SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported)
February 12, 2003

Phillips-Van Heusen Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-724	13-1166910
(Commission File Number)	(IRS Employer Identification Number)

200 Madison Avenue, New York, New York 10016
(Address of Principal Executive Offices)

Registrant's telephone number (212)-381-3500

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On February 12, 2003, Phillips-Van Heusen Corporation ("PVH"), a Delaware corporation, completed the acquisition (the "CKI Acquisition") from Calvin Klein, Barry Schwartz and certain family members and affiliated trusts (collectively, the "Sellers") of all of the issued and outstanding stock of Calvin Klein, Inc., a New York corporation, Calvin Klein (Europe), Inc., a Delaware corporation, Calvin Klein (Europe II) Corp., a Delaware corporation, Calvin Klein Europe S.r.l., a limited liability company organized under the laws of Italy, and CK Service Corp., a Delaware corporation. Calvin Klein, Inc., Calvin Klein (Europe), Inc., Calvin Klein (Europe II) Corp., Calvin Klein Europe S.r.l., and CK Service Corp. collectively are defined as the "CK Companies".

The CKI Acquisition was accomplished pursuant to the Stock Purchase Agreement ("CKI Purchase Agreement"), dated December 17, 2002, among PVH, the CK Companies and the Sellers, which was previously filed as an exhibit, to the Form 8-K filed by PVH on December 20, 2002 (the "Previous Form 8K"). PVH purchased from the Sellers all of the issued and outstanding stock of the CK Companies for $400 million in cash as well as 2,535,926 shares of PVH common stock (valued at $30 million based on the 10-trading day period ending two days prior to the closing), subject to certain closing and post-closing adjustments. In connection with the issuance of such PVH common stock, PVH granted the Sellers certain registration rights pursuant to the Registration Rights Agreement (the "Registration Rights Agreement"), dated February 12, 2003, between PVH, the Sellers, and the Apax Entities (as defined below).

The transaction also included, in consideration of certain other rights held by Mr. Klein, a nine-year warrant in favor of Mr. Klein's designee to purchase 320,000 shares of PVH common stock at $28 per share (the "Klein Warrant"), and contingent payments in favor of Mr. Klein based on future sales of products bearing the Calvin Klein brand.

PVH partially funded the acquisition through the sale of $250 million of newly issued preferred stock to affiliates of Apax Managers, Inc. and Apax Partners Europe Managers Ltd. (collectively, the "Apax Entities") in a transaction in which Lehman Brothers Inc. ("Lehman Brothers") acted as the broker-dealer (the "Apax Transaction"). Additional funding was provided by an initial advance of $100 million pursuant to a $125 million term loan agreement, which PVH entered into with a syndicate of lenders, agented by Apax Managers, Inc. Each of the sale of the preferred stock and the loan are described below in Item 5.

The terms of the CKI Acquisition were determined in arms'-length negotiations between PVH and the Sellers. The foregoing descriptions of the CKI Purchase Agreement, the Klein Warrant, and the Registration Rights Agreement are qualified in their entirety by reference to the full text of such documents, copies of which are filed as Exhibit 2.1 to this Form 8-K Filing which incorporates by reference to Exhibit 10.1 of the Previous Form 8K and Exhibits 10.2 and 10.7 respectively to this Form 8-K filing.

ITEM 5. OTHER EVENTS

Preferred Stock Investment

Simultaneously with the CKI Acquisition, the Apax Entities invested $250 million in PVH through the purchase of 10,000 shares (the "Series B Shares") of a new series of convertible preferred stock of PVH pursuant to the Securities Purchase Agreement (the "Preferred Stock Purchase Agreement"), dated December 16, 2002, among PVH, Lehman Brothers and the Apax Entities, which was filed as an exhibit to the Previous Form 8K. In the Apax Transaction, Lehman Brothers acted as the broker-dealer and in this capacity, it purchased from PVH and sold to the Apax Entities the Series B Shares. The Series B Shares are initially convertible into 17,857,143 shares of PVH common stock at a conversion price of $14 per share of PVH common stock. The Series B Shares have a dividend rate of 8% per annum of the purchase price, payable in cash, except, for any quarter in which PVH does not pay the holders of the Series B Shares a cash dividend, upon conversion of such shares, the holders will receive shares of PVH common stock of equal value to the dividends which PVH did not pay. The Series B Shares were issued pursuant to the Certificate of Designation filed by PVH filed with the Secretary of the State of Delaware (the "Certificate of Designation") a copy of which is filed as Exhibit 3.1 to this Form 8-K.

In connection with the Apax Transaction, the Supplemental Rights Agreement and Fifth Amendment to the Rights Agreement (the "Supplemental Rights Agreement"), dated February 12, 2003 amending the Rights Agreement (the "Rights Agreement"), dated as of June 10, 1986, as amended, was entered into between PVH and The Bank of New York (successor to The Chase Manhattan Bank, N.A.), as rights agent. The Supplemental Rights Agreement extended the protections offered by the Rights Agreement to the holders of the Series B Shares and rendered the Rights Agreement inapplicable to the Apax Transaction and the transactions contemplated by the Preferred Stock Purchase Agreement.

In connection with the issuance of the Series B Shares, PVH granted the Apax Entities certain registration and other investor rights pursuant to the Registration Rights Agreement and the Investors' Rights Agreement (the "Investors' Rights Agreement"), dated February 12, 2003, among PVH and the Apax Entities.

The foregoing descriptions of the Preferred Stock Purchase Agreement, the Certificate of Designation, and the Supplemental Rights Agreement, the Registration Rights Agreement, and the Investors' Rights Agreement are qualified in their entirety by reference to the full text of such documents, copies of which are filed as Exhibit 10.1 to this Form 8-K Filing which incorporates by reference to Exhibit 10.2 of the Previous Form 8K and Exhibits 3.1, 4.1, 10.7, and 10.8 respectively to this Form 8-K filing.

Loan

In connection with the CKI Acquisition, a syndicate of lenders agented by Apax Managers, Inc. provided a loan to PVH pursuant to the Term Loan Agreement (the "Term Loan Agreement"), dated December 16, 2002, between PVH, the Apax Entities and Apax Managers, Inc., as agent

for the Apax Entities. The Term Loan Agreement provided for a two-year loan in which an initial advance of $100 million was made on February 12, 2003, and a subsequent advance up to $25 million can be requested by PVH prior to June 30, 2003. The loans bear an interest rate of 10% per annum for the first year and 15% per annum for the second year. If PVH determines to extend the loan to the second year, it is required to pay the lenders a $4 million renewal fee. The loans are secured by a lien on all of the equity interests in the CK Companies, except for Calvin Klein Europe S.r.l. in which the loan is secured by 65% of the equity.

The foregoing description of the Term Loan Agreement is qualified in its entirety by reference to the full text of such document, a copy of which is filed as Exhibits 10.3 to this Form 8-K filing.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(a) Financial Statements of the Businesses Acquired.

The financial statements required by this item will be filed within 60 days of February 27, 2003, the date on which the initial report on Form 8-K reporting the completion of the acquisition of the CK Companies is required to be filed.

(b) Pro Forma Financial Information.

The pro forma financial information required by this item will be filed within 60 days of February 27, 2003, the date on which the initial report on Form 8-K reporting the completion of the acquisition of the CK Companies is required to be filed.

(c) Exhibits:

EXHIBIT	DESCRIPTION
2.1	Stock Purchase Agreement, dated December 17, 2002, among Phillips-Van Heusen Corporation, Calvin Klein, Inc., Calvin Klein (Europe), Inc., Calvin Klein (Europe II) Corp., Calvin Klein Europe S.r.l., CK Service Corp., Calvin Klein, Barry Schwartz, Trust for the Benefit of the Issue of Calvin Klein, Trust for the Benefit of the Issue of Barry Schwartz, Stephanie Schwartz-Ferdman and Jonathan Schwartz (incorporated by reference to Exhibit 10.1 to the Form 8-K of Phillips-Van Heusen Corporation, filed on December 20, 2002, Commission File No. 1-724). The registrant agrees to furnish supplementally a copy of any omitted schedules to the Commission upon request.
3.1*	Certificate of Designations, Preferences, and Rights of Series B Convertible Preferred Stock of Phillips-Van Heusen Corporation.
4.1*	Supplemental Rights Agreement and Fifth Amendment to the Rights Agreement dated February 12, 2003, between Phillips-Van Heusen Corporation and The Bank of New York (successor to The Chase Manhattan Bank, N.A.), as rights agent.

4.2*	Second Supplemental Indenture, dated as of February 12, 2002 to Indenture, dated as of November 1, 1993, between Phillips-Van Heusen Corporation and the Bank Of New York, As Trustee.
10.1	Securities Purchase Agreement, dated December 16, 2002, among Phillips-Van Heusen Corporation, Lehman Brothers Inc. and the Investors named therein (incorporated by reference to Exhibit 10.2 to the Form 8-K of Phillips-Van Heusen Corporation, filed on December 20, 2002, Commission File No. 1-724).
10.2*	Warrant, issued on February 12, 2003, by Phillips-Van Heusen Corporation to the Calvin Klein 2001 Revocable Trust.
10.3*	Term Loan Agreement, dated as of December 16, 2002, by and between Phillips-Van Heusen Corporation, each of the lenders listed therein, and Apax Managers, Inc., as administrative agent for the lenders.
10.4*	First Amendment to the Term Loan Agreement, dated as of February 12, 2003, by and between Phillips-Van Heusen Corporation, each of the lenders listed therein, and Apax Managers, Inc., as administrative agent for the lenders.
10.5*	First Amendment and Waiver Agreement, dated as of December 13, 2002 to the Revolving Credit Agreement, dated as of October 17, 2002, among Phillips-Van Heusen Corporation, The IZOD Corporation, PVH Wholesale Corp., PVH Retail Corp., izod.com.inc., G.H. Bass Franchises Inc., CD Group Inc., and the lender parties thereto, JPMorgan Chase Bank, as Administrative Agent and Collateral Agent, Lead Arranger and Sole Bookrunner, Fleet Retail Finance Inc., as Co-Arranger and Co-Syndication Agent, Sun Trust Bank, as Co-Syndication Agent, The CIT Group/Commercial Services, Inc., as Co-Documentation Agent, and Bank of America, N.A., as Co-Documentation Agent.
10.6*	Consent dated as of February 12, 2003 among Phillips-Van Heusen Corporation, The IZOD Corporation, PVH Wholesale Corp., PVH Retail Corp., izod.com.inc., G.H. Bass Franchises Inc., CD Group Inc., and the lender parties thereto, JPMorgan Chase Bank, as Administrative Agent and Collateral Agent, Lead Arranger and Sole Bookrunner, Fleet Retail Finance Inc., as Co-Arranger and Co-Syndication Agent, Sun Trust Bank, as Co-Syndication Agent, The CIT Group/Commercial Services, Inc., as Co-Documentation Agent, and Bank of America, N.A., as Co-Documentation Agent.
10.7*	Registration Rights Agreement, dated as of February 12, 2003, by and among Phillips-Van Heusen Corporation, the Calvin Klein 2001 Revocable Trust, Barry Schwartz, Trust for the Benefit of the Issue of Calvin Klein, Trust for the Benefit of the Issue of Barry Schwartz, Stephanie Schwartz-Ferdman and Jonathan Schwartz, and the Investors listed therein.

10.8*	Investors' Rights Agreement, dated as of February 12, 2003, by and among Phillips-Van Heusen Corporation and the Investors listed therein.
99.1*	Press Release, dated February 12, 2003.
99.2*	Press Release, dated February 14, 2003.

* Filed herewith.

SIGNATURES

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, Vice President

Date: February 26, 2003

EXHIBIT 3.1

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF SERIES B CONVERTIBLE PREFERRED STOCK OF PHILLIPS-VAN HEUSEN CORPORATION

PHILLIPS-VAN HEUSEN CORPORATION, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY THAT:

A. Pursuant to authority conferred upon the Board of Directors (the "Board") by Article FOURTH of the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") and pursuant to the provisions of ss.151 of the Delaware General Corporation Law, the Board adopted and approved the following resolution providing for the designations, preferences and relative, participating, optional and other rights, and the qualifications, limitations and restrictions of the Series B Convertible Preferred Stock.

WHEREAS, the Certificate of Incorporation provides for two classes of shares known as common stock, $1.00 par value per share (the "Common Stock"), and preferred stock, $100 par value per share (the "Preferred Stock"); and

WHEREAS, the Board is authorized by the Certificate of Incorporation to provide for the issuance of the shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in such series and to fix the designations, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof.

NOW, THEREFORE, BE IT RESOLVED, that the Board deems it advisable to, and hereby does, designate a Series B Convertible Preferred Stock and fixes and determines the preferences, rights, qualifications, limitations and restrictions relating to the Series B Convertible Preferred Stock as follows:

1. DESIGNATION. The shares of such series of Preferred Stock shall be designated "Series B Convertible Preferred Stock" (referred to herein as the "Series B Stock").

2. AUTHORIZED NUMBER. The number of shares constituting the Series B Stock shall be 10,000.

3. RANKING. The Series B Stock shall rank, as to dividends and upon Liquidation (as defined in Section 5(a) hereof), senior and prior to the Common Stock, the Corporation's Series A Cumulative Participating Preferred Stock (the "Series A Stock") and to all other classes or series of stock issued by the Corporation. All equity securities of the Corporation to which the Series B Stock ranks prior, with respect to dividends and upon Liquidation, including, without limitation, the Common Stock and the Series A Stock, are

collectively referred to herein as "Junior Securities." The Corporation shall not have or create any class of stock ranking on parity with, or senior to, the Series B Stock, without the affirmative vote of the holders of a majority of the shares of Series B Stock, voting separately as a class.

4. DIVIDENDS.

(a) Dividend Accrual and Payment. The holders of the Series B Stock shall be entitled to receive, if, as and when declared by the Board out of funds legally available for the payment therefor, cash dividends at the rate of 8% per annum (the "Dividend Rate") of the Series B Issue Price. Dividends shall accrue daily but shall be payable quarterly in equal installments on the first day immediately following the end of the Corporation's fiscal quarter, or, if any such date is a Saturday, Sunday or legal holiday, then on the next day which is not a Saturday, Sunday or legal holiday (each a "Dividend Payment Date"). If any shares of Series B Stock are issued on a date which does not coincide with the Dividend Payment Date, then the initial dividend accrual period applicable to such shares shall be the period from the date of issuance thereof (the "Original Issue Date") through the last day of the Corporation's fiscal quarter in which such shares are issued. If the date fixed for redemption of or payment of a final liquidating distribution on any shares of Series B Stock, or the date on which any shares of Series B Stock are converted into Common Stock, does not coincide with the Dividend Payment Date, then subject to the provisions hereof relating to such redemption, payment or conversion, the final dividend accrual period applicable to such shares shall be the period from the first day of the Corporation's fiscal quarter during which such redemption, payment or conversion occurs through the redemption, payment or conversion date. Dividends shall be cumulative and shall compound at the Dividend Rate as of each Dividend Payment Date (hereinafter referred to as the "Dividends"). Dividends with respect to any quarter may be paid in cash at the discretion of the Board on the related Dividend Payment Date. Dividends not so paid in cash may not be paid in cash until (i) a Liquidation as part of the Liquidation Preference or (ii) a Redemption pursuant to Article 7 hereof.

(b) Dividend Limitation on Junior Securities. Except for the Annual Cash Dividend (as defined in Section 10(g) hereof), for so long as any shares of Series B Stock are outstanding, the Corporation shall not declare, pay or set apart for payment, any dividend on any Junior Securities or make any payment on account of, or set apart for payment, money for a sinking or other similar fund for, the purchase, redemption or other retirement of, any Junior Securities or any warrants, rights, calls or options exercisable or exchangeable for or convertible into any Junior Securities, or make any distribution in respect thereof, either directly or indirectly, and whether in cash, obligations or shares of the Corporation or other property (other than distributions or dividends in Junior Securities to the holder of Junior Securities).

(c) Dividends on Fractional Shares. Each fractional share of Series B Stock outstanding shall be entitled to a ratably proportionate amount of all Dividends accruing with respect to each outstanding share of Series B Stock pursuant to Section 4(a) hereof, and all such Dividends with respect to such outstanding fractional shares shall be payable in the same manner and at such times as provided for in Section 4(a) hereof with respect to Dividends on each outstanding share of Series B Stock.

5. LIQUIDATION.

(a) Liquidation Procedure. Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (a "Liquidation"), the holders of the shares of Series B Stock shall be entitled, before any distribution or payment is made upon any Junior Securities, to be paid an amount equal to (i) $25,000 per share of Series B Stock, representing the liquidation preference per share of the Series B Stock (as adjusted for any combinations, divisions or similar recapitalizations affecting the shares of Series B Stock) (the "Series B Issue Price"), plus (ii) all accrued and unpaid Dividends on the Series B Stock to such date (together with the Series B Issue Price, the "Liquidation Preference"). If upon Liquidation, the assets to be distributed among the holders of Series B Stock shall be insufficient to permit payment in full to the holders of Series B Stock of the Liquidation Preference, then the entire assets of the Corporation shall be distributed ratably among such holders in proportion to the full respective Liquidation Preference to which they are entitled.

(b) Remaining Assets. Upon Liquidation, after the holders of Series B Stock shall have been paid in full the Liquidation Preference, the remaining assets of the Corporation legally available for distribution shall be distributed ratably among the holders of the Junior Securities then outstanding.

(c) Fractional Shares. The Liquidation Preference with respect to each outstanding fractional share of Series B Stock shall be equal to a ratably proportionate amount of the Liquidation Preference with respect to each outstanding share of Series B Stock.

(d) Mergers, Reorganizations, Etc. The holders of at least a majority of the then outstanding shares of Series B Stock, may elect to deem the merger, reorganization or consolidation of the Corporation into or with another corporation or other similar transaction or series of related transactions in which more than 50% of the voting power of the Corporation is disposed of in exchange for property, rights or securities distributed to holders thereof by the acquiring person, firm or other entity, or the sale of all or substantially all the assets of the Corporation (the foregoing being referred to collectively as an "Acquisition"), as a Liquidation for purposes of this Section 5.

6. CONVERSION. The rights of the holders of shares of the Series B Stock to convert such shares into shares of Common Stock of the Corporation (the "Conversion Rights"), and the terms and conditions of such conversion, shall be as follows:

(a) Right to Convert.

(i) By the Holders of the Series B Stock.

(A) Each share of Series B Stock shall be convertible, at the option of the holder thereof, at any time after the Original Issue Date, at the office of the Corporation or its transfer agent, into that number of the fully paid and nonassessable shares of Common Stock determined in accordance with the provisions of Section 6(c) below. In order to convert shares of the Series B Stock

into shares of Common Stock, the holder thereof shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or its transfer agent, together with written notice to the Corporation stating that it elects to convert the same and setting forth the name or names it wishes the certificate or certificates for Common Stock to be issued, and the number of shares of Series B Stock being converted.

(B) The Corporation shall, as soon as practicable after the surrender of the certificate or certificates evidencing shares of Series B Stock for conversion at the office of the Corporation or its transfer agent, issue to each holder of such shares, or its nominee or nominees, a certificate or certificates evidencing the number of shares of Common Stock to which it shall be entitled and, in the event that only a part of the shares evidenced by such certificate or certificates are converted, a certificate evidencing the number of shares of Series B Stock which are not converted. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series B Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock at such date and shall, with respect to such shares, have only those rights of a holder of Common Stock of the Corporation.

(b) By the Corporation.

(A) If at any time after the fourth anniversary of the Original Issue Date, the Market Price (as defined below) on the New York Stock Exchange of the Common Stock for any 60 consecutive trading days equals or exceeds 225% of the Conversion Price then in effect, all of the Series B Stock, at the election of the Corporation (the "Company Conversion"), will convert into that number of the fully paid and nonassessable shares of Common Stock determined in accordance with the provisions of Section 6(c) below, without any action on the part of the holders of the Series B Stock. The Corporation will give written notice of such election to the holders of Series B Stock, which notice shall be given at least 10 business days prior to such conversion (the "Conversion Notice"). The Company Conversion is deemed to occur on the date the Conversion Notice is given.

(c) Conversion of the Series B Stock.

(i) Each share of Series B Stock shall be convertible at any time after the Original Issue Date, at the option of the holder of record thereof, into the number of fully paid and nonassessable shares of Common Stock equal to the quotient of (x) the Liquidation Preference of such share of Series B Stock being converted divided by (y) the Conversion Price (as defined below).

(ii) No fractional shares of Common Stock shall be issued upon conversion of the Series B Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series B Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Corporation shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the Market Price on the date of conversion.

As used herein, "Market Price" for any day means, with respect to the shares of Common Stock, the volume weighted average price as reported by Bloomberg (or if such information is not available from Bloomberg, from another nationally recognized independent pricing source). If there is no publicly traded market for the shares of Common Stock, pricing information will be obtained directly from broker/dealers and active market makers such as banks and securities firms. In instances where there is no readily available pricing information, the Board shall determine in good faith the fair value of the Common Stock, which determination shall be set forth in a certificate by the Secretary of the Corporation.

(d) Conversion Price. The conversion price per share for the Series B Stock shall initially be $14.00 (the "Conversion Price") and shall be subject to adjustment from time to time as provided herein.

(e) Adjustment for Stock Splits and Combinations. If outstanding shares of the Common Stock of the Corporation shall be subdivided into a greater number of shares, or a dividend in Common Stock or other securities of the Corporation convertible into or exchangeable for Common Stock (in which latter event the number of shares of Common Stock issuable upon the conversion or exchange of such securities shall be deemed to have been distributed) shall be paid in respect to the Common Stock of the Corporation, the Conversion Price in effect immediately prior to such subdivision or at the record date of such dividend shall, simultaneously with the effectiveness of such subdivision or immediately after the record date of such dividend, be proportionately reduced, and conversely, if outstanding shares of the Common Stock of the Corporation shall be combined into a smaller number of shares, the Conversion Price in effect immediately prior to such combination shall simultaneously with the effectiveness of such combination, be proportionately increased. Any adjustment to the Conversion Price under this Section 6(e) shall become effective at the close of business on the date the subdivision or combination referred to herein becomes effective.

(f) Reorganizations, Mergers, Consolidations or Reclassifications. In the event of any capital reorganization, any reclassification of the Common Stock (other than a change in par value), or the consolidation or merger of the Corporation with or into another Person (collectively referred to hereinafter as "Reorganizations"), the holders of the Series B Stock shall thereafter be entitled to receive, and provision shall be made therefor in any agreement relating to a Reorganization, upon conversion of the Series B Stock the kind and number of shares of Common Stock or other securities or property (including cash) of the Corporation, or other corporation resulting from such consolidation or surviving such merger to which a holder of the number of shares of the Common Stock of the Corporation which the

Series B Stock entitled the holder thereof to convert to immediately prior to such Reorganization would have been entitled to receive with respect to such reorganization; and in any such case appropriate adjustment shall be made in the application of the provisions herein set forth with respect to the rights and interests thereafter of the holders of the Series B Stock, to the end that the provisions set forth herein (including the specified changes and other adjustments to the Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares, other securities or property thereafter receivable upon conversion of the Series B Stock. The provisions of this Section 6(f) shall similarly apply to successive Reorganizations.

(g) Sale of Additional Shares.

