, firm, corporation or other entity that is engaged in a business that is in competition with the primary businesses or products of the Company as of the Executive's date of termination (following a Change in Control, such businesses or products shall be limited to those in which the Executive has worked or over which he has or has had supervisory responsibility, in terms of channels of distribution, types of products, gender for which the products have been designed and similarity of price range, as of his date of termination). Nothing herein shall restrict the Executive from owning, for personal investment purposes only, less than 5% of the voting stock of any publicly held corporation or 2% of the ownership interest in any non-publicly held company, if the Executive has no other connection or relationship with the issuer of such securities.

9. Continued Effectiveness of the Employment Agreement. The Employment Agreement is, and shall continue to be, in full force and effect, except as otherwise provided in

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this Amendment and except that all references to the Employment Agreement set forth in the Employment Agreement and any other agreements to which the parties hereto are parties which have been executed prior to the date hereof and referring to the Employment Agreement shall mean the Employment Agreement, as amended by this Amendment.

10. Miscellaneous.

(a) This Amendment shall be effective as of the date first set forth above.

(b) This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same amendment.

(c) This Amendment shall be construed without regard to any presumption or other rule requiring construction against the drafting party.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first set forth above.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer  
Name: Mark D. Fischer  
Title: Senior Vice President

/s/ Allen Sirkin  
Allen Sirkin

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PHILLIPS-VAN HEUSEN CORPORATION  
2006 STOCK INCENTIVE PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT

**NOTICE OF RESTRICTED STOCK UNIT AWARD**

Phillips-Van Heusen Corporation (the “Company”) grants to the Grantee named below, in accordance with the terms of the Phillips-Van Heusen Corporation 2006 Stock Incentive Plan (the “Plan”) and this restricted stock unit agreement (this “Agreement”), the number of restricted stock units (the “Restricted Stock Units” or the “Award”) provided as follows:

GRANTEE	Allen Sirkin
RESTRICTED STOCK UNITS GRANTED	13,510
DATE OF GRANT	July 1, 2008
VESTING SCHEDULE	Restricted Stock Units will vest in two installments on the following dates, subject to the Grantee being employed by the Company on each such date:

<u>Vesting Date</u>	<u>Restricted Stock Units Vesting</u>
July 1, 2011	6,755
July 1, 2012	6,755

**AGREEMENT**

1. **Grant of Award.** The Company hereby grants to the Grantee the Restricted Stock Units, subject to the terms, definitions and provisions of the Plan and this Agreement. All terms, provisions, and conditions applicable to the Restricted Stock Units set forth in the Plan and not set forth herein are incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan the provisions of the Plan will govern. All capitalized terms that are used in this Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Plan.
2. **Vesting and Settlement of Award.**
  - a. **Right to Award.** This Award shall vest in accordance with the vesting schedule set forth above (the “Vesting Schedule”) and with the applicable provisions of the Plan and this Agreement.
  - b. **Settlement of Award.** The vested portion of this Award shall be settled as soon as practicable following the vesting date set forth in the Vesting Schedule, but in no event later than March 15 of the year following the year in which the Award vests; provided, however, that if the Grantee shall be or become eligible for Retirement at any time following the date of grant (as set forth above) and prior to the vesting date(s) set forth in the Vesting Schedule, then upon the vesting of any portion of this Award, the vested portion shall be settled on the fifth business day following the applicable vesting date in the Vesting Schedule or as soon as practicable after such fifth business day, but in no event later than December 31<sup>st</sup> of the calendar year in which such fifth business day occurs. Notwithstanding anything in the foregoing to the contrary, the Award may vest and be payable upon termination of employment as provided in Paragraph 3.

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The Company may require the Grantee to furnish or execute such documents as the Company shall reasonably deem necessary (i) to evidence such settlement and (ii) to comply with or satisfy the requirements of the Securities Act of 1933, as amended, the Exchange Act, Section 409A of the Code or any Applicable Laws.