(i) If at any time or from time to time the Corporation shall issue or sell Additional Shares of Common Stock (as hereinafter defined), or is deemed by the express provisions of this subsection (g) to issue or sell Additional Shares of Common Stock, other than as a subdivision or combination of shares of Common Stock as provided in Section 6(e) above, for a consideration per share less than the then existing Conversion Price, then the existing Conversion Price shall be reduced, as of the opening of business on the date of such issuance or sale, to a price determined by dividing (A) an amount equal to the sum of (1) the applicable Conversion Price immediately prior to such issuance or sale multiplied by the number of shares of Common Stock deemed outstanding at the close of business on the day before the date of such issuance or sale, plus (2) the aggregate consideration, if any, received or to be received by the Corporation upon such issuance or sale, by (B) an amount equal to the sum of (1) the number of shares of Common Stock deemed outstanding immediately prior to such issuance or sale, plus (2) the total number of Additional Shares of Common Stock so issued. For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (i) the number of shares of Common Stock actually outstanding, and (ii) the number of shares of Common Stock into which the then outstanding shares of Series B Stock could be converted if fully converted on the day immediately preceding the given date.

(ii) For the purpose of making any adjustment in the Conversion Price or number of shares of Common Stock issuable upon conversion of the Series B Stock, as provided above, the following provisions shall be applicable:

(A) In case of the issuance of Common Stock for consideration in whole or in part for cash, the consideration shall be deemed to be the amount of cash paid therefor, plus the value of any property other than cash received by the Corporation as determined in accordance with clause (B) below.

(B) In case of the issuance of Common Stock for consideration in whole or in part in property or consideration other than cash, the value of such property or consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board.

(C) In case of the issuance of (x) options, warrants, or other rights to acquire or to purchase or to subscribe for Common Stock (whether or not at the time exercisable), (y) securities convertible into or exchangeable for Common Stock or (z) options to purchase or rights to subscribe for such convertible or exchangeable securities (whether or not at the time so convertible or exchangeable): (1) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options, warrants, or other rights to acquire or to purchase, or to subscribe for Common Stock (whether or not at the time exercisable) shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in clauses (A) and (B) above), if any, received by the Corporation upon the issuance of such options, warrants or rights plus the purchase price provided in such options, warrants or rights for the shares of Common Stock covered thereby; (2) the aggregate maximum number of shares of Common Stock deliverable upon conversion of, or in exchange for, any such convertible or exchangeable securities or upon the exercise of options to purchase, or to subscribe for, such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options, warrants or rights were issued and for a consideration equal to the consideration received by the Corporation for any such securities and related options or rights, plus the additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such securities or the exercise of any related options, warrants or rights (determined in the manner provided in clauses (A) and (B) above); and (3) on the expiration of any warrant, right or option or on the termination of any right to convert or exchange any convertible or exchangeable securities, (whether or not at the time so convertible or exchangeable): the Conversion Price then in effect shall thereupon be readjusted to the Conversion Price as would have been in effect had the adjustment made upon the granting or issuance of such warrants, rights or options or convertible or exchangeable securities (whether or not at the time so convertible or exchangeable): been made upon the basis of the issuance or sale of only the number of shares of Common Stock actually issued upon the exercise of such options, warrants or rights or upon the conversion or exchange of such convertible or exchangeable securities. No readjustment pursuant to clause (3) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (x) the Conversion Price on the original adjustment date or (y) the Conversion Price that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date.

(h) Additional Shares of Common Stock. "Additional Shares of Common Stock" shall mean all shares of Common Stock issued or deemed to be issued or issuable by the Corporation, whether or not subsequently reacquired or retired by the Corporation, other than (i) shares of Common Stock issued upon the conversion of the Series B Stock, (ii) shares of Common Stock issued in connection with any stock split, stock dividend or recapitalization of the Corporation, (iii) shares of Common Stock issued upon exercise of the

Warrants (as defined below), (iv) shares of Common Stock issuable upon the exercise of stock options or other awards made or denominated in shares of Common Stock under any of the Company's stock plans including any stock option, stock purchase, restricted stock or similar plan hereafter adopted by the Board of Directors and, if required by applicable Law or stock exchange requirement, approved by the stockholders of the Company, and (v) shares of Common Stock issued pursuant to an acquisition of a business (including, without limitation, by way of an acquisition of capital stock) or the assets of a business (which assets do not consist primarily of cash or cash equivalents) approved by the Board of Directors. "Warrants" shall mean the warrants exercisable to purchase an aggregate of 320,000 shares of Common Stock, issued in connection with that certain Stock Purchase Agreement, dated as of December 17, 2002 (the "CK Purchase Agreement"), by and among the Corporation, Calvin Klein Inc., a New York corporation., Calvin Klein (Europe), Inc., a Delaware corporation, Calvin Klein (Europe II), Corp., a Delaware corporation, Calvin Klein Europe S.R.L., an Italian limited partnership, CK Service Corp., a Delaware corporation, Calvin Klein, Barry Schwartz, Trust for the Benefit of the Issue of Calvin Klein, Trust for the Benefit of the Issue of Barry Schwartz, Stephanie Schwartz-Ferdman and Jonathan Schwartz.

(i) Certificate of Adjustment. In each case of an adjustment or readjustment of the Conversion Price or the number of shares of Common Stock or other securities issuable upon conversion of the Series B Stock, the Corporation, at its expense, shall cause the Chief Financial Officer of the Corporation to compute such adjustment or readjustment in accordance with this Certificate of Incorporation and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first-class mail, postage prepaid, to each registered holder of the Series B Stock at the holder's address as shown on the Corporation's stock transfer books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the consideration received or to be received by the Corporation for any Additional Shares of Common Stock issued or sold or deemed to have been issued or sold, (ii) the Conversion Price at the time in effect for the Series B Stock, and (iii) the number of Additional Shares of Common Stock and the type and amount, if any, of other property which at the time would be received upon conversion of the Series B Stock.

(j) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of Series B Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect a conversion of all outstanding shares of the Series B Stock, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series B Stock, the Corporation shall promptly seek such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(k) Payment of Taxes. The Corporation shall pay all taxes and other governmental charges (other than any income or other taxes imposed upon the profits realized by the recipient) that may be imposed in respect of the issue or delivery of shares of Common Stock

or other securities or property upon conversion of shares of Series B Stock; provided that, the Corporation shall not pay any taxes or other governmental charge, imposed in connection with any transfer involved in the issue and delivery of shares of Common Stock or other securities in a name other than that of which the shares of Series B Stock so converted were registered.

(l) No Impairment. The Corporation shall not amend its Certificate of Incorporation or participate in any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, for the purpose of avoiding or seeking to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but shall at all times in good faith use its best efforts, and assist in carrying out all such action as may be reasonably necessary or appropriate in order to protect the conversion rights of the holders of the Series B Stock against dilution or other impairment.

(m) Minimum Adjustment. No adjustment of the Conversion Price shall be made if the amount of any such adjustment would be an amount less than one percent (1%) of the Conversion Price then in effect, but any such amount shall be carried forward and an adjustment in respect thereof shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate an increase or decrease of one percent (1%) or more.

(n) Certain Adjustments. The Conversion Price shall not be adjusted upward except in the event of a combination of the outstanding shares of Common Stock into a smaller number of shares of Common Stock or in the event of a readjustment of the Conversion Price pursuant to Section 6(g)(ii)(C).

7. REDEMPTION.

(a) Redemption. On or after the later of (A) the sixth month anniversary of the maturity date of any notes, bonds or debentures issued to refinance (the "Refinancing") the notes issued pursuant to the CK Purchase Agreement, provided that such Refinancing occurs within two years of the Original Issue Date, or (B) November 1, 2008, the holders holding a majority of the shares of Series B Stock shall have the right, by written notice delivered to the Corporation (the "Holders' Redemption Demand"), to require the Corporation to redeem, no later than thirty (30) days after the Corporation's receipt of the Holders' Redemption Demand, all or any portion of the Series B Stock owned by such holder or holders at a price per share equal to one hundred percent (100%) of the Liquidation Preference on the Redemption Date. The date on which the Corporation redeems the Series B Stock at the option of any holder of Series B Stock pursuant to this Section 7(a) is referred to herein as the "Redemption Date."

(b) Redemption Procedure. On or prior to the Redemption Date, the Corporation shall deposit the aggregate Series B Stock Issue Price plus an aggregate amount equal to all accrued and unpaid Dividends on all outstanding shares of Series B Stock to be so redeemed to the Redemption Date (the "Redemption Price") with a bank or trust corporation having aggregate capital and surplus in excess of $500,000,000 as a trust fund for the benefit of the holders of the shares of Series B Stock, with irrevocable instructions and authority to the

bank or trust corporation to pay the allocable portion of the Redemption Price for such shares to their respective holders on or after the Redemption Date upon receipt of the certificate or certificates of the shares of Series B Stock to be redeemed. From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holders of shares of Series B Stock as holders of Series B Stock (except the right to receive the Redemption Price upon surrender of their certificate or certificates) shall cease as to those shares of Series B Stock redeemed, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. If on the Redemption Date the funds of the Corporation legally available for redemption of shares of Series B Stock are insufficient to redeem the total number of shares of Series B Stock to be redeemed on such date, then the Corporation will use those funds which are legally available therefor to redeem the maximum possible number of shares of Series B Stock ratably among the holders of such shares to be redeemed based upon their holdings of Series B Stock. Payments shall first be applied against accrued and unpaid Dividends and thereafter against the remainder of the Redemption Price. The shares of Series B Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series B Stock such funds will immediately be used to redeem the balance of the shares of Series B Stock to be redeemed. No dividends or other distributions shall be declared or paid on, nor shall the Corporation redeem, purchase or acquire any shares of, the Common Stock or any other class or series of stock of the Corporation unless the Redemption Price per share of all shares elected to be redeemed shall have been paid in full. Until the Redemption Price for each share of Series B Stock elected to be redeemed shall have been paid in full, such share of Series B Stock shall remain outstanding for all purposes and entitle the holder thereof to all the rights and privileges provided herein, including, without limitation, that Dividends and interest thereon shall continue to accrue and, if unpaid prior to the date such shares are redeemed, shall be included as part of the Redemption Price as provided in this Section 7(b).

(c) Prohibited Redemption. The Corporation shall not have the right to redeem any shares of the Series B Stock, including any fractional share of the Series B Stock.

8. THE RIGHTS.

(a) General. Each share of Series B Stock shall also represent the number of Rights equal to the number of shares of Common Stock into which such share of Series B Stock and Dividends thereon are convertible at any time.

(b) Terms. The terms and conditions of the Rights are set forth in that certain Rights Agreement, dated as of June 10, 1986, as amended, by and between the Corporation and The Bank of New York (successor to The Chase Manhattan Bank, N.A.) (as amended, the "Rights Agreement").

(c) Reservation of Stock Issuable Upon Exercise. The Corporation shall, at all times, reserve and keep available out of its authorized but unissued shares of Series A Stock, such number of its shares of Series A Stock as shall, from time to time, be sufficient upon exercise of the Rights and, if at any time the number of authorized but unissued shares of Series

A Stock shall not be sufficient to effect the exercise of all then outstanding Rights, the Corporation shall promptly seek such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Series A Stock to such number of shares as shall be sufficient for such purpose.

The terms "Right" and "Distribution Date" shall have the respective meanings given to such terms in the Rights Agreement.

9. VOTING RIGHTS.

(a) General. Subject to the other provisions contained herein, each holder of Series B Stock shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Corporation (as in effect at the time in question) and applicable law, and shall be entitled to vote, together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the holders of Series B Stock and the holders of Common Stock shall vote together and not as separate classes.

(b) Series B Stock. On all matters put to a vote to the holders of Common Stock, each holder of shares of Series B Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Series B Stock could be converted pursuant to the provisions of Section 6 above at the record date for the determination of the stockholders entitled to vote or, if no such record date is established, the date such vote is taken or any written consent of stockholders is solicited.

(c) Board Size. The authorized number of directors of the Board shall be fourteen (14). The Corporation shall not alter the authorized number of directors in its Certificate of Incorporation, bylaws or otherwise, without first obtaining the written consent, or affirmative vote at a meeting, of the holders of a majority of the then outstanding shares of the Series B Stock, consenting or voting (as the case may be) separately as a class.

(d) Board of Directors Election and Removal.

(i) Election of Directors. (A) For so long as at least sixty-five percent (65%) of the shares of Series B Stock issued on the Original Issue Date remain outstanding, the holders of the Series B Stock, voting as a separate series, shall be entitled to elect three (3) directors of the Corporation ("Series B Directors"); (B) if more than thirty-five percent (35%) but less than sixty-five percent (65%) of the shares of Series B Stock issued on the Original Issue Date remain outstanding, the holders of the Series B Stock, voting as a separate series, shall be entitled to elect two (2) Series B Directors; and (C) if more than ten percent (10%) but less than thirty-five percent (35%) of the shares of Series B Stock issued on the Original Issue Date remain outstanding, the holders of the Series B Stock, voting as a separate series, shall be entitled to elect one (1) Series B Director.

(ii) Quorum; Required Vote.

(A) Quorum. At any meeting held for the purpose of electing directors, the presence in person or by proxy of the holders of a majority of the shares of the Series B Stock shall constitute a quorum for the election of directors to be elected solely by the holders of the Series B Stock.

(B) Required Vote. With respect to the election of any Series B Director or Directors by the holders of the outstanding shares of Series B Stock, that candidate or those candidates (as applicable) shall be elected who either: (i) in the case of any such vote conducted at a meeting of the holders of the Series B Stock, receive the highest number of affirmative votes of the outstanding shares of the Series B Stock, up to the number of directors to be elected by the Series B Stock; or (ii) in the case of any such vote taken by written consent without a meeting, are elected by the written consent of the holders of a majority of outstanding shares of the Series B Stock.

(C) Removal. Subject to Section 141(k) of the DGCL, any director who shall have been elected to the Board by the holders of the Series B Stock may be removed during his or her term of office, without cause, by, and only by, the affirmative vote of shares representing a majority of the voting power of all the outstanding shares of the Series B Stock entitled to vote, given either at a meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders without a meeting.

(D) Procedures. Any meeting of the holders of the Series B Stock, and any action taken by the holders of the Series B Stock by written consent without a meeting, in order to elect or remove a director under this Section 11(d), shall be held in accordance with the procedures and provisions of the Corporation's bylaws, the DGCL and applicable law regarding stockholder meetings and stockholder actions by written consent, as such are then in effect (including but not limited to procedures and provisions for determining the record date for shares entitled to vote).

(E) Termination. Notwithstanding anything to contrary contained in this Section 9(d), the provisions of this Section 9(d) shall cease to be of any further force or effect upon the date on which less than ten percent (10%) of the shares of Series B Stock issued on the Original Issue Date remain outstanding.

10. PROTECTIVE PROVISIONS. For so long as any shares of Series B Stock are outstanding, the Corporation will not, without first obtaining the written consent or affirmative vote of holders of at least a majority of the shares of Series B Stock then outstanding, voting separately as a class, take any action with respect to any of the matters set forth in Sections 10(a) through 10(h).

(a) Change the Series B Stock. Materially amend, alter, repeal, impair or change, in any respect, the rights, preferences, powers, privileges, restrictions, qualifications or limitations of the Series B Stock.

(b) Create New Stock. Authorize, establish, create or issue any additional series of Preferred Stock or any other new class or series of equity securities or any securities convertible into equity securities of the Corporation, in each case which would have a preference over, or be on a parity with, the Series B Stock with respect to dividends or upon Liquidation.

(c) Increase the Series B Stock. Authorize or agree to authorize any increase in the number of shares of Series B Stock or issue any additional shares of Series B Stock.

(d) Amend Charter or Bylaws. Amend, alter or repeal any provision of the Certificate of Incorporation of the Corporation or bylaws of the Corporation which would adversely affect any right, preference, privilege or voting power of the Series B Stock or the holders thereof.

(e) Increase Directors. Increase the number of directors of the Corporation above fourteen (14).

(f) Increase Debt.

(i) Generally. Incur or assume Indebtedness, on a consolidated basis, to an amount that exceeds 4.5 times the Consolidated EBITDA of the Corporation. In the case of Indebtedness incurred or assumed in connection with the acquisition of a business, Consolidated EBITDA will be determined on a pro forma basis in accordance with Article 11 of Regulation S-X promulgated by the SEC and shall take into account EBITDA of the acquired entity as well as debt incurred, assumed or refinanced in connection with such acquisition.

"Consolidated EBITDA" shall mean, for any twelve-month period, the sum, determined on a consolidated basis, of (A) net income (or net loss), (B) interest expense, (C) income tax expense, (D) depreciation expense and (E) amortization, determined in accordance with GAAP.

"Indebtedness" means all obligations, contingent and otherwise, for money borrowed or for the purchase of capital assets which in accordance with GAAP should be classified on the obligor's balance sheet as liabilities, or to which reference should be made by footnotes thereto, including without limitation, in any event and whether or not so classified: (A) all debt and similar monetary obligations, whether direct or indirect; (B) all liabilities secured by any mortgage, pledge, security interest, lien, charge or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (C) all guaranties, endorsements and other contingent obligations whether direct or indirect in respect of Indebtedness or performance of others, including any obligation to supply

funds to or in any manner to invest in, directly or indirectly, the debtor, to purchase Indebtedness, or to assure the owner of Indebtedness against loss, through an agreement to purchase goods, supplies or services for the purpose of enabling the debtor to make payment of the Indebtedness held by such owner or otherwise; and (D) obligations to reimburse issuers of any letters of credit.

(g) Pay Dividends. Except for the Dividends, declare or pay any dividends (other than dividends payable solely in shares of its Common Stock) on or declare or make any other distribution, purchase, redemption or acquisition, directly or indirectly, on account of any shares of Preferred Stock or Common Stock now or hereafter outstanding; provided, however, that the Corporation shall be permitted to: (i) purchase shares of Common Stock held by former employees of the Corporation, provided, that such purchase occurs within 120 days of the date on which such employee's employment with the Corporation ceased, and the aggregate amount of such purchases do not exceed $5,000,000 in any 12 month period, (ii) pay or declare cash dividends on the shares of Common Stock in the same aggregate amount as was paid in fiscal 2002 (the "2002 Aggregate Amount"), (iii) declare or pay cash dividends on the shares of Common Stock in excess of the 2002 aggregate amount, provided, that such cash dividends do not exceed the average percentage of net income which dividends paid on the Common Stock for the preceding three fiscal years (the "Annual Cash Dividend") represented, and (iv) redeem all of the issued and outstanding Rights.

(h) Material Actions. Agree to take any of the foregoing actions.

11. NOTICES OF RECORD DATE. Upon (i) any taking by the Corporation of a record of the holders of any class of securities (including the Series B Stock) for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution (other than the Annual Cash Dividend), or (ii) any Acquisition (as defined in Section 2(d)), or other capital reorganization of the Corporation, any reclassification or recapitalization of the capital stock of the Corporation, any merger or consolidation of the Corporation with or into, any other corporation, or any Liquidation, or any other action of the type or types requiring an adjustment to the Conversion Price or the number or character of the Series B Stock as set forth herein, the Corporation shall mail to each holder of Series B Stock at least twenty (20) days prior to the record date specified therein a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend (other than the Annual Cash Dividend) or distribution and a description of such dividend (other than the Annual Cash Dividend) or distribution, (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Liquidation, or other action is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, Liquidation, or other action. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the Conversion Price and the number, kind, or class of shares or other securities or property which shall be deliverable upon the occurrence of such action or deliverable upon the conversion of Series B Stock.

12. TAX TREATMENT. The Corporation shall not treat accrued and unpaid Dividends as "dividends" under Sections 301 or 305 of the Internal Revenue Code until such time as the Dividends are actually paid in cash or converted into shares of Common Stock.

13. HEADINGS OF SUBDIVISIONS. The headings of the various subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

14. NO REISSUANCE OF SERIES B STOCK. No share or shares of Series B Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares of Series B Stock shall be canceled, retired and eliminated from the shares of Series B Stock which the Corporation shall be authorized to issue. Any such shares of Series B Stock acquired by the Corporation shall have the status of authorized and unissued shares of Preferred Stock issuable in undesignated Series and may be redesignated and reissued in any series other than as Series B Stock.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 10th day of February, 2003.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer

Name: Mark D. Fischer
Title: Vice President, General Counsel, Secretary

Exhibit 4.1

SUPPLEMENTAL RIGHTS AGREEMENT
AND
FIFTH AMENDMENT TO THE RIGHTS AGREEMENT

THIS SUPPLEMENTAL RIGHTS AGREEMENT AND FIFTH AMENDMENT TO THE RIGHTS AGREEMENT, dated as of February 12, 2003 (the "Agreement"), by and between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation (the "Company"), and THE BANK OF NEW YORK, a New York banking corporation (the "Rights Agent"), amends the Rights Agreement, dated as of June 10, 1986 (the "Rights Agreement"), as amended March 31, 1987, July 30, 1987, June 30, 1992, and April 25, 2000, by and between the Company and the Rights Agent (as successor thereunder to The Chase Manhattan Bank, N.A.).

W I T N E S S E T H :
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WHEREAS, the Company proposes to issue up to 10,000 shares of a new series of Preferred Stock, par value $100 per share, of the Company designated as the "Series B Convertible Preferred Stock" (the "Series B Preferred Stock") with such terms as are provided in the Certificate of Designations, Preferences, and Rights of the Series B Convertible Preferred Stock (the "Certificate") pursuant to a Securities Purchase Agreement, dated as of December 16, 2002 (the "Purchase Agreement") by and between the Company and certain investors listed thereto; and

WHEREAS, on December 15, 2002, the Board of Directors of the Company by resolutions duly authorized the issuance of the Series B Preferred Stock upon such time as required pursuant to the Purchase Agreement, the execution and filing of the Certificate upon such time as required pursuant to the Purchase Agreement, the execution of the Purchase Agreement, the issuance of Rights in respect of the Series B Preferred Stock, so long as the Rights have not previously expired or been redeemed in accordance with the terms of the Rights Agreement upon such time as required pursuant to the Purchase Agreement and the amendments to the Rights Agreement upon such time as required pursuant to the Purchase Agreement;

NOW THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereto hereby agree as follows:

Section 1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Rights Agreement.

Section 2. Issuance of Rights.

(a) Effective upon the consummation of the Purchase Agreement, the Company hereby issues that number of Rights in respect of each share of the Series B Preferred Stock equal to the number of shares of Common Stock into which a share of the Series B Preferred Stock is convertible, as set forth, and subject to adjustments as provided, in the

Certificate, effective upon the closing under the Purchase Agreement, such Rights having the terms (including, without limitation, the terms relating to the redemption thereof), being entitled to the benefits of, and being subject to the conditions of the Rights Agreement, as if such Rights initially were issued pursuant thereto. Such Rights shall be evidenced by the certificates representing the Series B Preferred Stock until the Distribution Date, or by the Rights Certificates in substantially the form of Exhibit A to the Rights Agreement subsequent to the Distribution Date. Upon conversion of any share of the Series B Preferred Stock prior to the Distribution Date, the Rights issued in respect of such share of the Series B Preferred Stock shall cease to exist and the holder of the Common Stock received upon conversion of such shares of the Series B Preferred Stock shall be issued Rights in accordance with the provisions of the Rights Agreement.

(b) Subject to Section 2(a) above, the number of Rights issued in respect of each share of the Series B Preferred Stock, the Purchase Price and the number or kind of shares of capital stock issuable upon exercise of the Rights shall be subject to adjustment from time to time only in accordance with the terms of the Rights Agreement.

(c) In the event that the Rights shall be redeemed by the Board of Directors of the Company in accordance with their terms while any share of the Series B Preferred Stock is outstanding, the holder of any share of the Series B Preferred Stock then outstanding shall have the right to receive the Redemption Price with respect to each Right then held by such holder.

Section 3. Rights Agent.

The Company hereby appoints the Rights Agent to act as agent for the Company and the holders of the Series B Preferred Stock in accordance with the terms and conditions hereof and of the Rights Agreement, and the Rights Agent hereby accepts such appointment. The Company may from time to time act as Co-Rights Agent or appoint such Co-Rights Agent as it may deem necessary or desirable. The Rights Agent agrees to be bound by the terms and conditions of and to assume and fulfill the duties and obligations of the Rights Agent under this Agreement and under the Rights Agreement. Any action which may be taken by the Rights Agent pursuant to the terms of this Agreement and the Rights Agreement may be taken by any such Co-Rights Agent.

Section 4. No Effect on Rights Agreement.

Nothing herein shall be deemed or construed to alter or amend the Rights Agreement in any respect, except as expressly set forth herein.

Section 5. Supplements and Amendments.

The Company and the Rights Agent may supplement or amend this Agreement without the approval of any holders of the Rights Certificates in order to cure any ambiguity, to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, or to make any other provisions in regard to matters or questions arising hereunder which the Company and the Rights Agent may deem necessary or

desirable and which shall not adversely affect the interests of the holders of the Rights Certificates.

Section 6. Further Assurances.

The Company shall take such action as may be necessary to assure that the holders of the Series B Preferred Stock shall receive the full benefits of the Rights, including, without limitation, to assure that the Rights issued pursuant to this Agreement may be exercised in accordance with Section 13 of the Rights Agreement in the event of the occurrence of an event specified in Section 13 thereof.

Section 7. Benefits of this Agreement; Rights of Action.

Nothing in this Agreement except for the provisions of Section 8 hereof shall be construed to give to any person or corporation other than the Company, the Rights Agent and the registered holders of the Rights Certificates issued pursuant to this Agreement (and, prior to the Distribution Date, the registered holders of the Series B Preferred Stock) any legal equitable right, remedy or claim under this Agreement; but this Agreement except for the provisions of Section 8 hereof shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Rights Certificates issued pursuant to this Agreement (and, prior to the Distribution Date, the registered holders of the Series B Preferred Stock). All rights of action in respect of this Agreement except for the provisions of Section 8 hereof are vested in the respective registered holders of the Series B Preferred Stock); and any registered holder of a Rights Certificate issued pursuant to this Agreement (or, prior to the Distribution Date, any registered holder of the Series B Preferred Stock), without the consent of the Rights Agent or of the holder of any other Rights Certificate issued pursuant to this Agreement (or, prior to the Distribution Date, any other registered holder of the Series B Preferred Stock), may, in his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or to otherwise act in respect of, his rights here-under and his right to exercise the Rights evidenced by such Rights Certificate in the manner provided in such Rights Certificate and in the Rights Agreement. Without limiting the foregoing or any remedies available to the holders of Rights issued pursuant to this Agreement, it is specifically acknowledged that the holders of Rights issued pursuant to this Agreement would not have an adequate remedy at law for any breach of this Agreement or the Rights Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of, the obligations of any Person subject to this Agreement and the Rights Agreement.

Section 8. Amendment of Rights Agreement. The definition of "Acquiring Person" set forth in Section 1(a) is deleted in its entirety and the following substituted in lieu thereof:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of securities of the Company constituting a Substantial Block, but shall not include (i) any employee

benefit plan of the Company, (ii) any members of the Lee Family, but only for so long as the aggregate number of shares of Common Stock of which the Lee Family is deemed to be the Beneficial Owner of is less than or equal to 30% of the number of shares of Common Stock then outstanding, (iii) (A) Apax Managers, Inc., Apax Partners Europe Managers Ltd. (individually or collectively, "Apax"), or its or their Affiliates and Associates or any investment fund for whom Apax or its Affiliates or Associates serves as a general partner or managing member ("Apax Affiliates"), but only for so long as the aggregate number of shares of Common Stock of which Apax and the Apax Affiliates are deemed to be the Beneficial Owner is less than or equal to 49.5% on a fully diluted basis of the number of shares of Common Stock then outstanding (including shares of Common Stock issuable upon conversion of all outstanding Series B Convertible Preferred Stock, par value $100 per share of the Company (the "Series B Stock") and other convertible securities) (the "Limitation") or (B) any other Person who acquires shares of Series B Stock, Common Stock or securities convertible into Common Stock in accordance with Section 3.3(b)(iii) of the Investors' Rights Agreement, dated as of February 12, 2003, by and between the Company and certain investors listed therein (the "Apax Transferee"), but only for so long as the aggregate number of shares of Common Stock of which the Apax Transferee is deemed to be the Beneficial Owner is less than or equal to the Limitation subject, in each case, to upward adjustment for actions by the Company (the "Adjustment", and together with the Limitation, the "Permitted Amount"), including, (a) repurchases of Common Stock or securities convertible into Common Stock, (b) shares of Common Stock issuable upon conversion of the dividends on the Series B Stock, (c) adjustments to the conversion price of the Series B Stock, or (d) any recapitalization of the Company, and, provided further, Apax or the Apax Affiliates shall have a period of 20 business days from the date on which such party learns, or receives written notice from the Company, that such party holds an amount of shares which exceed the Permitted Amount to dispose of all shares which cause such party to exceed the Permitted Amount, provided that such party did not intentionally exceed the Permitted Amount, or (iv) any Person who acquires a Substantial Block in connection with a transaction or series of transactions approved prior to such transaction or transactions by the Board of Directors.

Section 9. Counterparts.

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counter-parts shall together constitute but one and the same instrument.

Section 10. Law Governing.

This Agreement shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State, provided, however, that the rights and obligations of the Rights Agent shall be governed by and construed with the laws of the State of New York.

Section 11. Descriptive Headings.

Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer

Name: Mark D. Fischer
Title: Vice President, General Counsel, Secretary

THE BANK OF NEW YORK

By: /s/ Edward Timmons

Name: Edward Timmons
Title: Vice President

EXHIBIT 4.2

SECOND SUPPLEMENTAL INDENTURE

Dated as of February 12, 2002

to

INDENTURE

Dated as of November 1, 1993

between

PHILLIPS-VAN HEUSEN CORPORATION

AND

THE BANK OF NEW YORK, AS TRUSTEE

$100,000,000

7 3/4% Debentures Due 2023

This SECOND SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of February 12, 2003, is entered into by and between Phillips-Van Heusen Corporation, a Delaware corporation (the "Company"), and The Bank of New York, a New York banking corporation, as trustee (the "Trustee") for the Holders.

W I T N E S S E T H:

WHEREAS, the Company and the Trustee have entered into that certain Indenture dated as of November 1, 1993 (the "Indenture") which provides for, among other things, the issuance by the Company of 7 3/4% Debentures due 2023; and

WHEREAS, the Company has entered into that certain Stock Purchase Agreement dated as of December 17, 2002 (the "CK Purchase Agreement") by and among the Company, Calvin Klein, Inc. ("CK"), a New York corporation, Calvin Klein (Europe), Inc., a Delaware corporation ("CK Europe"), Calvin Klein (Europe III) Corp., a Delaware corporation ("CK Europe II"), Calvin Klein Europe S.R.L., a limited liability company organized under the laws of Italy ("CK Italy"), CK Service Corp., a Delaware corporation ("CK Service"; CK, CK Europe, CK Europe II, CK Italy and CK Services are referred to herein each individually as an "Acquired Company" and collectively as the "Acquired Companies"), and the "Sellers" (as such term is defined in the CK Purchase Agreement"), pursuant to which, among other things, the Company desires to purchase and the Sellers desire to sell all of the issued and outstanding shares of capital stock (or all of the outstanding parts of capital in the case of CK Italy) of each Acquired Company (the "Proposed CK Acquisition"); and

WHEREAS, in order to partially finance the Proposed CK Acquisition, the Company is entering into that certain Term Loan Agreement dated as of the date hereof (the "Term Loan Agreement"), with Apax Managers, Inc., a New York corporation, in its capacity as administrative agent ("Term Loan Agent") for certain lenders from time to time party thereto (the "Term Lenders") and the Term Lenders, providing for the Term Lenders to make available to the Company, a certain bridge loan in an original principal amount not to exceed $125,000,000 on the terms and conditions set forth therein;

WHEREAS, to induce the Term Lenders to enter into the Term Loan Agreement and to make the bridge loan thereunder, the Company has agreed to pledge and grant to the Term Lenders a lien on and security interest in (the "Term Lender Liens") (i) all of the issued and outstanding capital stock (or parts of capital in the case of CK Italy) of each of the Acquired Companies and (ii) certain other assets of the domestic Acquired Companies (collectively, the "Term Lender Collateral") as security for its obligations under the Term Loan Agreement (all such obligations, liabilities and indebtedness of the Company to the Term Lenders under the Term Loan Agreement are referred to herein as the "Term Loan Obligations"); and

WHEREAS, the granting of the Term Lender Liens is permitted pursuant to Section 1008(e) of the Indenture; and

WHEREAS, in connection with the Proposed CK Acquisition, the Company and certain of its affiliates have entered into that certain First Amendment and Waiver Agreement, dated as of December 13, 2002 with JPMorgan Chase Bank, as administrative agent (the "Senior Agent") for certain other financial institutions from time to time party thereto (the "Senior Lenders") and the Senior Lenders (the "First Amendment to Credit Agreement") pursuant to which, the Senior Agent and Senior Lenders will, among other things, amend that certain Credit Agreement dated as of October 17, 2002 and consent to the Proposed CK Acquisition in exchange for (i) a first priority lien on and security interest in certain collateral of the Acquired Companies (the "CK Collateral") and (ii) a springing lien on the Term Lender Collateral, such that upon the payment in full of the Term Loan Obligations, the Senior Agent, on behalf of the Senior Lenders, shall have a first priority lien on and security interest in the Term Lender Collateral (collectively "CK Senior Lender Liens");

WHEREAS, the granting of the CK Senior Lender Liens is permitted by Section 1008 of the Indenture, provided that the Company and its Subsidiaries grant to the Trustee, on behalf of the Holders, liens on and security interests in the CK Collateral and, upon the payment in full of the Term Loan Obligations, the Term Lender Collateral (the "New CK Collateral"), in order to secure the Securities on an equal and ratable basis with all obligations, liabilities and indebtedness of the Company and its affiliates to the Senior Lenders (the "Senior Indebtedness"); and

WHEREAS, in connection with the forgoing, the Trustee shall (i) enter into that certain First Amendment Agreement dated as of the date hereof with the Senior Agent, the Company and certain affiliates of the Company (the "Amendment to Security Agreement"), pursuant to which that certain Omnibus Pledge and Security Agreement dated as of October 17, 2002 shall be amended to grant the Senior Agent on behalf of the Senior Lenders and the Trustee a lien on and security interest in the New CK Collateral, and (ii) acknowledge that certain Intercreditor and Subordination Agreement dated as of the date hereof with the Senior Agent, the Term Loan Agent and Calvin Klein, that shall govern the relative priorities of the respective liens of the parties in the New CK Collateral;

WHEREAS, Section 901(3) of the Indenture provides, among other things, that the Company and the Trustee may enter into indentures supplemental to the Indenture without the consent of the Holders for, among other things, the purpose of securing the Securities as required pursuant to Section 1008 of the Indenture; and

WHEREAS, the parties hereto desire to enter into this Supplemental Indenture in accordance with Section 901(3) of the Indenture; and

WHEREAS, the Company has been duly authorized by its Board of Directors to enter into, execute and deliver, and hereby authorizes and directs the Trustee on behalf of the Holders to execute and deliver, this Supplemental Indenture:

NOW, THEREFORE, for and in consideration of the premises and covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Trustee agree as follows:

SECTION 1. Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

SECTION 2. The Trustee hereby acknowledges (i) the granting of the Term Lender Liens and (ii) the granting of the liens upon and security interests in the New CK Collateral as collateral security for the payment of principal and interest and all other amounts due and owing pursuant to the terms of the Outstanding Securities on an equal and ratable basis with the Senior Lender Liens until such time as the Senior Indebtedness has been paid in full and all commitments of the Senior Agent and the Senior Lenders have terminated and, in connection herewith, the Trustee hereby agrees on behalf of the Holders and upon the direction of the Company to execute and deliver (A) the First Amendment to Security Agreement, pursuant to which the liens on and security interests in the New CK Collateral referred to herein shall be granted to the Trustee, on behalf of the Holders and (B) an acknowledgment of the Intercreditor Agreement, pursuant to which the Senior Lenders' and Trustee's rights in the New CK Collateral shall be governed. Upon the payment in full of all Senior Indebtedness and the termination of all commitments of the Senior Agent and the Senior Lenders, and in the event of a termination of any Senior Lender Liens, the Trustee hereby agrees to release the all liens and security interests granted pursuant to the Security Agreement and the First Amendment to Security Agreement on the same terms and conditions as the Senior Agent.

SECTION 3. The Company hereby consents to the granting of the liens upon and security interests in the New CK Collateral as collateral security for the payment of principal and interest and all other amounts due and owing pursuant to the terms of the Outstanding Securities on an equal and ratable basis with the Senior Lender Liens until such time as the Senior Indebtedness has been paid in full and all commitments of the Senior Agent and the Senior Lenders have terminated and, in connection herewith, authorizes and directs the Trustee to enter into the First Amendment to Security Agreement and the Intercreditor Agreement for the sole purpose of granting to the Trustee collateral security for the payment of principal and interest and all other amounts due and owing pursuant to the terms of the Outstanding Securities on an equal and ratable basis with the Senior Lender Liens, in accordance with the terms of the Indenture.

SECTION 4. Except as expressly supplemented by this Supplemental Indenture, the Indenture and the Securities issued thereunder are in all respects ratified and confirmed and all of the rights, remedies, terms, conditions, covenants and agreements of the Indenture and the Securities issued thereunder shall remain in full force and effect.

SECTION 5. This Supplemental Indenture is executed and shall constitute an indenture supplemental to the Indenture and shall be construed in connection with and as part of the

Indenture. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the jurisdiction that governs the Indenture and its construction.

SECTION 6. This Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed to be an original for all purposes; but such counterparts shall together be deemed to constitute but one and the same instrument.

SECTION 7. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Supplemental Indenture may refer to the Indenture without making specific reference to this Supplemental Indenture, but nevertheless all such references shall include this Supplemental Indenture unless the context otherwise requires.

SECTION 8. This Supplemental Indenture shall be deemed to have become effective upon the date first written above.

SECTION 9. In the event of a conflict between the terms of this Supplemental Indenture and the Indenture, this Supplemental Indenture shall control.

SECTION 10. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recital contained herein, all of which recitals are made solely by the Company.

[remainder of page intentionally left blank;
signature page follows]

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed as of the day and year first set forth above.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer

Name: Mark D. Fischer
Title: Vice-President, General Counsel, Secretary

THE BANK OF NEW YORK, as Trustee

By: /s/ Julie Salovitch-Miller

Name: Julie Salovitch-Miller
Title: Vice-President

EXHIBIT 10.2

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY JURISDICTION. SUCH SECURITIES MAY NOT BE OFFERED, SOLD OR TRANSFERRED EXCEPT PURSUANT TO (I) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAW, OR (II) ANY EXEMPTION FROM REGISTRATION UNDER SAID ACT, AND APPLICABLE STATE SECURITIES LAW, RELATING TO THE DISPOSITION OF SECURITIES.

THE TRANSFER OF THIS WARRANT IS RESTRICTED AS DESCRIBED HEREIN.

PHILLIPS-VAN HEUSEN CORPORATION
WARRANT FOR THE PURCHASE OF SHARES OF COMMON STOCK, PAR VALUE $1.00 PER SHARE

No. W-1 320,000 Shares

THIS CERTIFIES that, for value received, Calvin Klein, as Trustee of the Calvin Klein 2001 Revocable Trust, is entitled to subscribe for and purchase from PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation (the "Company"), upon the terms and subject to the conditions contained herein, at any time or from time to time after February 12, 2003 and before 5:00 P.M. Eastern Time on February 12, 2012 (the "Exercise Period"), Three Hundred Twenty Thousand (320,000) in the aggregate shares (subject to adjustment) of the Company's common stock, par value $1.00 per share (including any other securities issuable upon exercise hereof, the "Common Stock"), at a price per share equal to $28.00 (subject to the adjustment, the "Exercise Price"). This Warrant is the warrant (collectively, including any warrants issued upon the exercise or transfer of any such warrants in whole or in part, the "Warrants") issued pursuant to the Stock Purchase Agreement, dated December 17, 2002 (the "Purchase Agreement"), among the Company, Calvin Klein, and such other persons named therein. As used herein, the term (i) "this Warrant" shall mean and include this Warrant and any Warrant or Warrants hereafter issued as a consequence of the exercise or transfer of this Warrant in whole or in part, (ii) "Holder" shall mean, Calvin Klein, as Trustee of the Calvin Klein 2001 Revocable Trust and any other individual or entity (each, a "person") who is or which becomes a registered owner of any Warrant pursuant to the terms hereof. Neither this Warrant nor any shares of Common Stock issued on exercise hereof (the "Warrant Shares") may be sold or transferred except in accordance with the legend above.

1. On the terms and subject to the conditions contained herein, this Warrant may be exercised during the Exercise Period, as to the whole or any lesser number of whole Warrant Shares, by the surrender of this Warrant (with the form of election attached hereto duly executed) to the Company at its office at 200 Madison Avenue, New York, New York 10016, or at such other place as is designated in writing by the Company, together with, at the option of the Holder, (i) a certified or bank cashier's check payable to the order of the Company in an amount

equal to the Exercise Price multiplied by the number of Warrant Shares for which this Warrant is being exercised (the "Aggregate Exercise Price"), (ii) the acceptance by the Holder of a number of Warrant Shares equal to (A) the number of Warrant Shares subject to such exercise, less (B) the product of (1) such number of Warrant Shares multiplied by (2) the quotient of (aa) the Exercise Price divided by (bb) the Current Market Price, or (iii) any combination of the foregoing. The "Current Market Price" of a Warrant Share shall be deemed to be the closing price of a share of Common Stock as of the last trading day on the principal stock exchange on which the Common Stock is then listed for trading (or, if the Common Stock is not listed for trading on any stock exchange, the highest reported bid price for the Common Stock as furnished by the National Association of Securities Dealers, Inc. through Nasdaq or a similar organization if Nasdaq is no longer reporting such information) immediately preceding the date upon which the Warrant is delivered to the Company for exercise. The closing price for any day shall be the last reported sales price regular way or, in case no such reported sale takes place on such day, the average of the closing bid and asked prices regular way, in either case on the principal stock exchange on which the Common Stock is listed or admitted to trading or, if the Common Stock is not listed or admitted to trading on any stock exchange, the highest reported bid price for the Common Stock as furnished by the National Association of Securities Dealers, Inc. through Nasdaq or a similar organization if Nasdaq is no longer reporting such information. If on any such date the Common Stock is not listed or admitted to trading on any stock exchange and is not quoted by Nasdaq or any similar organization, the fair value of a share of Common Stock on such date, as determined in good faith by the board of directors of the Company, whose determination shall be conclusive absent manifest error, shall be used.

2. Upon each exercise of the Holder's rights to purchase Warrant Shares, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the transfer books of the Company shall then be closed or certificates representing such Warrant Shares shall not then have been actually delivered to the Holder. As soon as practicable after each such exercise of this Warrant, the Company shall issue and deliver (or cause its transfer agent to issue and deliver) to the Holder a certificate or certificates for the Warrant Shares issuable upon such exercise, registered in the name of the Holder or the Holder's designee. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the right of the Holder to purchase the balance of the Warrant Shares (or portions thereof) subject to the terms hereof.

3. Any Warrants issued upon the transfer or exercise in part of this Warrant shall be numbered and shall be registered in a warrant register (the "Warrant Register") as they are issued. The Company shall be entitled to treat the registered Holder on the Warrant Register as the owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in such Warrant on the part of any other person, and shall not be liable for any registration or transfer of Warrants which are registered or to be registered in the name of a fiduciary or the nominee of a fiduciary unless made with the actual knowledge that a fiduciary or nominee is committing a breach of trust in requesting such registration or transfer, or with the knowledge of such facts that its participation therein amounts to bad faith. This Warrant shall be transferable only on the books of the Company upon delivery thereof duly endorsed by the Holder or by his or its duly authorized attorney or representative, or accompanied by proper evidence of succession, assignment, or authority to transfer. In all cases of transfer by an

attorney, executor, administrator, guardian, or other legal representative, duly authenticated evidence of his or its authority shall be produced. Upon any registration of transfer, the Company shall deliver a new Warrant or Warrants to the person entitled thereto. This Warrant may be exchanged, at the option of the Holder thereof, for another Warrant, or other Warrants of different denominations, of like tenor and representing in the aggregate the right to purchase a like number of Warrant Shares (or portions thereof), upon surrender to the Company or its duly authorized agent. Notwithstanding the foregoing, the Company shall have no obligation to cause Warrants to be transferred on its books to any person if, in the opinion of counsel to the Company, such transfer does not comply with the provisions of the Securities Act of 1933, as amended, and the rules and regulations thereunder (the "Securities Act").

4. The Company shall at all times reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of providing for the exercise of the rights to purchase all Warrant Shares granted pursuant to the Warrants, such number of shares of Common Stock as shall, from time to time, be sufficient therefor. The Company covenants that all shares of Common Stock issuable upon exercise of this Warrant, upon receipt by the Company of the full Exercise Price therefor, shall be validly issued, fully paid, nonassessable, free and clear of all liens, security interests, charges and other similar encumbrances, and free and clear of preemptive rights.

5. (a) In case the Company shall at any time after the date the Warrants were first issued (i) declare a dividend on the outstanding Common Stock payable in shares of its capital stock, (ii) subdivide the outstanding Common Stock into a greater number of shares, (iii) combine the outstanding Common Stock into a smaller number of shares, or (iv) issue any shares of its capital stock by reclassification of the Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing corporation), then, in each case, the number of Warrant Shares, in effect immediately prior to the close of business on the record date for the determination of stockholders entitled to receive such dividend or to participate in such subdivision, contribution or reclassification or, if no record date is selected or the fixing of a record date is inapplicable, immediately prior to the effective time of such subdivision, combination, or reclassification, shall be proportionately adjusted so that the Holder of any Warrants exercised after such time shall be entitled to receive the aggregate number and kind of shares which, if such Warrant had been exercised immediately prior to such time, such Holder would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, combination, or reclassification. In the event of any adjustment as provided for in this Section 5(a), the Exercise Price shall be adjusted by multiplying the Exercise Price in effect prior to such adjustment by a fraction, of which the numerator shall be the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such adjustment, and of which the denominator shall be the number of shares into which such Warrant Shares shall have been adjusted in accordance with this Section 5(a). Such adjustment shall be made successively whenever any event listed above shall occur and shall take effect at the close of business on the aforementioned record date or at the aforementioned effective time, as the case may be. In the event that after fixing any such record date any such dividend or other transaction is not effected, the Exercise Price and the number of Warrant Shares shall be readjusted to the Exercise Price and the number of Warrant Shares which would then have been in effect if such record date had not been fixed.