- c. **Method of Settlement.** The Company shall deliver to the Grantee one Share for each vested Restricted Stock Unit, less any Shares withheld in accordance with Paragraph 2(e) of this Agreement. Share certificates shall be issued in the name of the Grantee (or of the person or persons to whom such Restricted Stock Units were transferred in accordance with Paragraph 4 of this Agreement).
- d. **Dividend Equivalents.** If a cash Dividend is declared on the Shares, the Grantee shall be credited with a Dividend Equivalent in an amount of cash equal to the number of Restricted Stock Units held by the Grantee as of the dividend record date, multiplied by the amount of the cash dividend paid per Share. Such Dividend Equivalent shall be paid if and when the underlying Restricted Stock Units are settled. If a Share Dividend is declared on the Shares, the Grantee shall be credited with a Dividend Equivalent in an amount of Shares equal to the number of Restricted Stock Units held by the Grantee as of the dividend record date, multiplied by the amount of the Share dividend distributed per Share. Such Dividend Equivalent shall be settled if and when the underlying Restricted Stock Units are settled, rounded down to the nearest whole share. Dividend Equivalents shall not accrue interest prior to the date of payment or settlement, as applicable.
- e. **Taxes.** Pursuant to Section 14 of the Plan, the Company shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any applicable tax withholding requirements applicable to this Award. The Company may condition the delivery of Shares upon the Grantee’s satisfaction of such withholding obligations. To the extent permitted by the Committee, the Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory tax withholding rate that could be imposed on the transaction (or such other rate that will not result in a negative accounting impact). Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

3. Termination of Employment. In the event (i) the Grantee's employment with the Company and its Subsidiaries is terminated prior to the vesting date(s) set forth in the Vesting Schedule due to the Grantee's Retirement or (ii) of the Grantee's death, the Award shall become 100% vested on the date of such termination of employment or death and shall be settled on (x) the fifth business day after the Grantee's separation from service by reason of Retirement or (y) the 31<sup>st</sup> day following the date of the Grantee's death, as the case may be, or as soon as practicable after such fifth business day or 31<sup>st</sup> day, as applicable, but in no event later than December 31<sup>st</sup> of the calendar year in which such fifth business day or 31<sup>st</sup> day occurs; provided, however, that this Award shall be forfeited immediately if the Grantee retires prior to the date of the annual meeting of stockholders of the Company to be held in calendar year 2011.

When the Grantee's employment with the Company and its Subsidiaries terminates (except when due to Retirement or death), this Award shall be forfeited immediately with respect to the number of Restricted Stock Units for which the Award is not yet vested. If the Grantee dies after termination of employment, but before the settlement of the Award, all or part of this Award may be settled by payment to the personal representative of the Grantee or by any person who has acquired this Award directly from the Grantee but only to the extent that the Award was vested upon termination of the Grantee's employment.

4. Transferability of Award.

The Award may not be transferred, pledged, assigned, or otherwise disposed of, except (i) by will or the laws of descent and distribution or (ii) for no consideration, subject to such rules and conditions as may be established by the Committee, to a member or members of the Grantee's Immediate Family. For purposes of this Award Agreement, the Grantee's "Immediate Family" means the Grantee's children, stepchildren,

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grandchildren, parents, stepparents, grandparents, spouse, former spouse, siblings, nieces, nephews, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships or any person sharing the Grantee's household (other than a tenant or employee).