(b) (i) If at any time or from time to time the Company issues or sells, or is deemed by the express provisions of this subsection (i) to have issued or sold, Additional Shares of Common Stock (as hereinafter defined), other than as a dividend or other distribution on any class of stock, a subdivision or combination of shares of Common Stock and other than in the case of a reorganization, reclassification, merger, consolidation or disposition of assets, in each case for which adjustment is provided in this Section 5(b), for an Effective Price (as hereinafter defined) less than 95% of the then Current Market Price per Share of Common Stock (or amends the terms of any outstanding right, option, or convertible security for an exercise or conversion price below 95% of such Current Market Price per Share of Common Stock), then and in each such case the Exercise Price shall be reduced, as of the opening of business on the date of such issue or sale, to a price determined by multiplying the Exercise Price existing immediately prior to such issuance by a fraction (x) the numerator of which shall be (A) the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issue or sale, or deemed issue or sale plus (B) the number of shares of Common Stock which the aggregate consideration received (as defined in subsection (b)(ii)) by the Company for the total number of Additional Shares of Common Stock so issued or sold or deemed issued or sold would purchase at the Current Market Price per Share of Common Stock existing immediately prior to such issuance, and (y) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issue or sale plus the total number of Additional Shares of Common Stock so issued or sold or deemed issued or sold. Upon the occurrence of an event resulting in actions specified in this Section 5(b), immediately following such an action, the number of Warrant Shares will be increased, as of the opening of business on the date of such issue or sale, or deemed issue or sale to a number of shares of Common Stock, equal to (i) the product of (A) the number of Warrant Shares to which the Holder is then entitled upon exercise of this Warrant multiplied by (B) the quotient of (1) the Exercise Price existing immediately prior to such issue, sale or deemed issue or sale divided by (2) the Exercise Price immediately following such issue, sale or deemed issue or sale as determined by the above formula in this Section 5(b)(i). For the purposes of this Section 5(b)(i), the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (A) the number of shares of Common Stock actually outstanding and (B) the number of shares of Common Stock which would be obtained upon the exercise or conversion of the Warrants, all other rights, options and convertible securities outstanding as of the date issuance of this Warrant (including but not limited to the Series B Convertible Preferred Stock, par value $100 per share of the Company (the "Series B Stock")).

(ii) For the purpose of making any adjustment required under this Section 5(b), the consideration received by the Company for any issue or sale of securities shall (A) to the extent it consists of cash, be computed at the gross purchase price thereof, (B) to the extent it consists of property other than cash, be computed at the fair value of that property as determined in good faith by the Board of Directors of the Company (the "Board of Directors"), and (C) if Additional Shares of Common Stock, Convertible Securities (as hereinafter defined) or rights or options to purchase either Additional Shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Company for a consideration which covers both, be computed as the portion of the consideration so received that may be reasonably determined in good faith by the Board of Directors to be allocable to such Additional Shares of Common Stock, Convertible Securities or rights or options.

(iii) For the purpose of the adjustment required under this Section 5(b), if the Company issues or sells any rights or options for the purchase of, or stock or other securities convertible into, Additional Shares of Common Stock (such convertible stock or securities being herein referred to as "Convertible Securities") and if the Effective Price of such Additional Shares of Common Stock is less than 95% of the Current Market Price per Share of Common Stock, in each case the Company shall be deemed to have issued at the time of the issuance of such rights or options or Convertible Securities the maximum number of Additional Shares of Common Stock issuable upon exercise or conversion thereof (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential antidilution adjustments) and to have received as consideration for the issuance of such shares an amount equal to the total amount of the consideration, if any, received by the Company for the issuance of such rights or options or Convertible Securities, plus, in the case of such rights or options, the minimum amounts of consideration, if any, payable to the Company upon the exercise of such rights or options, plus, in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Company (other than the cancellation of liabilities or obligations evidenced by such Convertible Securities) upon the conversion thereof; provided that if in the case of Convertible Securities the minimum amounts of such consideration cannot be ascertained, but are a function of antidilution or similar protective clauses, the Company shall be deemed to have received the minimum amounts of consideration without reference to such clauses; provided further that if the minimum amount of consideration payable to the Company upon the exercise or conversion of rights, options or Convertible Securities is reduced over time or on the occurrence or nonoccurrence of specified events other than by reason of antidilution adjustments, the Effective Price shall be recalculated using the figure to which such minimum amount of consideration is reduced; provided further that if the minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities is subsequently increased, the Effective Price shall be again recalculated using the increased minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities. No further adjustment of the Exercise Price, as adjusted upon the issuance of such rights, options or Convertible Securities, shall be made as a result of the actual issuance of Additional Shares of Common Stock on the exercise of any such rights or options or the conversion of any such Convertible Securities. If any such rights or options or the conversion privilege represented by any such Convertible Securities shall expire without having been exercised, the Exercise Price, as adjusted upon the issuance of such rights, options or Convertible Securities, shall be readjusted to the Exercise Price which would have been in effect had an adjustment been made on the basis that the only Additional Shares of Common Stock so issued were the Additional Shares of Common Stock, if any, actually issued or sold on the exercise of such rights or options or rights of conversion of such Convertible Securities, and such Additional Shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise, plus the consideration, if any, actually received by the Company for the granting of all such rights or options, whether or not exercised, plus the consideration received for issuing or selling the Convertible Securities actually converted, plus the consideration, if any, actually received by the Company (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) on the conversion of such Convertible Securities.

(iv) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued by the Company or deemed to be issued pursuant to this Section 5(b), whether or not subsequently reacquired or retired by the Company, other than (1) shares of Common Stock issuable upon conversion of, or distributions with respect to the Series B Stock; (2) shares of Common Stock issuable upon the exercise of stock options or other awards made or denominated in shares of Common Stock under any of the Company's stock plans including any stock option, stock purchase, restricted stock or similar plan hereafter adopted by the Board of Directors and, if required by applicable law or stock exchange requirement, approved by the stockholders of the Company; and (3) shares of Common Stock issued pursuant to an acquisition of a business (including, without limitation, by way of an acquisition of capital stock) or the assets of a business (which assets do not consist primarily of cash or cash equivalents) approved by the Board of Directors. The "Effective Price" of Additional Shares of Common Stock shall mean the quotient determined by dividing the total number of Additional Shares of Common Stock issued or sold, or deemed to have been issued or sold by the Company under this Section 5(b), into the aggregate consideration received, or deemed to have been received by the Company for such issue under this Section 5(b), for such Additional Shares of Common Stock.

(v) For purposes of this Section 5, "Market Price per Share of Common Stock" shall be deemed to be the average closing prices of a share of Common Stock on the principal stock exchange on which the Common Stock is then listed for trading (or, if the Common Stock is not listed for trading on any stock exchange, the average highest reported bid prices for the Common Stock as furnished by the National Association of Securities Dealers, Inc. through Nasdaq or a similar organization if Nasdaq is no longer reporting such information, for the ten trading days prior to the date of such issue or sale of securities.

(c) Whenever there shall be an adjustment as provided in this Section 5, the Company shall promptly cause written notice thereof to be sent by registered mail, postage prepaid, to the Holder, at the Holder's address as it shall appear in the Warrant Register, which notice shall be accompanied by an officer's certificate setting forth the number of Warrant Shares purchasable upon the exercise of this Warrant and the Exercise Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment and the computation thereof.

(d) The Company shall not be required to issue fractions of shares of Common Stock or other capital stock of the Company upon the exercise of this Warrant. If any fraction of a share would be issuable on the exercise of this Warrant (or specified portions thereof), the Company shall purchase such fraction for an amount in cash equal to the same fraction of the Exercise Price on the date of exercise of this Warrant.

6. In case of any reclassification or change of the Warrant Shares (including (i) any consolidation or merger of another corporation into the Company in which the Company is the continuing corporation and in which there is a reclassification or change (including a change to the right to receive cash or other property) of the shares of Common Stock, and (ii) any change in the Common Stock into two or more classes or series of shares) in respect of which an adjustment has not been provided for under Section 5(a), the Holder shall have the right to receive upon exercise of this Warrant following the consummation of any such reclassification or change solely the kind and amount of shares of stock and other securities, property, cash, or any

combination thereof which would have been receivable upon such reclassification or change by a holder of the number of shares of Common Stock for which this Warrant might have been exercised immediately prior to such reclassification or change and the provisions of this Warrant shall therefore be applicable in relation to such other stock, securities or property. This Section 6 shall similarly apply to successive reclassifications and changes of shares of Common Stock and to successive consolidations or mergers.

7. If at any time the Company shall declare a distribution to all holders of its outstanding Common Stock (any evidence of indebtedness, cash, assets, or securities, (other than cash dividends paid in the ordinary course of business or distributions and dividends payable in shares of Common Stock), or rights, options, or warrants to subscribe for or purchase Common Stock, indebtedness, cash, securities or other assets or securities convertible into or exchangeable for shares of Common Stock, indebtedness, cash, securities or other assets collectively, the "Assets"), and, excluding those with respect to the issuance of which an adjustment of the Exercise Price is provided pursuant to Section 5(b) hereof, then, in each case, the Exercise Price in effect immediately prior to the close of business on the record date for the determination of stockholders entitled to receive such distributions shall be reduced to a price determined by multiplying such Exercise Price by a fraction,

(i) the numerator of which shall be the Current Market Price per Share of Common Stock in effect immediately prior to the close of business on the record date for the determination of stockholders entitled to receive such distribution less the fair market value of such Assets (as determined in good faith by the Board of Directors) applicable to one share of Common Stock at the time of the distribution, and

(ii) the denominator of which shall be such Current Market Price per Share of Common Stock immediately prior to the close of business on the record date for the determination of stockholders entitled to receive such distribution.

Upon the occurrence of an event resulting in actions specified in this Section 7, immediately prior to the close of business on the record date for the determination of stockholders entitled to receive such distribution, the number of Warrant Shares will be increased to a number of shares of Common Stock, equal to (i) the product of (A) the number of Warrant Shares to which the Holder is then entitled multiplied by (B) the quotient of (1) the Exercise Price existing immediately prior to the close of business on the record date for the determination of stockholders entitled to receive such distribution divided by (2) the Exercise Price immediately following the close of business on the record date for the determination of stockholders entitled to receive such distribution, as determined by the above formula in this Section 7.

Any adjustment required by this Section 7 shall be made whenever any such distribution is to be made, and shall become effective immediately prior to the close of business on the record date for the determination of stockholders entitled to receive such distribution.

8. The issuance of any shares of Common Stock or other securities upon the exercise of this Warrant, and the delivery of certificates or other instruments representing such shares or other securities, in each case to the Holder, shall be effected by the Company without

the Company imposing any charges upon the Holder. Notwithstanding anything to the contrary herein, the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer of any Warrants or Warrant Shares, and the Company shall not be required to issue or deliver such Warrants or Warrant Shares unless or until the Holder or such other person requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or is not payable under law.

9. The Exercise Price set forth above shall not be adjusted upward except in the event of a combination of the outstanding shares of Common Stock into a smaller number of shares of Common Stock or in the event of a readjustment of the aforementioned Exercise Price.

10. If the Company at any time after the date of this Warrant combines the outstanding shares of Common Stock, the number of Warrant Shares shall be proportionality decreased. Such change shall be effective at the close of business on the date of such combination.

11. Prior to the issuance of any of the Warrant Shares, the Company shall use commercially reasonable efforts to secure the listing of such Warrant Shares upon the primary national securities exchange or automated quotation system, if any, upon which the shares of Common Stock are then listed (subject to official notice of issuance upon exercise of this Warrant) and shall use commercially reasonable efforts to maintain, so long as any other shares of Common Stock shall be so listed, such listing of all of the Warrant Shares; and the Company shall so list on each national securities exchange or automated quotation system, and shall use commercially reasonable efforts to maintain such listing of, any other shares of capital stock of the Company issuable upon the exercise of this Warrant if and so long as any shares of the same class shall be listed on such national securities exchange or automated quotation system.

12. Upon (i) any taking by the Company of a record of the holders of any class of securities (including the Series B Stock) for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution (other than a regularly paid annual cash dividend), or (ii) the merger, reorganization or consolidation of the Company into or with another corporation or other similar transaction or series of related transactions in which more than 50% of the voting power of the Company is disposed of or an exchange for property, rights or securities distributed to holders thereof by the acquiring person, firm or other entity, or the sale of all or substantially all the assets of the Company (the foregoing being referred to collectively as an "Acquisition"), or other capital reorganization of the Company, any merger or consolidation of the Company with or into, any other corporation, or any liquidation, dissolution or winding up of the Company whether voluntary or involuntary ("Liquidation") or any other action of the type or types requiring an adjustment to the Exercise Price or the number of the Warrant Shares as set forth herein, the Company shall mail to each Holder at least 20 days prior to the record date specified therein in a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend (other than a regularly paid annual cash dividend) or distribution and a description of such dividend (other than a regularly paid annual cash dividend) or distribution (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Liquidation, or other action is expected to become effective, (C) the date, if any, that is to be fixed as to when the holders of record of

Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, Liquidation, or other action. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the Exercise Price and the number, kind, or class or shares or other securities or property which shall be deliverable upon the occurrence of such action or deliverable upon the exercise of this Warrant.

13. In any case in which this Warrant shall require that an adjustment in the Exercise Price be made effective as of the close of business on a record date for a specified event, the Company may elect to defer until the occurrence of such event, issuing to the Holder, if the Holder exercised this Warrant as of or after the close of business on such record date, the shares of Common Stock, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Company shall deliver to the Holder a due bill or other appropriate instrument evidencing the Holder's right to receive additional shares upon the occurrence of the event requiring adjustment.

14. Upon issuance, the Warrant Shares may not be transferred without registration under the Securities Act and applicable state securities laws unless counsel to the Holder (which is reasonably acceptable to the Company) shall provide to the Company a written opinion that such transfer may be effected without such registration. Each certificate representing any of the Warrant Shares shall bear legends in substantially the following form:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY JURISDICTION. SUCH SECURITIES MAY NOT BE OFFERED, SOLD OR TRANSFERRED EXCEPT PURSUANT TO (I) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAW, OR (II) ANY EXEMPTION FROM REGISTRATION UNDER SAID ACT, AND APPLICABLE STATE SECURITIES LAW, RELATING TO THE DISPOSITION OF SECURITIES.

The Company shall remove or cause its registrar and transfer agent to remove such legend at the time such Warrant Shares are transferred pursuant to an effective registration statement under the Securities Act or the opinion provided for above is provided.

15. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, or destruction of any Warrant and upon the surrender of any Warrant, if mutilated, the Company shall execute and deliver to the Holder thereof a new Warrant of like date, tenor, and denomination. It shall be a condition to the Company's obligations under this Section 9 that the Holder first delivers to the Company an indemnity in form and substance reasonably acceptable to the Company and reimburses the Company for its reasonable expenses incurred in connection with the issuance of such new Warrant.

16. The Holder shall not have, solely on account of such status, any rights of a stockholder of the Company, either at law or in equity.

17. If any single action would require adjustment of the Exercise Price or the number of Warrant Shares purchasable upon the exercise of each Warrant pursuant to more than one provision of this Warrant, only one adjustment shall be made.

18. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be mailed, postage prepaid, by certified mail, return receipt requested or sent, postage, fees or charges prepaid, by Federal Express, Express Mail or similar overnight delivery or courier service or delivered (in person or by facsimile transmission) against receipt to the party to whom it is to be given, if sent to the Company, at: 200 Madison Avenue, New York, New York 10016, Attention: General Counsel; or if sent to the Holder, at the Holder's address as it shall appear on the Warrant Register; or to such other address as the receiving party shall have furnished to the sending party in writing in accordance with the provisions of this Section 11. Any notice or other communication given pursuant to this Section 11 shall be deemed given at the time of receipt thereof.

19. Any purported transfer in violation of any provision of this Warrant and all actions by the purported transferor and transferee in connection therewith shall be of no force or effect, and the Company shall not be required to recognize such purported transfer for any purpose, including without limitation, for exercise.

20. This Warrant shall be binding upon the Company and its successors and assigns including by way of merger, consolidation or sale of the assets and shall inure to the benefit of the Holder and the Holder's permitted successors and assigns.

21. This Warrant shall be governed by, and construed and enforced in accordance with the laws of the State of New York applicable to contracts made and performed within such State, without regard to principles of conflicts of law.

22. The Company and, by its acceptance of this Warrant, the Holder irrevocably and unconditionally submit to the exclusive jurisdiction of the United States District Court for the Southern District of New York or, if such court will not accept jurisdiction, the Supreme Court of the State of New York, New York County or any court of competent civil jurisdiction sitting in New York County, New York. In any action, suit or other proceeding, the Company and, by its acceptance of this Warrant, the Holder irrevocably and unconditionally waive and agree not to assert by way of motion, as a defense or otherwise any claim that it is not subject to the jurisdiction of the above courts, that such action or suit is brought in an inconvenient forum or that the venue of such action, suit or other proceeding is improper. The Company and, by its acceptance of this Warrant, the Holder also agree that any final and unappealable judgment against either of them in connection with any action, suit or other proceeding shall be conclusive and binding on such party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

23. THE COMPANY AND, BY ITS ACCEPTANCE OF THIS WARRANT, THE HOLDER IRREVOCABLY WAIVES THE RIGHT TO A JURY TRIAL IN

CONNECTION WITH ANY LEGAL PROCEEDING RELATING TO THIS WARRANT OR THE ENFORCEMENT OF ANY PROVISION OF THIS WARRANT.

24. Each of the Company and, by its acceptance under this Warrant, the Holder agree that in the event of any action with respect to the terms and provisions of this Warrant, if the Holder prevails in such action then the Holder shall be entitled to recovery of the Holder's reasonable attorney's fees from the Company, and if the Company prevails in such action the Company shall be entitled to recovery of its reasonable attorney's fees from the Holder.

25. The Company shall maintain, at the principal office of the Company (or such other office as it may designate by notice to the holder hereof), a register for the Warrants in which the Company shall record the name and address of the person in whose name a Warrant has been issued, as well as the name and address of the person in whose name a Warrant has been issued, as well as the name and address of each transferee and each prior owner of such Warrant.

26. The Company shall not amend its Certificate of Incorporation or participate in any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, for the purpose of avoiding or seeking to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company.

27. This Warrant or any provisions hereof may be changed, waived, discharged or terminated only by a statement in writing signed by the Company and by the Warrant Holder.

28. This Warrant shall not entitle the Holder hereof to any voting rights or other rights as a shareholder of the Company prior to the exercise of the Warrant, provided that nothing herein shall be construed to limit or impair other rights that the Warrant Holder may have under this Warrant or otherwise. No provision of this Warrants, in the absence of affirmative action by the Holder hereof to purchase the shares, and no mere enumeration herein of the rights or privileges of the Holder hereof, shall give rise to any liability or such Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by a duly authorized officer under its corporate seal and attested by its Secretary on the day and year first written below.

Dated: February 12, 2003

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer

Name: Mark D. Fischer
Title: Vice President, General Counsel and Secretary

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the attached Warrant and such transfer is permissible under the terms of the attached Warrant.)

FOR VALUE RECEIVED, _____ hereby sells, assigns, and transfers unto _____ a Warrant to purchase _____ shares of Common Stock, par value $1.00 per share, of Phillips-Van Heusen Corporation (the "Company"), together with all right, title, and interest therein, and does hereby irrevocably constitute and appoint _____ attorney to transfer such Warrant on the books of the Company, with full power of substitution.

Dated: _____

Signature_____

NOTICE

The signature on the foregoing Assignment must correspond to the name as written upon the face of this Warrant in every particular, without alteration or enlargement or any change whatsoever.

To: Phillips-Van Heusen Corporation.
200 Madison Avenue
New York, New York 10016
Attention: General Counsel

ELECTION TO EXERCISE

The undersigned hereby irrevocably exercises his or its rights to purchase _____ Warrant Shares covered by the within Warrant and tenders payment herewith in the amount of $_____ in accordance with the terms thereof, and requests that certificates for such securities be issued in the name of, and delivered to:

- ----------

- ----------

- ----------

(Print Name, Address and Social Security or Tax Identification Number)

and, if such number of Warrant Shares shall not be all the Warrant Shares covered by the within Warrant, that a new Warrant for the balance of the Warrant Shares covered by the within Warrant be registered in the name of, and delivered to, the undersigned at the address stated below.

Dated: ----------

Name: ----------
(Print)

Address: ----------

(Signature)

The above signature must correspond to the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT 10.3

TERM LOAN AGREEMENT

This Term Loan Agreement ("Agreement"), is made as of the 16th day of December, 2002, by and between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation (the "Borrower"), each of the lenders executing a signature page hereto (each a "Lender" and collectively, the "Lenders"), and APAX MANAGERS, INC., a New York corporation, as administrative agent (the "Administrative Agent") for the Lenders.

R E C I T A L S:

WHEREAS, pursuant to a Securities Purchase Agreement dated as of the date hereof (the "Securities Purchase Agreement") among the Borrower and the investors party thereto (the "Investors"), the Borrower has agreed to issue and sell to the Investors 10,000 shares of the Borrower's Series B Convertible Preferred Stock, $100.00 par value per share ("Series B Preferred Stock"), for an aggregate purchase price of $250,000,000 (capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Securities Purchase Agreement);

WHEREAS, pursuant to the Securities Purchase Agreement, the proceeds of the sale of Series B Preferred Stock to the Investors shall be applied to pay a portion of the purchase price for the Borrower's acquisition of the Capital Stock of the CK Companies and pay the fees and out-of-pocket expenses relating to the Contemplated Transactions ("Transaction Costs");

WHEREAS, in order to enable the Borrower to pay an additional portion of the purchase price for the Capital Stock of the CK Companies and related Transaction Costs, the Borrower has requested that the Lenders provide a bridge loan to the Borrower in the aggregate amount of One Hundred Twenty Five Million Dollars ($125,000,000), said bridge loan to be refinanced on a best efforts expedited basis as provided herein; and

WHEREAS, the Lenders are willing to make such an advance on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and undertakings hereunder and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, intending to be legally bound, the parties hereto do hereby agree as follows:

1. DEFINITIONS

The following terms used herein have the meanings given them below:

1.1 "Agreement" shall mean this Agreement as amended from time to time in accordance with the terms hereof.

1.2 "Asset Sale" means the sale by the Borrower or any of its Subsidiaries to any Person other than the Borrower or any of its wholly-owned Subsidiaries of (i) any of the equity ownership of any of the Borrower's Subsidiaries, (ii) substantially all of the assets of any division or line of business of the Borrower or any of its Subsidiaries, or (iii) any other assets (whether tangible or intangible) of the Borrower or any of its Subsidiaries.

1.3 "Capital Expenditures" shall mean all expenditures for the acquisition or leasing (pursuant to a capital lease) of assets or additions to equipment (including replacements, capitalized repairs and improvements) which should be capitalized under GAAP.

1.4 "Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

1.5 "Casualty Event" shall mean, with respect to any property of the Borrower or any of its Subsidiaries, any loss of title with respect to such property or any loss or damage to or destruction of, or any condemnation or other taking (including by any Governmental Body) of, such property or any interruption of the business of the Borrower or any Subsidiary which is covered by business interruption insurance.

1.6 "Change in Control" means (a) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as currently in effect) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 30% of the total ordinary voting power of the capital stock of the Borrower other than the sale of the Series B Preferred Stock as provided for in the Securities Purchase Agreement, (b) occupation of a majority of the seats on the Board of Directors of the Borrower by Persons who were neither (i) nominated by the Board of Directors of the Borrower nor (ii) appointed by directors so nominated, (c) the occurrence of any change in control or similar event (however denominated) with respect to the Borrower under and as defined in the Subordinated Debt Documents or any other indenture or agreement in respect of Material Indebtedness to which the Borrower or a Subsidiary is a party or (d) the acquisition of direct or indirect Control of the Borrower by any Person or group.

1.7 "Closing Date" shall mean the Closing Date under the Securities Purchase Agreement.

1.8 "Code" shall mean the Uniform Commercial Code as the same may be in effect from time to time in the State of New York; provided that if, by reason of applicable law, the validity or perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral granted under the Loan Documents is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, then as to the validity or perfection or the effect of perfection or non-perfection or the priority, as the case may be, of such

security interest, "Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in such other jurisdiction.

1.9 "Collateral" shall have the meaning set forth in the Pledge and Security Agreement.

1.10 "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

1.11 "Credit Facility Amendment" shall mean the First Amendment and Waiver Agreement dated as of December 13, 2002 to the Credit Facility substantially in the form attached hereto as Exhibit A.

1.12 "Credit Facility Documents" shall mean the Financing Documents (as defined in the Credit Facility).

1.13 "Debentures" means the 7-3/4% Debentures Due 2023 of the Borrower issued under the Debentures Indenture.

1.14 "Debentures Indenture" means the Indenture dated as of November 1, 1993, by and between the Borrower and The Bank of New York, as Trustee, governing the Debentures.

1.15 "Default" means any event or condition that constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

1.16 "Design Services Purchase Payments" shall have the meaning set forth in the CK Purchase Agreement and shall include, without limitation, any liquidated damages payable with respect thereto pursuant to the CK Purchase Agreement.

1.17 "Default Rate" shall have the meaning set forth in Section 2.2(b).

1.18 "ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Company Employee Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Company Employee Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Company Employee Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Company Employee Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Company Employee Plan or to appoint a trustee to administer any Company Employee Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability

with respect to the withdrawal or partial withdrawal from any Company Employee Plan or Multiemployer Plan (as defined in Section 4001(a)(3) of ERISA); or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

1.19 "Event of Default" shall have the meaning set forth in Section 7.1.

1.20 "Final Maturity Date" shall mean the second anniversary of the Closing Date.

1.21 "Financial Officer" means the chief executive officer, president, chief financial officer, principal accounting officer, treasurer, assistant treasurer, controller or assistant controller of the Borrower.

1.22 "Guarantee" shall mean the guarantee by CKI and those other domestic CK Companies party thereto as Guarantors in favor of the Lenders, substantially in the form attached hereto as Exhibit A.

1.23 "Guarantor" shall have the meaning set forth in the Guarantee.

1.24 "Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

1.25 "Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all obligations, contingent or otherwise by such Person guaranteeing or having the economic effect of guaranteeing Indebtedness of others, directly or indirectly, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances and (k) every obligation of such Person under any forward contract, futures contract, swap, option, caps, floors, collars and similar agreements, the value of which is dependant upon interest rates, currency or exchange rates or valuations. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general

partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

1.26 "Initial Maturity Date" shall mean the Business Day immediately preceding the first anniversary of the Closing Date.

1.27 "Intercreditor and Subordination Agreement" shall mean the Intercreditor and Subordination Agreement among the Administrative Agent, the agent to the lenders to the Credit Facility and Calvin Klein, substantially in the form attached hereto as Exhibit C.

1.28 "Interest" shall have the meaning set forth in Section 2.2(a).

1.29 "Interest Payment Date" shall have the meaning set forth in Section 2.2(a).

1.30 "Lenders" shall have the meaning set forth in the preamble.

1.31 "Loan" shall have the meaning set forth in Section 2.1.

1.32 "Loan Documents" shall mean this Agreement, the Notes, the Pledge and Security Agreement, the Intercreditor and Subordination Agreement, the CK Intercreditor Agreement, the Credit Facility Amendment, the Guarantee and any certificate or other document delivered by or on behalf of the Borrower or the Lenders pursuant to any of the forgoing or in connection with the transactions contemplated by this Agreement.

1.33 "Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, properties, prospects or condition (financial or otherwise), contingent liabilities or material agreements of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower or any Guarantor to perform any of its obligations under this Agreement and the other Loan Documents, taken as a whole, (c) the rights of or benefits available to the Lenders or the Administrative Agent under this Agreement and the other Loan Documents, taken as a whole, or (d) the Administrative Agent's Lien on any material portion of the Collateral or the priority of such Lien.

1.34 "Material Indebtedness" means Indebtedness (other than the Loan), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and the Subsidiaries in an outstanding aggregate principal amount exceeding $10,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

1.35 "Net Proceeds" means (a) with respect to the sale or other disposition of any asset the excess, if any, of (i) the aggregate amount received in cash (including any cash received by way of deferred payment pursuant to a note receivable, other non-cash consideration or otherwise, but only as and when such cash is so received) in connection with such sale or other

disposition, over (ii) the sum of (A) the amount of any Indebtedness which is secured by any such asset or which is required to be, and is, repaid in connection with the sale or other disposition thereof (other than Indebtedness hereunder), (B) the reasonable out-of-pocket expenses and fees incurred with respect to legal, investment banking, brokerage, advisor and accounting and other professional fees, sales commissions and disbursements and all other reasonable fees, expenses and charges, in each case actually incurred in connection with such sale or disposition, (C) all income and transfer taxes payable in connection with such sale or other disposition, whether actually paid or estimated to be payable in cash in connection with such disposition or the payment of dividends or the making of other distributions of the proceeds thereof and (D) reserves, required to be established in accordance with GAAP or the definitive agreements relating to such disposition, with respect to such disposition, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations; (b) with respect to the issuance, sale or other disposition of any stock or debt securities the excess of (i) the aggregate amount received in cash (including any cash received by way of deferred payment pursuant to a note receivable, other non-cash consideration or otherwise, but only as and when such cash is so received) in connection with such issuance, sale or other disposition, over (ii) the sum of (A) the reasonable fees, commissions, discounts and other out-of-pocket expenses including related legal, investment banking and accounting fees and disbursements incurred in connection with such issuance, sale or other disposition, and (B) all income and transfer taxes payable in connection with such issuance, sale or other disposition, whether payable at such time or thereafter; and (c) with respect to a Casualty Event, the aggregate amount of proceeds received with respect to such Casualty Event, over the sum of (i) the reasonable expenses incurred in connection therewith, (ii) the amount of any Indebtedness (other than Indebtedness hereunder) secured by any asset affected thereby and required to be, and in fact, repaid in connection therewith and (iii) all income and transfer taxes payable, whether actually paid or estimated to be payable, in connection therewith.

1.36 "Net Securities Proceeds" shall have the meaning set forth in Section 2.5(b).

1.37 "Notes" shall mean the promissory notes made by Borrower to the Lenders as evidence of the Loan, substantially in the form attached hereto as Exhibit D.

1.38 "Obligations" shall mean all of Borrower's liabilities, obligations, and indebtedness to the Lenders of any and every kind and nature, whether now existing or hereafter arising, under this Agreement or any of the Loan Documents.

1.39 "Permitted Encumbrances" means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.8;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing

obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.8 and (ii) landlord's Liens arising by operation of law;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations or letters of credit or guarantees issued in respect thereof,

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business or letters of credit or guarantees issued in respect thereof;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (j) of Article VII;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) Liens arising from UCC financing statements in respect of leases permitted by this Agreement;

(h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods so long as such Liens attach only to the imported goods; and

(i) Liens in favor of vendors of goods arising as a matter of law securing the payment of the purchase price therefor so long as such Liens attach only to the purchased goods.

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

1.40 "Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof,

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from Standard & Poor's or from Moody's Investors Service, Inc.;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or

placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) investments in money market mutual funds having portfolio assets in excess of $2,000,000,000 that comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940 and are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service, Inc.;

(e) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(f) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States of America, or any political subdivision or taxing authority thereof, and rated at least A by Standard & Poor's or Moody's Investors Service, Inc.; and

(g) with respect to any Person organized or conducting operations outside of the United States, investments denominated in the currency of the jurisdiction in which such Person is organized or conducting business which are similar to the items specified in clauses (a) through (f) above (other than the nationality of the governmental or non-governmental issuer or counterparty involved).

1.41 "Pledge and Security Agreement" shall mean the pledge and security agreement made by the Borrower in favor of the Lenders, substantially in the form attached hereto as Exhibit E.

1.42 "Requisite Lenders" has the meaning set forth in Section 8.3.

1.43 "Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any shares of any class of capital stock of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancelation or termination of any such shares of capital stock of the Borrower or any Subsidiary or any option, warrant or other right to acquire any such shares of capital stock of the Borrower or any Subsidiary.

1.44 "Subordinated Debt" means (a) the unsecured subordinated notes issued by the Borrower on April 28, 1998 in the aggregate principal amount of $150,000,000 and (b) the Indebtedness represented thereby.

1.45 "Subordinated Debt Documents" means the indenture under which the Subordinated Debt is issued and all other instruments, agreements and other documents

evidencing or governing the Subordinated Debt or providing for any Guarantee or other right in respect thereof.

1.46 "Securities" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

1.47 "Securities Purchase Agreement" shall have the meaning set forth in the recitals hereto.

1.48 "Transaction Costs" shall have the meaning set forth in the recitals hereto.

1.49 Accounting Terms. Any accounting terms used in this Agreement which are not specifically defined herein shall have the meanings customarily given them in accordance with GAAP.

2. THE INDEBTEDNESS

2.1 Commitment. Subject to the terms and conditions of this Agreement, the Lenders hereby agree to provide a bridge loan to Borrower on the Closing Date, in the form of a term loan, in the aggregate principal amount of One Hundred Twenty Five Million Dollars ($125,000,000) (the "Loan"). The amount of the Loan to be advanced by each Lender and the principal amount of the Note to be issued to such Lender upon the Closing Date shall be as set forth on Schedule 2.1. The Loan is subject to refinancing on a best efforts expedited basis as provided herein.

2.2 Interest.

(a) Interest on the outstanding principal amount of the Loan ("Interest") shall accrue from and including the Closing Date at the rate of 10% per annum through and until the Initial Maturity Date and, if the Borrower elects to extend the term of the Loan as provided in Section 2.3, thereafter at the rate of 15% per annum until the Final Maturity Date. Interest shall be paid quarterly in arrears on each March 31, June 30, September 30 and December 31 of each year (each, an "Interest Payment Date") or, if any such date shall not be a Business Day, on the next succeeding Business Day to occur after such date, beginning on the first Interest Payment Date to occur after the Closing Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) Default Rate of Interest. Notwithstanding the foregoing provisions of Section 2.2(a), but subject to applicable law, any overdue principal of and overdue Interest on the Loan shall bear interest, payable on demand in immediately available funds, for each day from

the date payment thereof was due to the date of actual payment, at a rate equal to 19% per annum (such sum being referred to herein as the "Default Rate"). Upon and during the occurrence of an Event of Default (as hereinafter defined), the Loan shall bear interest at the Default Rate, from the date of the occurrence of such Event of Default until such Event of Default is cured or waived.

(c) No Usurious Interest. In the event that any interest rate(s) provided for in this Section 2.2, shall be determined to be unlawful, such interest rate(s) shall be computed at the highest rate permitted by applicable law. Any payment by the Borrower of any interest amount in excess of that permitted by law shall be considered a mistake, with the excess being applied to the principal amount of the Loan without prepayment premium or penalty; if no such principal amount is outstanding, such excess shall be returned to the Borrower.

2.3 Maturity.

(a) Subject to the provisions of Section 2.3(b) hereof, the principal amount of the Loan, together with all accrued and unpaid Interest, shall be due and payable upon the Initial Maturity Date.

(b) The Borrower, at its option, may elect to extend the term of the Loan until the Final Maturity Date by (i) providing the Administrative Agent irrevocable written notice of such election at least 30 days and not earlier than 45 days prior to the Initial Maturity Date and (ii) paying the Lenders on or before the Initial Maturity Date an extension fee of Four Million Dollars ($4,000,000), in the aggregate (the "Extension Fee"); such fee to be allocated pro rata among the Lenders in proportion to the outstanding principal amount of Notes held by the Lenders on the date of such payment.

2.4 Payment Procedure. All payments by Borrower of principal of, or Interest on, the Loan, the Extension Fee and all other amounts to be paid by the Borrower hereunder shall be paid in cash by wire transfer of immediately available funds, without setoff, deduction or counterclaim on the date specified for payment under this Agreement not later than 11:00 a.m. (New York City time) to one or more accounts at one or more banks designated by the Administrative Agent for the purpose on ten days prior written notice.

2.5 Prepayment.

(a) Optional Payment. All or a portion of the outstanding principal amount of the Loan may , at the option of the Borrower, be prepaid from time to time upon one days' prior written notice to the Administrative Agent. No amount of the Loan that has been prepaid may be reborrowed by the Borrower.

(b) Mandatory Prepayment. The Loan shall be prepaid by the Borrower in the amounts and under the circumstances set forth below:

(i) No later than the first Business Day following the date of receipt by the Borrower or any of its Subsidiaries of any Net Proceeds in respect of any Asset Sale or Casualty Event, the Borrower shall prepay the Loan in an amount equal to such Net Proceeds to the extent such Net Proceeds are not required to be paid to the lenders under the Credit Facility or are permitted to be reinvested by the Borrower under the Credit Facility; and

(ii) On the date of the receipt by the Borrower or any of its Subsidiaries of the cash proceeds (any such proceeds net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith being "Net Securities Proceeds"), from the issuance by the Borrower or any of its Subsidiaries of any Securities of the Borrower or any of its Subsidiaries after the Closing Date, the Borrower shall prepay the Loan in an amount equal to such Net Securities Proceeds.

2.6 Purpose of Loan. Proceeds of the Loan shall be available solely to pay a portion of the purchase price for the Capital Stock of the CK Companies and to pay Transaction Costs.

2.7 Guarantee. The due and punctual payment of the principal amount of and Interest on the Loan and all other amounts due to the Lenders under this Agreement or the Notes shall be unconditionally guaranteed, jointly and severally, by the Guarantors pursuant to the Guarantee.

2.8 Pledge and Security Agreement. The Borrower's obligations under this Agreement shall be secured by a first priority perfected security interest in the Collateral pursuant to the Pledge and Security Agreement.

2.9 Intercreditor and Subordination Agreement. The Borrower's obligations under the Credit Facility shall be subordinated to the Borrower's obligations under this Agreement to the extent set forth in the Subordination and Intercreditor Agreement.

3. REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants to each of the Lenders as follows:

3.1 Authority; Binding Effect. The Borrower has full corporate power and authority to execute and deliver this Agreement and the other Loan Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the other Loan Documents to which the Borrower is a party and the consummation by the Borrower of the transactions contemplated hereby and thereby have been duly and validly approved by all necessary corporate action on the part of the Borrower. This Agreement has been duly executed and delivered by the Borrower and constitutes the legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, except as such enforceability may be subject to the effects of any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar Laws affecting creditors' rights generally and subject to the effects of general equitable principles. Each of the other Loan Documents to which the Borrower is a party, when executed and delivered by the Borrower, will have been duly executed and delivered by the Borrower and will constitute legal, valid and binding

obligations of the Borrower, enforceable in accordance with their respective terms, except as such enforceability may be subject to the effects of any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar Laws affecting creditors' rights generally and subject to the effects of general equitable principles.

3.2 Solvency. Immediately after the consummation of the Contemplated Transactions to occur on the Closing Date and after giving effect to the application of the proceeds of the Loan (a) the fair value of the assets of the Borrower on a consolidated basis, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of the Borrower on a consolidated basis will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Borrower on a consolidated basis will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Borrower on a consolidated basis will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted following the Closing Date.

3.3 Pledge and Security Agreement. The Pledge and Security Agreement is effective to create in favor of the Administrative Agent, for the ratable benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral and, when the Collateral is delivered to the Administrative Agent, the Pledge and Security Agreement shall constitute a fully perfected first priority Lien on, and security interest in, all right, title and interest of the pledgor thereunder in such Collateral, in each case prior and superior in right to any other person.

3.4 Federal Reserve Regulations.

(a) Neither the Borrower nor any of the Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying margin stock as defined in Regulation U of the Board of Governors of the Federal Reserve Board.

(b) No part of the proceeds of the Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the regulations of the Board of Governors of the Federal Reserve System, including Regulation T, U or X.

(c) The Pledge of Collateral pursuant to the Pledge and Security Agreement does not violate Regulation T, U or X of the Board of Governors of the Federal Reserve System.

3.5 Senior Indebtedness. The Obligations constitute "Senior Debt" under and as defined in the Subordinated Debt Documents.

3.6 Additional Representations and Warranties. Each representation and warranty of the Borrower set forth in Article III of the Securities Purchase Agreement is deemed to be made herein.

4. CONDITIONS

The obligations of the Lenders to make the Loan pursuant to this Agreement is subject to the satisfaction on or before the Closing Date of the following conditions:

4.1 The Borrower and each other party thereto shall have duly executed (or caused to be executed) and delivered to the Administrative Agent each of the following, in each case in the form attached hereto and dated as of the Closing Date:

(a) this Agreement;

(b) the Notes;

(c) the Pledge and Security Agreement;

(d) the Intercreditor and Subordination Agreement and any supplemental indenture necessary in order to authorize The Bank of New York, as trustee under the Debentures Indenture, to execute the Intercreditor and Subordination Agreement;

(e) the Guarantee; and

(f) the Credit Facility Amendment.

4.2 The Borrower shall have furnished to the Administrative Agent (i) copies of resolutions of the board of directors of Borrower authorizing the execution, delivery and performance of this Agreement, the borrowing hereunder, and the other Loan Documents to which it is a party, which shall have been certified by the Secretary of the Borrower as being complete, accurate and in effect and (ii) a certificate of the Secretary of the Borrower, as to the incumbency and signatures of the officers of Borrower signing the Loan Documents to which it is a party.

4.3 Each Guarantor shall have furnished to the Administrative Agent (i) copies of its certificate of incorporation and by-laws and copies of resolutions of its board of directors authorizing the execution, delivery and performance of the Guarantee, which in each case shall have been certified by its Secretary as being complete, accurate and in effect, (ii) a certificate of its Secretary, as to the incumbency and signatures of its officers signing the Guarantee and (iii) certificates issued by the appropriate Governmental Body evidencing, as of a recent date, the good standing and tax status of such Guarantor in the jurisdiction in which it is incorporated and in those jurisdictions in which it is qualified to do business.

4.4 No Event of Default and no default under the Pledge and Security Agreement or Guarantee shall have occurred.

4.5 Each of the conditions to the Investors obligations under the Securities Purchase Agreement shall have been satisfied and Borrower shall deliver to the Administrative Agent a certificate signed by the Borrower and addressed to the Administrative Agent dated as of the Closing Date to the effect that the statements set forth in this Section 4.5 and in Sections 3.2, 3.3, 3.4 and 3.5 are true and correct.

4.6 The closing of the CK Acquisition shall occur substantially simultaneously with the closing hereunder.

4.7 Borrower shall have caused to be delivered to Administrative Agent an opinion of Borrower's legal counsel addressed to the Lenders and the Administrative Agent, substantially in the form attached hereto as Exhibit F.

4.8 Borrower shall have delivered to Administrative Agent such other instruments and documents (not inconsistent with the terms hereof) as Administrative Agent may reasonably request in connection with the making of the Advances hereunder, and all such instruments and documents shall be reasonably satisfactory in form and substance to the Lenders and their counsel.

4.9 All proceeding taken on or prior to the Closing Date in connection with the Loan and the Contemplated Transactions shall be reasonably satisfactory to the Lenders and their counsel.

5. AFFIRMATIVE COVENANTS

The Borrower covenants and agrees with the Lenders that, so long as any Obligation remains outstanding:

5.1 Information. The Borrower will furnish to the Administrative Agent and each of the Lenders:

(a) within 95 days after the end of each fiscal year, (i) a consolidated balance sheet and consolidated income statement showing the financial position of the Borrower and its subsidiaries as of the close of such fiscal year and the results of their operations during such year, and (ii) a consolidated statement of shareholders' equity and a consolidated statement of cash flow, as of the close of such fiscal year, comparing such financial position and results of operations to such financial condition and results of operations for the comparable period during the immediately preceding fiscal year, all the foregoing financial statements to be audited by Ernst & Young LLP or other independent public accountants of recognized national standing selected by the Borrower in compliance with applicable SEC rules and regulations (which report shall not contain any going concern or similar qualification or exception as to scope), as being fairly stated in relation to such audited financial statements taken as a whole and together with management's discussion and analysis presented to the management of the Borrower and its subsidiaries (the Borrower being permitted to satisfy the requirements of this clause (a) by

delivery of its annual report on Form 10-K (or any successor form), and all supplements or amendments thereto, as filed with the SEC);

(b) within 50 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, unaudited consolidated balance sheets of the Borrower and its subsidiaries as of the end of such fiscal quarter, together with the related consolidated statements of income for such fiscal quarter and for the portion of the Borrower's fiscal year ended at the end of such fiscal quarter and the related consolidated statements of cash flows for the portion of the Borrower's fiscal year ended at the end of such fiscal quarter, and in comparative form the corresponding financial information as at the end of, and for, the corresponding fiscal quarter of the Borrower's prior fiscal year and the portion of the Borrower's prior fiscal year ended at the end of such corresponding fiscal quarter, in each case certified by a Financial Officer as presenting fairly in all material respects the financial position and results of operations and cash flow of the Borrower and its subsidiaries in accordance with GAAP (except the absence of footnote disclosure), in each case subject to normal year-end audit adjustments (the Borrower being permitted to satisfy the requirements of this clause (b) by delivery of its quarterly report on Form 10-Q (or any successor form), and all supplements or amendments thereto, as filed with the SEC);

(c) within 20 days after the end of each calendar month (other than any such month that corresponds to the end of a fiscal quarter or fiscal year of the Borrower), if the Borrower is then required to deliver such documents under the Credit Facility, an unaudited consolidated balance sheet of the Borrower and its subsidiaries as at the end of such month, together with the related unaudited consolidated statement of income for such month and the portion of the Borrower's fiscal year ended at the end of such month and the related consolidated statements of cash flows for the portion of the Borrower's fiscal year ended at the end of such month, setting forth in comparative form the corresponding financial information as at the end of, and for, the corresponding month of the Borrower's prior fiscal year and the portion of the Borrower's prior fiscal year ended at the end of such corresponding month, in each case certified by a Financial Officer as presenting fairly in all material respects the financial position and results of operations and cash flows of the Borrower and its subsidiaries as at the date of, and for the periods covered by, such financial statements, in accordance with GAAP (except for the absence of footnotes), in each case subject to normal year-end audit adjustments;

(d) (i) concurrently with any delivery under (a) or (b) a certificate of the fine or Person referred to therein (x) which certificate shall, in the case of the certificate of a Financial Officer, certify that to the best of his or her knowledge no Default has occurred and, if such a Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (y) which certificate, in the case of the certificate furnished by the independent public accountants in connection with the annual financial statements, may be limited to accounting matters and disclaim responsibility for legal interpretations, but shall in any event state that to the best of such accountants' knowledge, as of the dates of the financial statements being furnished no Default has occurred and, if such a Default has occurred, specifying the nature and extent thereof, provided, however, that any certificate delivered by the independent public accountants in accordance herewith shall be

accompanied by a supplemental certificate confirming the accuracy of the accountants' certificate and signed by a Financial Officer;

(e) promptly after the same become publicly available, copies of such registration statements, annual, periodic and other reports, and such proxy statements and other information, if any, as shall be filed by the Borrower or any of its Subsidiaries with the SEC pursuant to the requirements of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, if any;

(f) concurrently with any delivery under (a) above, a management letter prepared by the independent public accountants who reported on the financial statements delivered under (a) above, with respect to the internal audit and financial controls of the Borrower and its subsidiaries;

(g) within 60 days after the beginning of each fiscal year, a summary of business plans and financial operation projections (including with respect to Capital Expenditures) for the Borrower and its Subsidiaries for such fiscal year (including quarterly balance sheets, statements of income and of cash flow) and annual projections through the Final Maturity Date prepared by management and in form, substance and detail (including principal assumptions provided separately in writing) satisfactory to the Administrative Agent;

(h) as soon as practicable, copies of all material financial reports, forms, filings, loan documents and financial information submitted to governmental agencies and material financial reports distributed to its equity holders;

(i) promptly upon becoming aware thereof, notice to the Administrative Agent of the occurrence of any Default then continuing; and

(j) such other information as the Administrative Agent or any Lender may reasonably request, including any financial information required to be delivered under (a) or (b) as of the Closing Date but no longer required to be delivered as a result of a change under the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended.