5. Miscellaneous Provisions.

- a. Rights as a Stockholder. Neither the Grantee nor the Grantee's representative shall have any rights as a stockholder with respect to any Shares subject to this Award, except as provided in Paragraph 2(d), until the Award has vested and Share certificates, if any, have been issued to the Grantee, transferee or representative, as the case may be.
- b. Regulatory Compliance and Listing. The issuance or delivery of any certificates representing Shares issuable pursuant to this Agreement may be postponed by the Committee for such period as may be required to comply with any applicable requirements under the federal or state securities laws, any applicable listing requirements of the New York Stock Exchange, and any applicable requirements under any other Applicable Law, and the Company shall not be obligated to deliver any such Shares to the Grantee if either delivery thereof would constitute a violation of any provision of any law or of any regulation of any governmental authority or the New York Stock Exchange, or the Grantee shall not yet have complied fully with the provisions of Paragraph 2(e) hereof. The Company shall not be liable to the Grantee for any damages relating to any delays in issuing the certificates to the Grantee, any loss of the certificates, or any mistakes or errors in the issuance of the certificates or the certificates themselves.
- c. Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.
- d. Modification or Amendment. This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 16 and Section 18(b) of the Plan may be made without such written agreement.
- e. Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.
- f. References to Plan. All references to the Plan shall be deemed references to the Plan as may be amended.
- g. Headings. The captions used in this Agreement are inserted for convenience and shall not be deemed a part of this Award for construction or interpretation.
- h. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or by the Company forthwith to the Board or the Committee, which shall review such dispute at its next regular meeting. The resolution of such dispute by the Board or the Committee shall be final and binding on all persons.
- i. Section 409A of the Code. The provisions of this Agreement and any payments made herein are intended to comply with, and should be interpreted consistent with, the requirements of Section 409A of the Code, and any related regulations or other effective guidance promulgated thereunder by the U.S. Department of the Treasury or the Internal Revenue Service. To the extent the Grantee is a "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code, then notwithstanding the timing of payment provided in any other Paragraph of this Agreement, no payment under this Agreement that constitutes a distribution of deferred compensation (within the meaning of Treasury Regulation Section 1.409A-1(b)) upon separation from service (within the

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meaning of Treasury Regulation Section 1.409A-1(h)), after taking into account all available exemptions, that would otherwise be payable during the six-month period after separation from service, shall be made during such six-month period, and any such payment shall instead be paid on the first business day after such six-month period.

- j. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

**PHILLIPS-VAN HEUSEN CORPORATION**

By: /s/ Mark D. Fischer  
Name: Mark D. Fischer,  
Title: Senior Vice President

The Grantee represents that he is familiar with the terms and provisions thereof, and hereby accepts this Agreement subject to all of the terms and provisions thereof. The Grantee has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of this Agreement. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

Dated: July 1, 2008

Signed: /s/ Allen Sirkin  
Allen Sirkin

## [FORM OF SPECIAL GRANT AGREEMENT FOR ALLEN SIRKIN]

**PHILLIPS-VAN HEUSEN CORPORATION  
2006 STOCK INCENTIVE PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

**NOTICE OF RESTRICTED STOCK UNIT AWARD**

Phillips-Van Heusen Corporation (the "Company") grants to the Grantee named below, in accordance with the terms of the Phillips-Van Heusen Corporation 2006 Stock Incentive Plan (the "Plan") and this restricted stock unit agreement (this "Agreement"), the number of restricted stock units (the "Restricted Stock Units" or the "Award") provided as follows:

GRANTEE    Allen Sirkin

RESTRICTED STOCK UNITS GRANTED

DATE OF GRANT

VESTING SCHEDULE    TO BE USED FOR 2008 SPECIAL GRANT:

Restricted Stock Units will vest in two installments on the following dates, subject to the Grantee being employed by the Company on each such date:

<u>Vesting Date</u>	<u>Restricted Stock Units Vesting</u>
[Third anniversary of the date of grant]	[50% of Award]
[Fourth anniversary of the date of grant]	[50% of Award]

TO BE USED FOR 2009 AND 2010 SPECIAL GRANTS:

Restricted Stock Units will vest in three installments on the following dates, subject to the Grantee being employed by the Company on each such date:

<u>Vesting Date</u>	<u>Restricted Stock Units Vesting</u>
[Second anniversary of the date of grant]	[25% of Award]
[Third anniversary of the date of grant]	[25% of Award]
[Fourth anniversary of the date of grant]	[50% of Award]

**AGREEMENT**

1. **Grant of Award.** The Company hereby grants to the Grantee the Restricted Stock Units, subject to the terms, definitions and provisions of the Plan and this Agreement. All terms, provisions, and conditions applicable to the Restricted Stock Units set forth in the Plan and not set forth herein are incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan the provisions of the Plan will govern. All capitalized terms that are used in this Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Plan.
2. **Vesting and Settlement of Award.**
  - a. **Right to Award.** This Award shall vest in accordance with the vesting schedule set forth above (the "Vesting Schedule") and with the applicable provisions of the Plan and this Agreement.
  - b. **Settlement of Award.** The vested portion of this Award shall be settled as soon as practicable following the vesting date set forth in the Vesting Schedule, but in no event later than March 15 of the year following the year in which the Award vests; provided, however, that if the Grantee shall be or become eligible for Retirement at any time following the date of grant (as set forth above) and prior to the vesting date(s) set forth in the Vesting Schedule, then upon the vesting of any portion of this Award, the vested portion shall be settled on the fifth business day following the applicable vesting date in the Vesting Schedule or as soon as practicable after such fifth business day, but in no event later than December 31<sup>st</sup> of the calendar year in which such fifth business day occurs. Notwithstanding anything in the foregoing to the contrary, the Award may vest and be payable upon termination of employment as provided in Paragraph 3.

The Company may require the Grantee to furnish or execute such documents as the Company shall reasonably deem necessary (i) to evidence such settlement and (ii) to comply with or satisfy the requirements of the Securities Act of 1933, as amended, the Exchange Act, Section 409A of the Code or any Applicable Laws.

- c. Method of Settlement. The Company shall deliver to the Grantee one Share for each vested Restricted Stock Unit, less any Shares withheld in accordance with Paragraph 2(e) of this Agreement. Share certificates shall be issued in the name of the Grantee (or of the person or persons to whom such Restricted Stock Units were transferred in accordance with Paragraph 4 of this Agreement).
- d. Dividend Equivalents. If a cash Dividend is declared on the Shares, the Grantee shall be credited with a Dividend Equivalent in an amount of cash equal to the number of Restricted Stock Units held by the Grantee as of the dividend record date, multiplied by the amount of the cash dividend paid per Share. Such Dividend Equivalent shall be paid if and when the underlying Restricted Stock Units are settled. If a Share Dividend is declared on the Shares, the Grantee shall be credited with a Dividend Equivalent in an amount of Shares equal to the number of Restricted Stock Units held by the Grantee as of the dividend record date, multiplied by the amount of the Share dividend distributed per Share. Such Dividend Equivalent shall be settled if and when the underlying Restricted Stock Units are settled, rounded down to the nearest whole share. Dividend Equivalents shall not accrue interest prior to the date of payment or settlement, as applicable.
- e. Taxes. Pursuant to Section 14 of the Plan, the Company shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any applicable tax withholding requirements applicable to this Award. The Company may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. To the extent permitted by the Committee, the Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory tax withholding rate that could be imposed on the transaction (or such other rate that will not result in a negative accounting impact). Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

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- 3. Termination of Employment. In the event (i) the Grantee's employment with the Company and its Subsidiaries is terminated prior to the vesting date(s) set forth in the Vesting Schedule due to the Grantee's Retirement or (ii) of the Grantee's death, the Award shall become 100% vested on the date of such termination of employment or death and shall be settled on (x) the fifth business day after the Grantee's separation from service by reason of Retirement or (y) the 31<sup>st</sup> day following the date of the Grantee's death, as the case may be, or as soon as practicable after such fifth business day or 31<sup>st</sup> day, as applicable, but in no event later than December 31<sup>st</sup> of the calendar year in which such fifth business day or 31<sup>st</sup> day occurs; provided, however, that this Award shall be forfeited immediately if the Grantee retires prior to the date of the annual meeting of stockholders of the Company to be held in calendar year 2011.