5.2 Maintenance of Property; Insurance.

(a) The Borrower will keep, and will cause each CK Company to keep, all property useful and necessary in the business of the CK Companies as then conducted in good working order and condition, ordinary wear and tear excepted.

(b) The Borrower will maintain, with financially sound and reputable insurance companies adequate insurance for the insurable properties of the CK Companies, all to such extent and against such risks, including fire, casualty and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses operating in the same or similar locations.

5.3 Refinancing.

(a) The Borrower will use its best efforts on an expedited basis to refinance the Loan as soon as possible after the post-Closing Date audit of the CK Companies has been completed (the "Refinancing"). The Borrower shall use its best efforts to cause such audit to be completed as soon as practicable after the Closing Date.

(b) The Borrower hereby agrees that in order to fund the Refinancing, it shall accept an offer to purchase any debt securities (the "Refinancing Securities") that are saleable in light of the then current market conditions, bear an interest rate (prior to any default) of not more than the lower of (i)15% per annum and (ii) the maximum interest rate the Borrower may be permitted to incur under the Subordinated Debt Documents, would otherwise be permitted under the Credit Facility to be issued by the Borrower and have a maturity of not more ten years from the date of issuance. All other material arrangements with respect to the Refinancing Securities shall be reasonably satisfactory to the Borrower in light of the then prevailing market conditions. The Borrower further covenants to use its best efforts on an expedited basis to prepare all necessary offering documents and participate in due diligence and marketing efforts (including a road show) in order to sell the Refinancing Securities.

5.4 Compliance with Laws. The Borrower will comply, and cause each Subsidiary to comply, with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including Environmental Laws and ERISA and the rules and regulations thereunder) except where failure to comply would not have a Material Adverse Effect, or where the necessity of compliance therewith is being contested in good faith by appropriate proceedings.

5.5 Inspection of Property, Books and Records. The Borrower will keep, and will cause each Subsidiary to keep, proper books of record and account reflecting its business and activities; and will permit, and will cause each Subsidiary to permit, upon reasonable prior notice, representatives of any Lender at such Lender's expense to visit and inspect any of their respective properties, to examine and make abstracts from any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, senior employees and independent public accountants, all during normal business hours and as often as may reasonably be desired; provided that the Borrower may, at their option, have one or more employees or representatives present at any such inspection, examination or discussion.

5.6 Use of Proceeds. The proceeds of the Loan made under this Agreement will be used by the Borrower solely to pay a portion of the purchase price for the Capital Stock of the CK Companies and to pay Transaction Costs.

5.7 Environmental Matters. The Borrower will promptly give to the Lenders notice in writing of any complaint, order, citation or notice of violation with respect to, or if a Borrower becomes aware of, (i) the existence or alleged existence of a violation of any applicable Environmental Law, (ii) any release into the environment, (iii) the commencement of any cleanup pursuant to or in accordance with any applicable Environmental Law of any Hazardous Materials, (iv) any proceeding pending against a Borrower for the termination, suspension or

non-renewal of any permit required under any applicable Environmental Law, (v) any property of the Borrowers or any Subsidiary that is or will be subject to a Lien imposed pursuant to any Environmental Law and (vi) any proposed acquisitions or leasing of property, which, in each of cases (i) through (vi) above, individually or in the aggregate, would have a Material Adverse Effect.

5.8 Taxes. The Borrower will, and will cause each of its Subsidiaries to, pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon the Borrowers and their Subsidiaries or upon their respective income or profits or in respect of their respective properties before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise, which, if unpaid, would give rise to Liens upon such properties or any part thereof provided, however, that such payment and discharge shall not be required with respect to (1) any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the applicable party, shall have set aside on its books reserves with respect thereto as required by GAAP, and such contest operates to suspend collection of the contested tax, assessment, charge, levy or claims and enforcement of a Lien or (ii) any tax, assessment, charge, levy or claims, the failure to pay and discharge when due which, individually or in the aggregate would not have a Material Adverse Effect.

5.9 Security Interests. The Borrower will at all times take, or permit to be taken, all actions necessary for the Administrative Agent to maintain the Lien on the Collateral created under the Pledge and Security Agreement as a first priority valid and perfected Lien on the Collateral, and supply all information to the Administrative Agent necessary for such maintenance.

5.10 Existence; Conduct of Business. The Borrowers will, and will cause each of the CK Companies to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of the business of the CK Companies; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.3.

5.11 Litigation and Other Notices. The Borrower will give the Administrative Agent prompt written notice of the following:

(a) the issuance against a Borrower or a Guarantor by any court or Governmental Body of any injunction, order, decision or other restraint prohibiting, or having the effect of prohibiting, the making of the Loan, or invalidating, or having the effect of invalidating, any provision of this Agreement or the other Loan Documents that would materially adversely affect the Lenders' ability to enforce any payment obligations hereunder, or the initiation of any litigation or similar proceeding seeking any such injunction, order, decision or other restraint;

(b) the filing or commencement of any action, suit or proceeding against the Borrower or any of its Subsidiaries, whether at law or in equity or by or before any arbitrator or Governmental Body, (i) which is material and is brought by or on behalf of any Governmental Body, or in which injunctive or other equitable relief is sought or (ii) as to which it is probable (within the meaning of Statement of Financial Accounting Standards No. 5) that there will be an adverse determination in each case and which, if adversely determined, would (A) reasonably be expected to result in liability of the Borrower or a Subsidiary thereof in an aggregate amount of $5,000,000 or more, not reimbursable by insurance, or (B) materially impairs the right of the Borrower or a Subsidiary thereof to perform its material obligations under this Agreement, any Note or any other Loan Document to which it is a party;

(c) any Default, specifying the nature and extent thereof and the action (if any) which is proposed to be taken with respect thereto;

(d) notices given or received (with copies thereof) with respect to the Credit Facility, Subordinated Debt Documents or any other subordinated indebtedness; and

(e) any development in the business or affairs of the Borrower or any of its Subsidiaries which has had or which is likely to have, in the reasonable judgment of the Borrower, a Material Adverse Effect.

6. NEGATIVE COVENANTS

The Borrower covenants and agrees with the Lenders that, so long as any Obligation remains outstanding:

6.1 Indebtedness.

(a) The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(i) Indebtedness created under the Loan Documents;

(ii) Indebtedness existing on the date hereof and set forth in Schedule 6.1 and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or interest thereon or fees related thereto and otherwise on substantially similar terms to such existing Indebtedness;

(iii) Indebtedness of the Borrower incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or interest thereon or fees related thereto or result in an earlier maturity date or decreased weighted average life thereof, provided that such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement;

(iv) Indebtedness among the Borrower and its Subsidiaries arising as a result of intercompany loans;

(v) Guarantees permitted by Section 6.4;

(vi) Indebtedness subject to Liens permitted under Section 6.2(a) through (f);

(vii) Indebtedness owing to any insurance company in connection with the financing of any insurance premiums permitted by such insurance company in the ordinary course of business; and

(viii) other unsecured Indebtedness in an aggregate principal amount not exceeding $40,000,000 at any time outstanding.

(b) Without limiting the generality of the foregoing, none of the CK Companies may incur any Indebtedness other than (i) Indebtedness in the form of letters of credit, capital leases and similar items existing on the date hereof and replacements of the foregoing, (ii) Indebtedness to another CK Company, (iii) Indebtedness under the Guarantee and guarantees of obligations under the Credit Facility and CK Purchase Agreement and (iv) Indebtedness in the form of intercompany advances made in the ordinary course of business; provided, however, that upon the occurrence and during the continuation of an Event of Default, any Indebtedness described in clause (iv) then outstanding shall be subordinated to the Obligations of the Borrower hereunder and the obligations of each Guarantor under the Guarantee.

6.2 Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof and set forth in the schedules to the Securities Purchase Agreement or Schedule 6.2; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof or the interest rate thereon or fees related thereto (except pursuant to the instrument creating such Lien) and are on substantially similar terms;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such

acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof or interest thereon or fees related thereto or otherwise alter the terms of such Lien in any material respect;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary; provided that (i) such security interests secure Indebtedness permitted by clause (c) of Section 6.1, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed 90% of the cost of acquiring constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary;

(e) Liens created by the Loan Documents in favor of the Administrative Agent and the Lenders and, so long as such Lien continues in favor of the Administrative Agent, Liens created under the Credit Facility Documents and the Liens granted to Calvin Klein pursuant to the Design Services Security Agreement (as defined in the CK Purchase Agreement); and

(f) licenses, leases or subleases permitted hereunder granted to others not interfering in any material respect in the business of the Borrower or any of its Subsidiaries.

6.3 Fundamental Changes.

(a) The Borrower will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with any of them, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) any of their assets, or the stock or other equity units of any of their Subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve other than Permitted Acquisitions (as defined in the Credit Facility), except that (i) each of Ropa PVH Mexicana Camisas y Disenos S.A. de C. V., C.A.T. Industrial S.A. de C.V., Confeciones Imperio S.A., Caribe M&I Ltd. and Camisas Modernas, S.A. may be liquidated, so long as in connection with such liquidation no liabilities are transferred to the Borrower or any other Subsidiary, (ii) any domestic Subsidiary (other than a Guarantor) may merge with or into another domestic Subsidiary (provided that a Guarantor would be the surviving Person in any merger involving a Guarantor), (iii) any domestic Subsidiary may merge with or into the Borrower in a transaction in which the Borrower is the surviving Person, (iv) any Guarantor may merge with or into any other Guarantor, and (v) a foreign subsidiary may merge with or into another foreign Subsidiary; provided that, in each case, after giving effect to such merger, no Material Adverse Effect has occurred.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, (i) engage to any material extent in any business other than businesses of the type conducted by

the Borrower and its Subsidiaries on the date hereof and businesses reasonably related thereto or (ii) change its fiscal year as disclosed on Schedule 6.3.

(c) Notwithstanding the foregoing, the Borrower and their Subsidiaries may make:

(i) purchases and sales of inventory in the ordinary course;

(ii) (x) sales of assets (excluding capital stock of a Subsidiary) not to exceed $10,000,000 in the aggregate in any fiscal year and (y) sales of worn out, obsolete, scrap or surplus assets not to exceed for (x) and (y) together $15,000,000 in the aggregate in any fiscal year and (z) sales of other assets, in the Administrative Agent's discretion;

(iii) Capital Expenditures;

(iv) liquidations of Permitted Investments;

(v) Investments permitted by Section 6.4; and

(vi) dispositions of assets resulting from a Casualty Event.

6.4 Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit (each an "Investment"). Notwithstanding the foregoing, except with respect to any of the CK Companies, the actions described above may be taken to the extent expressly permitted under the Credit Facility on the date hereof as modified by the Credit Facility Amendment. In the case of the CK Companies, they may provide guarantees of the obligations of the Borrower under the Credit Facility and the CK Purchase Agreement which are subordinate to the Guarantee. The Borrower will not, and will not permit any of the Guarantors to, create or acquire any subsidiary of the Guarantors unless all of the capital stock of such subsidiary is owned by the Borrower or one of the Guarantors and is pledged to the Lenders under the Pledge and Security Agreement.

6.5 Prepayment or Modification of Indebtedness; Modification of Operating Documents.

(a) The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly prepay, redeem, purchase or retire any Indebtedness (including the Indebtedness incurred under the Debentures or the Subordinated Debt) other than Indebtedness incurred hereunder and indebtedness under the Credit Facility.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, modify, amend or alter the Credit Facility, the Credit Facility Documents, the Debentures, the Debentures Indenture or any other document evidencing or governing the Debentures or providing for any guarantee or other right in respect thereof or any Subordinated Debt Document in a manner which would shorten the maturity or increase interest rate grid pricing or otherwise have a materially adverse effect on the ability of the Borrower to perform its obligations hereunder, and shall not modify, amend or alter any subordination provisions contained in any such documents.

(c) The Borrower will not, and will not permit any of its Subsidiaries to, modify, amend or alter their operating agreements, certificates or articles of incorporation or other constitutive documents in a manner which could have a materially adverse effect on the ability of the Borrower to perform its obligations hereunder.

6.6 Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except, so long as no Default shall be continuing or would occur after giving effect to the following, (a) Borrower may declare and pay dividends with respect to its Capital Stock payable solely in additional Capital Stock, (b) Subsidiaries may declare and pay dividends ratably with respect to their Capital Stock, (c) the Borrower may make Restricted Payments, pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its subsidiaries, or issue options or warrants as otherwise approved by the Board of Directors of the Borrower or a committee thereof and (d) the Borrower may acquire shares of its common stock and declare and pay cash dividends with respect to its capital stock; provided that Restricted Payments made pursuant to clause (d) shall not exceed (i) $20,000,000 in the aggregate in any fiscal year from fiscal year 2002 through 2004, (ii) $27,500,000 in the aggregate in fiscal year 2005, (iii) $29,400,000 in the aggregate in fiscal year 2006 and (iv) $31,400,000 in the aggregate in fiscal year 2007; provided, further, that the Borrower may not acquire shares of its common stock or pay cash dividends pursuant to clause (d) in any fiscal quarter to the extent that (i) the Restricted Payment would not be permitted in such fiscal quarter under the Credit Facility Documents or the Subordinated Debt Documents.

6.7 Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of their Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Borrower and its Subsidiaries in the ordinary course of business, (c) any Restricted Payment permitted by Section 6.6, (d) loans and advances to officers, directors, employees and agents permitted under Section 6.4, (e) fees and compensation paid to, and customary indemnity and reimbursement provided on behalf of, officers, directors, employees and agents of the Borrower or any of its Subsidiaries and (f) employment agreements entered into by the Borrower or any of its Subsidiaries in the ordinary course of business.

6.8 Restrictive Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Borrower, or any other Subsidiary or to guarantee Indebtedness of the Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by this Agreement, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 6.8 (but shall apply to any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or any asset pending such sale, provided such restrictions and conditions apply only to the Subsidiary or asset that is to be sold and such sale is permitted hereunder, (iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to Liens permitted by this Agreement if such restrictions or conditions apply only to the property or assets subject to such permitted Lien and (v) clause (a) of the foregoing shall not apply to customary provisions in leases, licenses and other contracts restricting the assignment thereof.

7. EVENTS OF DEFAULT

7.1 If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of the Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for the prepayment thereof or by the acceleration thereof or otherwise;

(b) the Borrower shall fail to pay any interest on the Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable;

(c) any representation or warranty made or deemed made by the Borrower or a Guarantor in the Loan Documents, or in any report, certificate, financial statement or other document furnished pursuant to the Loan Documents, shall prove to have been incorrect in any material respect as of the date when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.1, 5.2 (with respect to insurance), 5.4, 5.6, 5.9, 5.10 (with respect to the Borrower's and each CK Company's existence) or 5.10(c) or in Article VI;

(e) the Borrower or any Guarantor shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in any other clause of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of 30 days (unless a shorter period is specified in such Loan Document);

(f) default shall be made with respect to any Material Indebtedness of the Borrower or any Subsidiary (excluding Indebtedness outstanding hereunder) if the effect of any such default shall be to accelerate, or to permit (with or without the giving of notice, the lapse of time or both) the holder or obligee of such Indebtedness (or any trustee on behalf of such holder or obligee) at its option to accelerate the maturity of such Indebtedness;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 90 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) the Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (g) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or Guarantor or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(i) Borrower or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(j) one or more judgments for the payment of money in an aggregate amount in excess of $2,500,000 (not covered by insurance where the carrier has accepted responsibility) shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 45 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any material assets of the Borrower or any Subsidiary to enforce any such judgment;

(k) an ERISA Event shall have occurred that, in the opinion of the Requisite Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(l) a Change in Control shall occur;

(m) any of the Loan Documents shall for any reason cease to be, or shall be asserted by any Person obligated thereunder not to be, a legal, valid and binding obligation of such Person, including the improper filing by such Person of an amendment or termination

statement relating to a filed financing statement describing the Collateral, or the Lien on any material portion of the Collateral created by the Pledge and Security Agreement shall for any reason cease to be, or be asserted by any Person granting any such Lien not to be a valid, first priority perfected Lien;

(n) the filing of any Lien for taxes exceeding individually or in the aggregate$1,000,000;

(o) the subordination provisions of the Subordinated Debt shall for any reason be revoked or invalidated or the validity or enforceability thereof be contested in any manner by any party to the Subordinated Debt Documents or an Event of Default (as such term is defined therein) or an event or condition which upon notice, lapse of time or both would become an Event of Default occurs under any agreement or instrument evidencing the Subordinated Debt; or

(p) default shall be made on the Borrower's obligation to pay the Design Services Purchase Payments and such default shall continue for a period of ___ days;

then, and in every such event (other than an event with respect to Borrower described in clause (g) or (h) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, declare the Loan then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loan so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower or exercise any other rights or remedies available under the Loan Documents or applicable law; and in case of any event with respect to any Borrower described in clause (g) or (h) of this Article, the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

7.2 Enforcement On Default. Upon and during the existence of any Event of Default, the Administrative Agent may declare the Obligations due forthwith, take all action, remedial and otherwise, as provided herein or in any Loan Document or other document, instrument, or agreement of security or of collateral, and collect, deal with and dispose of all or any part of any security without notice in any manner permitted or authorized by the Code or other applicable law (including public or private sale) and after deducting expenses (including reasonable attorneys' fees and expenses) Administrative Agent may apply the proceeds and any deposits or credits in part or full payment of any of Obligations, whether due or not, in any manner it elects.

8. MISCELLANEOUS

8.1 Notices and Addresses. Any notice, demand, request, waiver, or other communication under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service, if personally served or sent by facsimile; on the Business Day after notice is delivered to a courier or mailed by express mail, if sent by courier delivery service or express mail for next day delivery; and on the third day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered, return receipt requested, postage prepaid and addressed as follows:

If to the Borrower:

Phillips-Van Heusen Corporation
200 Madison Avenue
New York, New York 10016
Attention: Vice President, General Counsel and Secretary
Facsimile: (212) 381-3970
Telephone: (212) 381-3509

with a copy to:

Katten Muchin Zavis Rosenman
575 Madison Avenue
New York, New York 10022
Attention: David H. Landau, Esq.
Facsimile: (212) 940-8776
Telephone: (212) 940-8800

If to the Administrative Agent or any Lender:

Apax Partners, Inc.
445 Park Avenue, 11th Floor
New York, NY 10022
Attention: David Landau
Facsimile: (212) 319-6155
Telephone: (212) 753-6300

Apax Partners
Beteiligungsberatung GmbH
Possartstrasse 11
Munich D 91679 Germany
Attention: Michael Phillips
Facsimile: +49-89-998-9093
Telephone: +49-89-998-9090

With a copy to:

Swidler Berlin Shereff Friedman, LLP
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Attention: Morris Orens, Esq.
Facsimile: (212) 891-9598
Telephone: (212) 973-0111

8.2 Captions. The captions in this Agreement are for convenience of reference only and shall not be given any effect in the interpretation of this Agreement.

8.3 No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in writing. Any of the covenants or agreements contained in this Agreement may be waived only by the written consent of the Borrower and Lenders holding or otherwise controlling the right to vote in excess of 50% of the outstanding Loan (the "Requisite Lenders").

8.4 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable Law, such provision(s) shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms so long as the economic or legal substance of the transactions contemplated by this Agreement are not affected in any manner materially adverse to any party.

8.5 Exclusive Agreement; Amendment. This Agreement supersedes all prior agreements among the parties with respect to its subject matter, is intended (with the documents referred to herein) as a complete and exclusive statement of the terms of the agreement among the parties with respect thereto and cannot be changed or terminated except by a written instrument executed by the party or parties against whom enforcement thereof is sought, except that, with respect to the Lenders, this Agreement may be amended by a written instrument executed by the Administrative Agent on behalf of the Requisite Lenders. Notwithstanding the foregoing the consent of each affected Lender will be required for any amendment or waiver that (i) reduces the principal of, or reduces the rate of or changes the time for payment of interest on any Note, or extends, the maturity of any Note or (ii) modifies any of the provisions of this Agreement or of the Notes with respect to the payment or prepayment thereof, or reduces the percentage of the Loan that constitutes Requisite Lenders, or amend this Section 8.5 or Section 8.3. Any amendment or waiver pursuant to this Section 8.5 or Section 8.3 shall apply equally to all holders of Notes and shall be binding upon them, upon each futureholder of any Note and upon the Borrower, in each case whether or not a notation thereof shall have been placed on any Note.

8.6 Participations.

(a) Each Lender shall have the right at any time and from time to time to sell to any Person participations in all or any portion of the amount of the Loan made by such Lender; provided, however, that the amount of the Loan in which the Lenders, collectively, have not granted participations to Persons other than Affiliates of the Lenders shall at all times constitute in excess of 50% of the then outstanding principal amount of the Loan; and provided, further, that no such participation shall, without the consent of the Borrower, require the Borrower to file a registration statement with the SEC or apply to qualify such participation under the securities law of any state. No Lender shall, as between the Borrower and such Lender, be relieved of any of its obligations hereunder as a result of granting any participation in the Loan.

(b) The holder of any participation, other than an Affiliate of the Lender granting such participation, shall not be entitled to require such Lender to take or omit to take any action hereunder except action directly affecting (i) the extension of the maturity date of the Loan or (ii) a reduction of the principal amount of or the rate of interest payable on the Loan, and all amounts payable by the Borrower hereunder shall be determined as if the Lender had not sold such participation. The Borrower and each Lender hereby agree that, solely for purposes Sections 8.7 and 8.13, (a) each participation will give rise to a direct obligation of the Borrower to the participant and (b) the participant shall be deemed to be a "Lender".

(c) Each Lender may from time to time furnish to participants any information regarding the Borrower and its Subsidiaries in the possession of that Lender.

8.7 Ratable Sharing. The Lenders hereby agree among themselves that if any of them shall, whether by voluntary payment, by realization upon security, through the exercise of any right of set-off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Loan Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under Title 11 of the United States Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to that Lender hereunder or under the other Loan Documents (collectively, the "Aggregate Amounts Due" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment shall (i) notify the Administrative Agent and each other Lender of the receipt of such payment and (ii) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in proportion to the Aggregate Amounts Due to them; provided that if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of the Borrower or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. The Borrower expressly consents to the foregoing arrangement and agrees that any

holder of a participation so purchased may exercise any and all rights of banker's lien, set-off or counterclaim with respect to any and all monies owing by the Borrower to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder.

8.8 Assignment; Parties in Interest.

(a) No assignment of this Agreement or of any rights or obligations hereunder may be made by the Borrower without the prior written consent of the Requisite Lenders. No assignment of this Agreement or of any rights or obligations hereunder may be made by any Lender without the prior written consent of the Borrower; provided, however, that any Lender may assign all or any portion of the Loan to its affiliates or to another Lender or its affiliates without the consent of the Borrower; provided, further, that upon the occurrence and during the continuation of an Event of Default any Lender may assign all or any portion of the Loan. Any attempted assignment without the required consent shall be void.

(b) This Agreement shall be binding upon, and shall inure to the benefit of, and be enforceable by, the parties and their respective successors, transferees and assigns.

8.9 Limitation of Liability. The liability of each of the Lenders for a breach of its covenants and obligations hereunder and under the Securities Purchase Agreement shall be limited to the amount specified in Section 9.04 of the Securities Purchase Agreement.

8.10 Obligations of Lenders Several. The obligations of the Lenders hereunder shall be several and not joint. No Lender shall be responsible for the breach of any provision of this Agreement by any other Lender.

8.11 Governing Law. This Agreement and (unless otherwise provided) all amendments hereof and waivers and consents hereunder shall be governed by the internal Laws of the State of New York, without regard to the conflicts of Law principles thereof which would specify the application of the Law of another jurisdiction.

8.12 Jurisdiction. Each of the Lenders and the Borrower (a) hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any state or federal court sitting in New York County, New York for the purposes of any suit, action or other proceeding arising out of this Agreement or the subject matter hereof brought by the Borrower or any Lender and (b) hereby waives and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

8.13 No Third Party Beneficiary. The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted

assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other Person.

8.14 Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent in connection with the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loan, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Loan.

(b) The Borrower shall indemnify the Administrative Agent and each Lender and each Affiliate of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disburseents of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any other agreement or instrument contemplated hereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the transactions contemplated thereby, (ii) the Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any other property currently or formerly owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of the Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined in a final adjudication not subject to further appeal to have resulted solely from the gross negligence or willful misconduct of such Indemnitee or any Affiliate of such Indemnitee (or of any officer, director, employee, advisor or agent of such Indemnitee or any of such Indemnitee's Affiliates).

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent, each Lender severally agrees to pay to the Administrative Agent, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the Loan.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

8.15 Immunity of Administrative Agent. The Administrative Agent, in its capacity as such, shall have no liability whatsoever to the Borrower. Neither the Administrative Agent nor any of its respective officers, directors, employees or agents shall be liable to Lenders for any action taken or omitted by the Administrative Agent under or in connection with any of the Loan Documents except to the extent determined in a final adjudication not subject to further appeal to have been caused solely by the Administrative Agent's gross negligence or willful misconduct. The Administrative Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection with this Agreement or any of the other Loan Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until the Administrative Agent shall have received instructions in respect thereof from the Lenders and, upon receipt of such instructions from the Lenders, the Administrative Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. Without prejudice to the generality of the foregoing, (i) the Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for the Borrower and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or (where so instructed) refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Lenders.

8.16 Survival. All covenants, agreements, representations and warranties made by the Borrower in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of the Loan, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time the Loan is advanced hereunder, and shall continue in full force and effect as long as any Liability is outstanding and unpaid. The provisions of Sections 8.7, 8.13, 8.14 and 8.16 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby or the satisfaction in full of the Obligations.

8.17 Right of Set-off. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender may have.

8.18 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

8.19 Injunctive Relief. In the event that any party threatens to take any action prohibited by this Agreement, the parties agree that there may not be an adequate remedy at law. Accordingly, in such an event, a party may seek and obtain preliminary and permanent injunctive relief (without the necessity of posting any bond or undertaking). Such remedies shall, however, be cumulative and not exclusive and shall be in addition to any other remedies which any party may have under this Agreement or otherwise.

8.20 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be considered an original, but all of which together shall constitute the same instrument.

8.21 Actions Simultaneous. All actions to be taken and all documents to be executed and delivered by all parties at the Closing shall be deemed to have been taken and executed and delivered simultaneously and no actions shall be deemed to have been taken nor shall any documents be deemed to have been executed and delivered until all actions have been taken and all documents have been executed and delivered.

[signatures appear on following page]

WITNESS WHEREOF, this Agreement has been duly executed as of the date first above written.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer

Name: Mark D. Fischer
Title: Vice-President, General Counsel, Secretary

LENDERS:

APAX EXCELSIOR VI, L.P.
By: Apax Excelsior VI Partners, L.P.,
its general partner
By: Apax Managers, Inc.,
its general partner
By: /s/ David Landau

Name: David Landau
Title: Vice President

APAX EUROPE VI-A C.V.
By: Apax Excelsior VI Partners, L.P.,
its general partner
By: Apax Managers, Inc.,
its general partner
By: /s/ David Landau

Name: David Landau
Title: Vice President

APAX EXCELSIOR VI-B C.V.
By: Apax Excelsior VI Partners, L.P.,
its general partner
By: Apax Managers, Inc.,
its general partner
By: /s/ David Landau

Name: David Landau
Title: Vice President

PATRICOF PRIVATE INVESTMENT CLUB III, L.P.
By: Apax Excelsior VI Partners, L.P.,
its general partner
By: Apax Managers, Inc.,
its general partner
By: /s/ David Landau

Name: David Landau
Title: Vice President

APAX EUROPE V - A, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager
By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Director

APAX EUROPE V - B, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager
By: /s/ Clive Sherling

Name: Clive Sherling
Title: Director

APAX EUROPE V - C GMBH & CO. KG
By: Apax Partners Europe Managers Ltd.
Its Investment Manager
By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Director

APAX EUROPE V - D, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager
By: /s/ Clive Sherling

Name: Clive Sherling
Title: Director

APAX EUROPE V - E, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager
By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Director

APAX EUROPE V - F, C.V.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager
By: /s/ Clive Sherling

Name: Clive Sherling
Title: Director

APAX EUROPE V - G, C.V.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager
By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Director

APAX EUROPE V - 1, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager
By: /s/ Clive Sherling

Name: Clive Sherling
Title: Director

APAX EUROPE V - 2, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager
By: /s/ Adrian Sherling

Name: Adrian Sherling
Title: Director

EXHIBIT 10.4

FIRST AMENDMENT TO TERM LOAN AGREEMENT

This First Amendment to Term Loan Agreement (this "First Amendment"), is made as of the 12th day of February, 2003, by and between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation (the "Borrower"), each of the lenders executing a signature page hereto (each a "Lender" and collectively, the "Lenders"), and APAX MANAGERS, INC., a New York corporation, as administrative agent (the "Administrative Agent") for the Lenders.

R E C I T A L S:

WHEREAS, pursuant to a Securities Purchase Agreement dated as of December 16, 2002 (the "Securities Purchase Agreement") among the Borrower and the investors party thereto (the "Investors"), the Borrower has agreed to issue and sell to the Investors 10,000 shares of the Borrower's Series B Convertible Preferred Stock, $100.00 par value per share ("Series B Preferred Stock"), for an aggregate purchase price of $250,000,000;

WHEREAS, pursuant to the Securities Purchase Agreement, the proceeds of the sale of Series B Preferred Stock to the Investors shall be applied to pay a portion of the purchase price for the Borrower's acquisition of the Capital Stock of the CK Companies and pay the fees and out-of-pocket expenses relating to the Contemplated Transactions ("Transaction Costs");

WHEREAS, in order to enable the Borrower to pay an additional portion of the purchase price for the Capital Stock of the CK Companies and related Transaction Costs, pursuant to a Term Loan Agreement dated as of December 16, 2002 (the "Term Loan Agreement") among the parties hereto the Lenders have agreed to provide a bridge loan to the Borrower in the aggregate principal amount of One Hundred Twenty Five Million Dollars ($125,000,000), said bridge loan to be refinanced on a best efforts expedited basis as provided in the Term Loan Agreement (capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Term Loan Agreement); and

WHEREAS, the Borrower has requested that the Lenders amend the Term Loan Agreement to permit the Borrower to draw down $100,000,000 of the principal amount of the Loan on the Closing Date with the option, upon delivery of timely written notice, to draw down up to the balance of the principal amount of the Loan which the Lenders have agreed to provide at any time on or before June 30, 2003;

WHEREAS, the Lenders have agreed to such amendment on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and undertakings hereunder and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, intending to be legally bound, the parties hereto do hereby agree as follows:

1. AMENDMENT

1.1 Section 2.1 of the Term Loan Agreement is hereby amended and restated in its entirety as follows:

"2.1 Commitment. Subject to the terms and conditions of this Agreement, the Lenders hereby agree to provide a bridge loan to Borrower in the form of a term loan, in the aggregate principal amount of One Hundred Twenty Five Million Dollars ($125,000,000) (the "Loan"). The Lenders shall advance an aggregate principal amount of One Hundred Million Dollars ($100,000,000) on the Closing Date. The amount of the Loan to be advanced by each Lender on the Closing Date and the principal amount of the Note to be issued to such Lender upon the Closing Date shall be as set forth on Schedule 2.1. All or any part of the remaining Twenty Five Million Dollars ($25,000,000) of the principal amount of the Loan which the Lenders have agreed to provide (such amount being herein referred to as the "Subsequent Drawdown") will be advanced by the Lenders at any time on or before June 30, 2003, on fifteen business days prior written notice by the Borrower to each Lender (any such notice, the "Subsequent Drawdown Notice"); provided, however, that the Borrower shall be entitled to deliver only one Subsequent Drawdown Notice. The amount of the Subsequent Drawdown to be advanced by each Lender following receipt of the Subsequent Drawdown Notice and the principal amount of the Note to be issued to each such Lender upon the funding of the Subsequent Drawdown shall be in proportion to the amount of the Loan advanced by each such Lender on the Closing Date. The Loan is subject to refinancing on a best efforts expedited basis as provided herein."

1.2 Schedule 2.1 to the Term Loan Agreement is hereby amended and restated in its entirety to read as set forth on Schedule 2.1 hereto.

1.3 Section 2.2(a) of the Term Loan Agreement is hereby amended and restated in its entirety as follows:

"(a) Interest on the outstanding principal amount of each Note ("Interest") shall accrue from and including the date of the issuance of such Note at the rate of 10% per annum through and until the Initial Maturity Date and, if the Borrower elects to extend the term of the Loan as provided in Section 2.3, thereafter at the rate of 15% per annum until the Final Maturity Date. Interest on each Note shall be paid quarterly in arrears on each March 31, June 30, September 30 and December 31 of each year (each, an "Interest Payment Date") or, if any such date shall not be a Business Day, on the next succeeding Business Day to occur after such date, beginning on the first Interest Payment Date to occur after the date of the issuance of such Note. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."

1.4 Section 2.3(a) of the Term Loan Agreement is hereby amended and restated in its entirety as follows:

"(a) Subject to the provisions of Section 2.3(b) hereof, the principal amount of the Loan then outstanding, together with all accrued and unpaid Interest, shall be due and payable upon the Initial Maturity Date."

1.5 Section 2.3(b) of the Term Loan Agreement is hereby amended and restated in its entirety as follows:

"(b) The Borrower, at its option, may elect to extend the term of the principal amount of the Loan then outstanding until the Final Maturity Date by (i) providing the Administrative Agent irrevocable written notice of such election at least 30 days and not earlier than 45 days prior to the Initial Maturity Date and (ii) paying the Lenders on or before the Initial Maturity Date an extension fee of Four Million Dollars ($4,000,000), in the aggregate (the "Extension Fee"); such fee to be allocated pro rata among the Lenders in proportion to the outstanding principal amount of Notes held by the Lenders on the date of such payment."

1.6 The Term Loan Agreement is hereby amended by including Schedules 6.1, 6.2, 6.3 and 6.8 to this First Amendment as Schedules 6.1, 6.2, 6.3 and 6.8 to the Term Loan Agreement.

2. Miscellaneous.

(a) Limitations. Except as expressly amended hereby, the Term Loan Agreement shall remain in full force and effect in accordance with its terms.

(b) Captions. The captions in this Agreement are for convenience of reference only and shall not be given any effect in the interpretation of this Agreement.

(c) Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable Law, such provision(s) shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms so long as the economic or legal substance of the transactions contemplated by this Agreement are not affected in any manner materially adverse to any party.

(d) Successors and Assigns. This First Amendment shall be binding upon and shall inure to the benefit of and be enforceable by, the parties and their respective successors, transferees and assigns.

(e) Choice of Law. This First Amendment shall be governed by the internal laws of the State of New York, without regard to the conflicts of law principals thereof which would specify the application of the law of another jurisdiction.

(f) Counterparts. This First Amendment may be executed in two (2) or more counterparts, each of which shall be considered an original, but all of which shall together constitute the same instrument.

IN WITNESS WHEREOF, this First Amendment has been duly executed as of the date first above written.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice President, Treasurer

LENDERS:

APAX EXCELSIOR VI, L.P.
By: Apax Excelsior VI Partners, L.P.,
its general partner
By: Apax Managers, Inc.,
its general partner

By: /s/ David H. Landau

Name: David Landau
Title: Vice President

APAX EXCELSIOR VI-A C.V.
By: Apax Excelsior VI Partners, L.P.,
its general partner
By: Apax Managers, Inc.,
its general partner

By: /s/ David H. Landau

Name: David Landau
Title: Vice President

APAX EXCELSIOR VI-B C.V.
By: Apax Excelsior VI Partners, L.P.,
its general partner
By: Apax Managers, Inc.,
its general partner

By: /s/ David Landau

Name: David Landau
Title: Vice President

PATRICOF PRIVATE INVESTMENT CLUB III, L.P.
By: Apax Excelsior VI Partners, L.P.,
its general partner
By: Apax Managers, Inc.,
its general partner

By: /s/ David H. Landau

Name: David Landau
Title: Vice President

APAX EUROPE V - A, L.P.
By: Apax Partners Europe Managers Ltd.,
its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - B, L.P.
By: Apax Partners Europe Managers Ltd.,
its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - C GMBH & CO. KG
By: Apax Partners Europe Managers Ltd.,
its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - D, L.P.
By: Apax Partners Europe Managers Ltd.,
its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - E, L.P.
By: Apax Partners Europe Managers Ltd.,
its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - F, C.V.
By: Apax Partners Europe Managers Ltd.,
its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - G, C.V.
By: Apax Partners Europe Managers Ltd.,
its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - 1, L.P.
By: Apax Partners Europe Managers Ltd.,
its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - 2, L.P.
By: Apax Partners Europe Managers Ltd.,
its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

EXHIBIT 10.5

FIRST AMENDMENT AND WAIVER AGREEMENT

FIRST AMENDMENT AND WAIVER AGREEMENT, dated as of February 12, 2003 (this "Amendment Agreement"), to the Credit Agreement, dated as of October 17, 2002 (as the same may be further amended, supplemented or modified from time to time in accordance with its terms, the "Credit Agreement") among PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation, THE IZOD CORPORATION, a Pennsylvania corporation, PVH WHOLESALE CORP., a Delaware corporation, PVH RETAIL CORP., a Delaware corporation, IZOD.COM INC., a Delaware corporation, G.H. BASS FRANCHISES INC., a Delaware corporation, CD GROUP INC., a Delaware corporation, the LENDERS party thereto, JPMORGAN CHASE BANK, as Administrative Agent and Collateral Agent, Lead Arranger and Sole Bookrunner, FLEET RETAIL FINANCE INC., as Co-Arranger and Co-Syndication-Agent, SUN TRUST BANK, as Co-Syndication Agent, THE CIT GROUP/COMMERCIAL SERVICES, INC., as Co-Documentation Agent and BANK OF AMERICA, N.A., as Co-Documentation Agent. Terms used herein and not otherwise defined herein shall have the meanings attributed thereto in the Credit Agreement.

WHEREAS, the Borrowers have informed the Administrative Agent of their desire that PVH and/or its subsidiaries (i) acquire 100% (or substantially all in the case of Calvin Klein Europe S.r.1. (Italy)) of the stock of Calvin Klein, Inc. ("CKI") and certain of CKI Affiliates comprising Calvin Klein (Europe), Inc., Calvin Klein Europe S.r.1. (Italy), CK Service Corp. and Calvin Klein (Europe II) Corp. (the "CKI Affiliates") from the holders of such stock for a purchase price consisting of $400,000,000 cash, $30,000,000 in PVH common stock and warrants to purchase 320,000 shares of common stock of PVH expiring in nine years with an exercise price of $28 per share (as adjusted in accordance with the CKI Stock Purchase Agreement, as defined in this Amendment Agreement), and a portion of the purchase price shall be funded by a bridge loan by Apax Partners, Inc. or an Affiliate evidenced by a promissory note issued by PVH in the principal amount of $125,000,000 (the "CKI Note"), (ii) acquire the rights of Calvin Klein ("Mr. Klein") to receive 1% royalty in perpetuity under his existing agreement with CKI in exchange for an agreement to pay him 1.15% of worldwide wholesale sales by CKI and licensees for a period of 15 years (the "Design Service Payments"), (iii) enter into a nine year consulting agreement (the "Consulting Agreement") with Mr. Klein, terminable by Mr. Klein after three years, under which PVH will pay Mr. Klein $1,000,000 per year, (iv) fund the cash portion of the purchase price by issuing to Apax Partners, Inc. $250,000,000 of its 8% Convertible Redeemable Preferred Stock with a conversion price of $14.00 (the "Preferred Stock") and (v) borrow pursuant to the terms of this Agreement the remainder of the cash purchase price (all of the foregoing, collectively, the "Transaction"); and

WHEREAS, Section 5.05 of the Credit Agreement restricts the use of proceeds of Loans; and

WHEREAS, Section 6.01 of the Credit Agreement restricts the Borrowers from incurring Indebtedness except as specifically permitted therein; and

WHEREAS, Section 6.02 of the Credit Agreement restricts the Borrowers from incurring Liens on their assets except as specifically permitted therein; and

WHEREAS, Section 6.04 of the Credit Agreement prohibits any Borrower or any Subsidiary of any Borrower from, among other things, purchasing, holding or acquiring any capital stock, evidences of indebtedness or other securities of, or making or permitting to exist any loans or advances to, Guaranteeing any obligation of, or making or permitting to exist any investment or any other interest in, any other person; and

WHEREAS, Section 6.05 of the Credit Agreement restricts the making of Investments; and

WHEREAS, Section 6.06 of the Credit Agreement limits the making of Restricted Payments; and

WHEREAS, Section 5.11 of the Credit Agreement requires that (i) each newly formed direct or indirect domestic Subsidiary (x) enter into a Guarantee in substantially the form executed on the Effective Date and (y) execute the Security Agreement, as applicable, as a grantor, and (ii) the direct parent of each such Subsidiary (x) pledge all of the Equity Interests of such Subsidiary pursuant to the Security Agreement and (y) cause each such Subsidiary to pledge its accounts receivable and all other assets pursuant to the Security Agreement; and

WHEREAS, the Transaction does not qualify as a Permitted Acquisition and requires the consent of the Required Lenders; and

WHEREAS, the Borrowers have requested that the Required Lenders amend certain provisions of the Credit Agreement and waive certain provisions of the Credit Agreement in connection with the consummation of the Transaction.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Required Lenders consent to the Transaction, subject to the fulfillment of the conditions set forth below and the agreement of the parties as follows:

SECTION 1. AMENDMENTS UNDER CREDIT AGREEMENT

1.1 Section 1.01 of the Credit Agreement is hereby amended by adding the following defined terms in the correct alphabetical order:

"'CKI' means Calvin Klein Inc., a New York corporation.

'CKI Affiliates' means the following entitles: Calvin Klein (Europe), Inc., Calvin Klein Europe S.r.1. (Italy), CK Service Corp. and Calvin Klein (Europe II) Corp.

'CKI Guarantee' means the Guarantee of CKI and the domestic CKI Affiliates executed and delivered on the First

Amendment Effective Date pursuant to the terms of this Agreement.

'CKI Intercreditor Agreement' means the intercreditor agreement dated the First Amendment Effective Date among the holder of the CKI Note, Calvin Klein and the Administrative Agent confirming the intercreditor arrangements between the parties to the effect that the holder of the CKI Note shall have the first Lien on the stock of CKI and the CKI Affiliates, with the Administrative Agent retaining a second Lien and Calvin Klein a third Lien to secure the Design Service Payments (the Administrative Agent agreeing to standstill except that the Administrative Agent may act upon the occurrence of an Event of Default which is independent of any default under the CKI Note, the acceleration of the Obligations and ten days notice to the holder of the CKI Note) and to the effect that the Administrative Agent shall have a first Lien on trade receivables (but not license royalties), inventory and fixed assets to secure the CKI Guarantee with any recovery on such Guarantee in excess of realization on such receivables, inventory and fixed assets to be subordinate to the prior payment of the CKI Note.

'CKI Note' means the promissory note and accompanying loan agreement and guarantees of CKI and the domestic CKI Affiliates dated the First Amendment Effective Date and issued by PVH to Apax Partners, Inc. or an Affiliate in the original principal amount of $125,000,000 maturing in two years with interest at 10% per annum in the first year and 15% per annum in the second year (plus a $4,000,000 extension fee payable at the beginning of the second year) and secured as provided for in the CKI Intercreditor Agreement.

'CKI Stock Purchase Agreement' means the Stock Purchase Agreement dated as of December 17, 2002, among PVH, CKI, the CKI Affiliates and the sellers named therein.

'CKI Trust' means the trust established pursuant to the Delaware Business Trust Act, as amended, and the Trust Agreement dated as of March 14, 1994 between CKI and Wilmington Trust Company.

'Design Service Payments' means the payments under the CKI Stock Purchase Agreement pursuant to which PVH has agreed to pay Calvin Klein 1.15% of worldwide wholesale sales by CKI and licensees for a period of 15 years in connection with the

acquisition of Calvin Klein's right to receive a 1% royalty in perpetuity.

'First Amendment Effective Date' means the date on which the First Amendment and Waiver Agreement dated December 13, 2002 among the Parties to this Agreement becomes effective in accordance with its terms.

'Leverage Ratio' means, with respect to PVH and its subsidiaries on a consolidated basis for any period, the ratio of (i) Funded Debt (less cash on hand) to (ii) EBITDA.

'Preferred Stock (Convertible)' means the $250,000,000 of 8% Convertible Redeemable Preferred Stock issued by PVH on the First Amendment Effective Date with a conversion price of $14 per share, redeemable after the Maturity Date."

1.2 Section 1.01 of the Credit Agreement is hereby amended by deleting the following defined terms "Applicable Rate", "Availability Block", "EBITDA", "EBITDAR" and "subsidiary" and substituting in lieu thereof the following:

"'Applicable Rate' means, for any date of determination with respect to any ABR Loan or Eurodollar Loan or with respect to the Revolving Credit Commitment Fee or with respect to participation fees for any Letter of Credit,

(i) if such date of determination occurs on or after the Effective Date and prior to the delivery of the first financial statements referred to in clause (ii) below, (w) with respect to Loans that are Eurodollar Loans, 2.50%, (x) with respect to Loans that are ABR Loans, 0.50%, (y) with respect to the Revolving Credit Commitment Fee, 0.50% and (z) with respect to Letter of Credit fees, 1.75%; and

(ii) if such date of determination occurs on or after the first day of the next month after the date upon which the Borrowers shall have delivered to the Administrative Agent the financial statements required to be delivered for the earlier of (x) the fiscal period ended February 1, 2004 pursuant to Section 5.01(a) and (y) the fiscal period ended immediately after PVH has received no less than $125,000,000 of Net Proceeds from the sale of Funded Debt as permitted pursuant to Section 6.01(i) and, after giving effect to the receipt of such Net Proceeds, Availability exceeds $50,000,000,

the rate as set forth below that corresponds to the Interest Coverage Ratio of the Borrowers and their Subsidiaries on a consolidated basis as of the last day of, and for, the four consecutive fiscal quarters most recently ended prior to such day for which financial statements shall have been delivered to the Administrative Agent as required pursuant to Sections 5.01(a) or (b) hereof, together with the corresponding compliance certificate required pursuant to Section 5.01(d) hereof; provided that if the Borrowers shall fail to timely deliver such statements and certificates for any such fiscal quarter period or during the continuance of an Event of Default, then the Applicable Rate with respect to ABR Loans, Eurodollar Loans, the Revolving Credit Commitment Fee and Letter of Credit fees shall be determined for the period (x) from and including the date upon which such financial statements and certificate were required to be delivered to but excluding the date upon which financial statements and a certificate complying with Section 5.01(a) or (b) and Section 5.01(d) or (y) from and including the date from which such Event of Default shall have occurred but excluding the date upon which such Event of Default is cured or waived as if the applicable Interest Coverage Ratio of the Borrowers and their Subsidiaries was less than 1.20:1.00:

Interest Coverage Ratio	ABR Spread for Loans	Eurodollar Spread for Loans	Revolving Credit Commitment Fee	Letter of Credit Fee
Less than or equal to 1.20:1.00	0.75%	2.75%	0.50%	2.00%
Greater than 1.20:1.00 but less than or equal to 1.50:1.00	0.50%	2.50%	0.50%	1.75%
Greater than 1.50:1.00 but less than or equal to 1.80:1.00	0.25%	2.25%	0.375%	1.50%
Greater than 1.80:1.00 but less than or equal to 2.10:1.00	0%	2.00%	0.375%	1.25%
Greater than 2.10:1.00	0%	1.75%	0.25%	1.00%

To the extent that a change in the Applicable Rate occurs during the pendency of an Interest Period for an existing Eurodollar Loan, the Applicable Rate shall remain the same for the remainder of the Interest Period for such existing Eurodollar Loan."