When the Grantee's employment with the Company and its Subsidiaries terminates (except when due to Retirement or death), this Award shall be forfeited immediately with respect to the number of Restricted Stock Units for which the Award is not yet vested. If the Grantee dies after termination of employment, but before the settlement of the Award, all or part of this Award may be settled by payment to the personal representative of the Grantee or by any person who has acquired this Award directly from the Grantee but only to the extent that the Award was vested upon termination of the Grantee's employment.

4. Transferability of Award.

The Award may not be transferred, pledged, assigned, or otherwise disposed of, except (i) by will or the laws of descent and distribution or (ii) for no consideration, subject to such rules and conditions as may be established by the Committee, to a member or members of the Grantee's Immediate Family. For purposes of this Award Agreement, the Grantee's "Immediate Family" means the Grantee's children, stepchildren, grandchildren, parents, stepparents, grandparents, spouse, former spouse, siblings, nieces, nephews, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships or any person sharing the Grantee's household (other than a tenant or employee).

5. Miscellaneous Provisions.

- a. Rights as a Stockholder. Neither the Grantee nor the Grantee's representative shall have any rights as a stockholder with respect to any Shares subject to this Award, except as provided in Paragraph 2(d), until the Award has vested and Share certificates, if any, have been issued to the Grantee, transferee or representative, as the case may be.
- b. Regulatory Compliance and Listing. The issuance or delivery of any certificates representing Shares issuable pursuant to this Agreement may be postponed by the Committee for such period as may be required to comply with any applicable requirements under the federal or state securities laws, any applicable listing requirements of the New York Stock Exchange, and any applicable requirements under any other Applicable Law, and the Company shall not be obligated to deliver any such Shares to the Grantee if either delivery thereof would constitute a violation of any provision of any law or of any regulation of any governmental authority or the New York Stock Exchange, or the Grantee shall not yet have complied fully with the provisions of Paragraph 2(e) hereof. The Company shall not be liable to the Grantee for any damages relating to any delays in issuing the certificates to the Grantee, any loss of the certificates, or any mistakes or errors in the issuance of the certificates or the certificates themselves.
- c. Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.
- d. Modification or Amendment. This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 16 and Section 18(b) of the Plan may be made without such written agreement.

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- e. Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.
- f. References to Plan. All references to the Plan shall be deemed references to the Plan as may be amended.
- g. Headings. The captions used in this Agreement are inserted for convenience and shall not be deemed a part of this Award for construction or interpretation.
- h. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or by the Company forthwith to the Board or the Committee, which shall review such dispute at its next regular meeting. The resolution of such dispute by the Board or the Committee shall be final and binding on all persons.
- i. Section 409A of the Code. The provisions of this Agreement and any payments made herein are intended to comply with, and should be interpreted consistent with, the requirements of Section 409A of the Code, and any related regulations or other effective guidance promulgated thereunder by the U.S. Department of the Treasury or the Internal Revenue Service. To the extent the Grantee is a "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code, then notwithstanding the timing of payment provided in any other Paragraph of this Agreement, no payment under this Agreement that constitutes a distribution of deferred compensation (within the meaning of Treasury Regulation Section 1.409A-1(b)) upon separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)), after taking into account all available exemptions, that would otherwise be payable during the six-month period after separation from service, shall be made during such six-month period, and any such payment shall instead be paid on the first business day after such six-month period.
- j. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

**PHILLIPS-VAN HEUSEN CORPORATION**

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

The Grantee represents that he is familiar with the terms and provisions thereof, and hereby accepts this Agreement subject to all of the terms and provisions thereof. The Grantee has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of this Agreement. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_  
 Allen Sirkin