"'Availability Block' means $25,000,000; provided, however, that commencing on the first day of the month that is the 17th month after the First Amendment Effective Date if the CKI Note has not been paid in full, the Availability Block shall increase by $5,000,000 each month until the Availability Block has increased to $55,000,000 and provided, further, upon repayment in full of the CKI Note, the Availability Block shall reduce to $25,000,000."

"'EBITDA' means with respect to the Borrowers for any period (a) the sum of (i) Net Income, (ii) Interest Expense, (iii) Federal, state, local and foreign income taxes, (iv) depreciation and amortization and other non-cash items properly deductible in determining Net Income, in each case on a consolidated basis for PVH and its subsidiaries for such period, calculated in accordance with GAAP, minus (b) non-cash items properly added in determining Net Income for such period minus (c) the aggregate amount of all payments made under the Design Service Agreement during such period."

"'EBITDAR' means with respect to the Borrowers for any period (a) the sum of (i) Net Income, (ii) Interest Expense, (iii) Federal, state, local and foreign income taxes, (iv) depreciation and amortization and other non-cash items properly deductible in determining Net Income and (v) all rental obligations or other commitments thereunder to make any direct or indirect payment, whether as rent or otherwise, for fixed or minimum rentals or percentage rentals, in each case on a consolidated basis for PVH and its subsidiaries for such period, calculated in accordance with GAAP, minus (b) non-cash items properly added in determining Net Income for such period minus (c) the aggregate amount of all payments made under the Design Service Agreement during such period."

"'subsidiary' means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any

other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent; provided, however, that for the purposes of this Agreement, the CKI Trust shall not be deemed a subsidiary.

1.3 The definition of "Availability Reserves" in Section 1.01 of the Credit Agreement is hereby amended by adding the following sentence at the end of such definition:

"Following the First Amendment Effective Date, at any time that Availability is less than $70,000,000, there shall be a reserve with respect to the Design Services Payments in the amount of $5,000,000."

1.4 Section 2.09(c) of the Credit Agreement is hereby amended by adding the following sentence at the end of such section:

"Notwithstanding the foregoing, the Net Proceeds realized from the issuance of the CKI Note and the Preferred Stock (Convertible) or any other Equity Interests in connection with the CKI Stock Purchase Agreement are excluded from the application of this Section 2.09(c)."

1.5 Section 5.05 of the Credit Agreement is hereby amended by adding the following sentence at the end thereof:

"Notwithstanding the foregoing, proceeds of Loans up to $25,000,000 may be utilized to facilitate the consummation of the CKI Stock Purchase Agreement."

1.6 Section 6.01 of the Credit Agreement is hereby amended by adding a new subsection (i) thereto as follows:

"(i)(x) the CKI Note, so long as such CKI Note is held by Apax Partners, Inc. or an Affiliate (the foregoing shall not prevent the sale of participations so long as Apax Partners, Inc. or such Affiliate remains in control), but not the extension or renewal (except on the same terms, including no increase in the interest rate, and, only in the event the CKI Note is extended for a period of not less than two years from its original maturity date, the payment of a $4,000,000 extension fee), replacement or amendment thereof, except the CKI Note may be refunded with

unsecured Indebtedness having a maturity no sooner than 5 1/2 years from the First Amendment Effective Date, a coupon rate no greater than 18% per annum and otherwise not contain provisions which would cause a Default under this Agreement, and (y) obligations with respect to the Design Service Payments, including the subordinated Guarantee thereof by CKI and the domestic CKI Affiliates, but not the extension, renewal, replacement or amendment thereof."

1.7 Section 6.02 of the Credit Agreement is hereby amended by adding a new subsection (g) thereto as follows:

"(g) first priority Lien on the Equity Interests in CKI and the CKI Affiliates to secure the CKI Note and a Lien junior to the Lien in favor of the Administrative Agent on the Equity Interests in CKI and the CKI Affiliates and on any other assets of CKI and the CKI Affiliates as to which the Administrative Agent is granted a first priority Lien after the First Amendment Effective Date to secure the obligations under the Design Service Payments."

1.8 Section 6.04 of the Credit Agreement is hereby amended by adding the following sentence at the end of such section:

"Notwithstanding the foregoing, neither CKI nor any CKI Affiliate shall issue any Guarantee which would otherwise be permitted under subsection (c) above, other than the Investment by PVH being made on the First Amendment Effective Date in connection with the CKI Stock Purchase Agreement, no Borrower shall make any additional Investments in CKI or any CKI Affiliate which would otherwise be permitted under subsection (f) above other than loans and advances to fund ordinary course business expenses and neither CKI nor any CKI Affiliate shall make any Investments which would otherwise be permitted under subsection (m) above."

1.9 Section 6.05 of the Credit Agreement is hereby amended by adding the following sentence at the end of such section:

"Notwithstanding the foregoing, the CKI Note may only be prepaid in whole, except for such partial payments consented to by the Required Lenders from the sale of assets of CKI and CKI Affiliates not constituting Collateral."

1.10 Section 6.06 of the Credit Agreement is hereby amended by deleting such section in its entirety and substituting in lieu thereof the following:

"Section 6.06. Restricted Payments. The Borrowers will not, and will not permit any of their Subsidiaries to, declare or

make, or agree to pay or make, directly or indirectly, any Restricted Payment, except, so long as no Default shall be continuing or would occur after giving effect to the following, (a) any Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional Equity Interests, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) PVH may make Restricted Payments, pursuant to and in accordance with stock option plans or other benefit plans for management or employees of PVH and its subsidiaries, or issue options or warrants as otherwise approved by the Board of Directors of PVH or a committee thereof and (d) PVH may acquire shares of its common stock only and declare and pay cash dividends with respect to its common and preferred (including its Preferred Stock (Convertible)); provided that Restricted Payments made pursuant to clause (d) shall not exceed (i) $20,000,000 in the aggregate in any fiscal year from fiscal year 2002 through and including fiscal year 2004, (ii) $27,500,000 in the aggregate in fiscal year 2005, (iii) $29,400,000 in the aggregate in fiscal year 2006, (iv) $31,400,000 in the aggregate in fiscal year 2007 or (v) $100,000,000 in the aggregate during the Availability Period; provided, further, that PVH may not acquire shares of its common stock or pay cash dividends pursuant to clause (d) in any fiscal quarter to the extent that (i) the Restricted Payment would not be permitted in such fiscal quarter under the Subordinated Debt Documents, (ii) Average Availability for the 30 day period prior to the date of such Restricted Payment, both before and immediately after giving effect to such Restricted Payment, shall be less than $70,000,000 or, solely in the case of fiscal year 2003, if such cash dividend is with respect to its common stock, $50,000,000, (iii) on the date of such Restricted Payment, both before and immediately after giving effect to such Restricted Payment, Covenant Availability shall be less than $70,000,000 or, solely in the case of fiscal year 2003, if such cash dividend is with respect to its common stock, $50,000,000 or (iv) a Default exists or the making of such Restricted Payment would result in a Default; provided, further, that if such cash dividend is with respect to the Preferred Stock (Convertible), the Leverage Ratio for the most recently ended fiscal quarter prior to such proposed Restricted Payment shall not be greater than 2.00:1.00."

1.11 Article VII of the Credit Agreement is hereby amended by deleting "or" at the end of subsection (o) thereof, inserting "or" at the end of subsection (p) and adding a new subsection (q) thereto as follows:

"(q) (i) an event described in subsections (g), (h) or (j) shall occur with respect to the CKI Trust or (ii) the trust agreement

or other operative documents with respect to the CKI Trust shall be modified, amended or altered in a manner which could have a material adverse effect on the CKI Trust or otherwise be materially disadvantageous to the Lenders or (iii) the provisions of the CKI Intercreditor Agreement shall for any reason be revoked or invalidated or the validity or enforceability thereof be contested in any manner or (iv) PVH shall fail to comply with any of the provisions in the Certificate of Designation for the Preferred Stock (Convertible);"

1.12 To reflect the consummation of the Transaction, Schedules 3.05, 3.08, 3.09, 3.16, 6.01, 6.04 and 6.08 to the Credit Agreement shall be amended as approved by the Administrative Agent (but no such amendment shall have the effect of waiving a Default without the consent of the Required Lenders). In addition, Schedules 3.06 and 3.07 shall be added to the Credit Agreement to reflect modifications to the corresponding representations and warranties by reason of the consummation of the Transaction as approved by the Administrative Agent (but no such amendment shall have the effect of waiving a Default without the consent of the Required Lenders).

SECTION 2. WAIVERS UNDER CREDIT AGREEMENT

2.1 The Required Lenders hereby waive the provisions of Sections 5.11 (but only with respect to the pledge of assets not constituting Equity Interests, Receivables (other than royalty receivables), inventory and fixed assets and in any event subject to satisfaction of subsection (p) of Section 4 of this Amendment Agreement), 2.09(c), 5.04, 5.05, 6.01, 6.02, 6.04, 6.05 and 6.06 of the Credit Agreement solely for the purposes of permitting the consummation of the Transaction, it being understood and agreed that so long as the CKI Note is outstanding, the Borrowers may not incur Indebtedness under Section 6.01(h).

SECTION 3. CONFIRMATION OF SECURITY DOCUMENTS

Each Borrower and Guarantor, by its execution and delivery of this Amendment Agreement, irrevocably and unconditionally ratifies and confirms in favor of the Administrative Agent that it consents to the terms and conditions of the Credit Agreement as it has been amended by this Amendment Agreement and that notwithstanding this Amendment Agreement, each Security Document to which such Borrower or Guarantor is a party shall continue in full force and effect in accordance with its terms and is and shall continue to be applicable to all of the Obligations.

SECTION 4. CONDITIONS PRECEDENT

This Amendment Agreement shall become effective (the "Effective Date") upon the execution and delivery of counterparts hereof by the parties listed below and the fulfillment of the following conditions:

(a) All representations and warranties contained in this Amendment Agreement or otherwise made in writing to the Administrative Agent in connection herewith shall be true and correct.

(b) No unwaived event has occurred and is continuing which constitutes a Default under the Credit Agreement.

(c) The Administrative Agent shall have received a favorable written opinion of Borrowers' and CKI's counsel dated the Effective Date covering such matters relating to the Transaction as the Administrative Agent may reasonably request, in form and substance reasonably satisfactory to the Administrative Agent.

(d) The Administrative Agent shall have received such documents and certificates as the Administrative Agent may reasonably request relating to the organization, existence and good standing of CKI and the CKI Affiliates, the authorization of the Transaction and any other matters relating to CKI and the CKI Affiliates and the Transaction, all in form and substance reasonably satisfactory to the Administrative Agent.

(e) The Administrative Agent shall have received all documents (including Uniform Commercial Code financing statements) required by law or requested by the Administrative Agent to create in favor of the Administrative Agent perfected Liens with respect to Collateral relating to the Transaction.

(f) The Administrative Agent shall have received the results of searches for tax and other Liens and judgments and for ownership with respect to the trademarks which comprise the Transaction, with respect to CKI, the CKI Affiliates, the CKI Trust, the sellers of CKI and the trademarks held by the CKI Trust.

(g) The Administrative Agent shall have received a certificate dated the Effective Date as required under the Credit Agreement with respect to any proposed Borrowing to occur on the Effective Date.

(h) If the Required Lenders have executed this Amendment Agreement on or prior to December 13, 2002, the Administrative Agent shall have received for the benefit of the applicable Lenders, (i) on December 16, 2002, an amendment fee in an amount equal to 10bps of the Commitment of each Lender that executes this Amendment Agreement on or prior to December 13, 2002 (which is non-refundable regardless of whether or not the Effective Date occurs) and (ii) on the Effective Date, an amendment fee in an amount equal to 15bps of the Commitment of each Lender that has executed this Amendment Agreement on or before December 13, 2002.

(i) The Administrative Agent shall have received a copy of a duly executed CKI Stock Purchase Agreement containing substantially the terms and provisions set forth in the first Whereas clause to this Amendment Agreement and in form and substance satisfactory to the Administrative Agent.

(j) The Administrative Agent shall have received a copy of a duly executed CKI Note containing substantially the terms and provisions set forth in the definition of "CKI Note" contained in this Amendment Agreement and in form and substance satisfactory to the Administrative Agent.

(k) The Administrative Agent shall have received copies of duly executed documents in connection with the issuance of Preferred Stock (Convertible) containing substantially the terms and provisions set forth in the definition of "Preferred Stock (Convertible)" contained in this Amendment Agreement and in form and substance satisfactory to the Administrative Agent.

(l) The Preferred Stock (Convertible) shall have been duly issued and shall be fully paid and non-assessable.

(m) The Administrative Agent shall have received a duly executed Consulting Agreement containing substantially the terms and provisions set forth in the first Whereas clause to this Amendment and in form and substance satisfactory to the Administrative Agent.

(n) The Administrative Agent shall have received evidence satisfactory to it of satisfactory compliance with all insurance and reporting requirements under the Credit Agreement taking into account the consummation of the Transaction.

(o) The CKI Stock Purchase Agreement shall have been duly executed and delivered and the Transactions shall have been consummated, in each case, without any modifications or waivers that have not been approved by the Administrative Agent.

(p) The Security Agreement shall have been amended to cover (i) the CKI Stock Purchase Agreement, (ii) institution of full dominion and control which shall remain in effect until the earlier of (x) the date of receipt by PVH of no less than $125,000,000 of Net Proceeds from the sale of Indebtedness permitted pursuant to Section 6.01(i) of the Credit Agreement if, after giving effect to the receipt of such Net Proceeds, Availability exceeds $50,000,000 and (y) the date that Covenant Availability has remained greater than $70,000,000 for 90 consecutive days and (iii) the establishment of a springing Lien on all assets of CKI which do not constitute Collateral on the Effective Date upon the repayment in full of the CKI Note.

(q) The Administrative Agent shall have received a properly completed and duly executed Pledgor Addendum covering the Collateral relating to the Transaction other than that covered by the springing Lien, together with a fully signed counterpart of the CKI Intercreditor Agreement containing substantially the terms and provisions set forth in the definition of "CKI Intercreditor Agreement" contained in this Amendment Agreement and in form and substance satisfactory to the Administrative Agent.

(r) All Indebtedness not otherwise permitted under the Credit Agreement shall have been satisfied or provision for such satisfaction accomplished as approved by the Administrative Agent.

(s) There shall not have occurred any material adverse effect in the business, assets, operations, properties, prospects or condition (financial or otherwise), contingent liabilities or material agreements of CKI, CKI Affiliates and CKI Trust taken as a whole.

(t) The Administrative Agent shall have received all fees and other amounts due and payable, on or prior to the First Amendment Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrowers under the Credit Agreement or any other Financing Document.

(u) The Administrative Agent shall have received such other documents as the Administrative Agent or the Administrative Agent's counsel shall reasonably deem necessary.

(v) In the event of a termination of the Stock Purchase Agreement by its terms, then this Amendment Agreement shall be of no force and effect.

SECTION 5. MISCELLANEOUS

5.1 Each Borrower and each Guarantor reaffirms and restates the representations and warranties set forth in Article III of the Credit Agreement and all such representations and warranties shall be true and correct on the date hereof with the same force and effect as if made on such date, except as they may specifically refer to an earlier date and except as they may have been modified pursuant to the Schedules annexed to this Amendment Agreement in which event they shall be true and correct after giving effect to such modifications. Each Borrower and each Guarantor represents and warrants (which representations and warranties shall survive the execution and delivery hereof) to the Administrative Agent that:

(a) it has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Amendment Agreement and the transactions contemplated hereby and has taken or caused to be taken all necessary corporate action to authorize the execution, delivery and performance of this Amendment Agreement and the transactions contemplated hereby;

(b) no consent of any other person (including, without limitation, shareholders or creditors of any Borrower or any Guarantor), and no action of, or filing with any governmental or public body or authority is required to authorize, or is otherwise required in connection with the execution, delivery and performance of this Amendment Agreement;

(c) this Amendment Agreement has been duly executed and delivered on behalf of each Borrower and each Guarantor by a duly authorized officer, and constitutes a legal, valid and binding obligation of each Borrower and each Guarantor enforceable in accordance with its terms, subject to bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the enforcement of creditors' rights generally and the exercise of judicial discretion in accordance with general principles of equity;

(d) the execution, delivery and performance of this Amendment Agreement will not violate any law, statute or regulation, or any order or decree of any court or

governmental instrumentality, or conflict with, or result in the breach of, or constitute a default under any contractual obligation of any Borrower or any Guarantor; and

(e) as of the date hereof (after giving effect to the consummation of the transactions contemplated under this Amendment Agreement) there exists no Default.

By its signature below, each Borrower and each Guarantor agree that it shall constitute an Event of Default if any representation or warranty made above should be false or misleading in any material respect.

5.2 Each Borrower and each Guarantor confirms in favor of the Administrative Agent and each Lender that it agrees that it has no defense, offset, claim, counterclaim or recoupment with respect to any of its obligations or liabilities under the Credit Agreement or any other Financing Document and that, except for the specific waiver(s) provided for herein, nothing herein shall be deemed to be a waiver of any covenant or agreement contained in the Credit Agreement, and except as herein expressly amended, the Credit Agreement and other Financing Documents are each ratified and confirmed in all respects and shall remain in full force and effect in accordance with their respective terms.

5.3 All references to the Credit Agreement and the other Financing Documents in the Credit Agreement, the Financing Documents and the other documents and instruments delivered pursuant to or in connection therewith shall mean such agreements as amended hereby and as each may in the future be amended, restated, supplemented or modified from time to time.

5.4 Upon presentation of its invoice, the Borrowers covenant and agree to pay in full all legal fees charged, and all costs and expenses incurred, by Kaye Scholer LLP, counsel to the Administrative Agent, in connection with the transactions contemplated under this Amendment Agreement.

5.5 This Amendment Agreement may be executed by the parties hereto individually or in combination, in one or more counterparts, each of which shall be an original and all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page by telecopier shall be effective as delivery of a manually executed counterpart.

5.6 THIS AMENDMENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

5.7 The parties hereto shall, at any time and from time to time following the execution of this Amendment Agreement, execute and deliver all such further instruments and take all such further action as may be reasonably necessary or appropriate in order to carry out the provisions of this Amendment Agreement.

PHILLIPS-VAN HEUSEN CORPORATION, Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

THE IZOD CORPORATION, Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

PVH WHOLESALE CORP., Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

PVH RETAIL CORP., Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

IZOD.COM. INC., Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

G.H. BASS FRANCHISES INC., Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

CD GROUP INC., Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

JPMORGAN CHASE BANK, individually and as Administrative and Collateral Agent, and as Lead Arranger

By: /s/ Jeffrey A. Ackerman

Name: Jeffrey A. Ackerman
Title: Vice-President

FLEET RETAIL FINANCE INC., individually and as Co-Arranger and Co-Syndication Agent,

By: /s/ Sally A. Sheehan

Name: Sally A. Sheehan
Title: Managing Director

SUN TRUST BANK, individually and as Co-Syndication Agent,

By: /s/ Mike Lapresi

Name: Mike Lapresi
Title: Director

THE CIT GROUP/COMMERCIAL SERVICES, INC.,
individually and as Co-Documentation Agent,

By: /s/ Kevin. J. Winsch

Name: Kevin J. Winsch
Title: Vice-President

BANK OF AMERICA, N.A., individually and as
Co-Documentation Agent,

By: /s/ Robert Scolzitti

Name: Robert Scolzitti
Title: Vice-President

THE BANK OF NEW YORK

By: /s/ James S. Ducey

Name: James. S. Ducey
Title: Vice-President

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Edward Chonko

Name: Edward Chonko
Title: Assistant Vice-President

WHITEHALL BUSINESS CREDIT CORPORATION

By: /s/ Joseph A. Klapkowski

Name: Joseph A. Klapkowski
Title: Duly Authorized Signatory

TRANSAMERICA BUSINESS CAPITAL CORPORATION

By: /s/ Michael S. Burns

Name: Michael S. Burns
Title: Senior Vice-President

STANDARD FEDERAL BANK NATIONAL ASSOCIATION

By:LASALLE BUSINESS CREDIT, INC., as Agent
(formerly known as Michigan National Bank, as
successor-in-interest to Mellon Bank, Inc.)

By: /s/ Karoline A. Moxham

Name: Karoline A. Moxham
Title: Assistant Vice President

CONGRESS FINANCIAL CORPORATION

By: /s/ Mark J. Breier

Name: Mark J. Breier
Title: Vice-President

GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ William S. Richardson

Name: William S. Richardson
Title: Duly Authorized Signatory

BANK LEUMI USA

By: /s/ John Koenigsberg

Name: John Koenigsberg
Title: First Vice-President

By: /s/ Phyllis Rosenfeld

Name: Phyllis Rosenfeld
Title: Vice-President

EXHIBIT 10.6

CONSENT

This Consent dated as of February 12, 2003. Reference is made to the First Amendment and Waiver Agreement, dated as of December 13, 2002 (the "Amendment Agreement"), to the Credit Agreement, dated as of October 17, 2002 (as the same may be further amended, supplemented or modified from time to time in accordance with its terms, the "Credit Agreement") among PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation, THE IZOD CORPORATION, a Pennsylvania corporation, PVH WHOLESALE CORP., a Delaware corporation, PVH RETAIL CORP., a Delaware corporation, IZOD.COM INC., a Delaware corporation, G.H. BASS FRANCHISES INC., a Delaware corporation, CD GROUP INC., a Delaware corporation, the LENDERS party thereto, JPMORGAN CHASE BANK, as Administrative Agent and Collateral Agent, Lead Arranger and Sole Bookrunner, FLEET RETAIL FINANCE INC., as Co-Arranger and Co-Syndication-Agent, SUN TRUST BANK, as Co-Syndication Agent, THE CIT GROUP/COMMERCIAL SERVICES, INC., as Co-Documentation Agent and BANK OF AMERICA, N.A., as Co-Documentation Agent. Terms used herein and not otherwise defined herein shall have the meanings attributed thereto in the Credit Agreement (as amended by the Amendment Agreement).

Pursuant to the terms of the Amendment Agreement, and as provided in Section 1.12 thereof, the Administrative Agent is permitted to approve amendments to the Schedules provided that such amendments do not have the effect of waiving a Default without the consent of the Required Lenders.

The amended Schedules which are annexed to this Consent provide for up to $2,000,000 of letters of credit issued in Italy for the account of Calvin Klein Europe S.r.L.. (Italy) and also provide for unsecured lines of credit up to $30,000,000 from CKI to Calvin Klein (Europe II) Corp. in connection with Calvin Klein stores in London and Paris. Both such items constitute Indebtedness which is not presently permitted under the terms of the Credit Agreement. The Lenders, by executing and delivering this Consent, hereby specifically authorize the Administrative Agent to approve the amended Schedules and permit the additional Indebtedness described therein.

Section 1.10 of the Amendment Agreement restated in its entirety Section 6.06 of the Credit Agreement dealing with Restricted Payments. One of the purposes of such restatement was to provide relief for PVH with respect to cash dividends on its common stock in fiscal year 2003 by modifying the requirements with respect to Average Availability and Covenant Availability. Through inadvertent error, such relief was provided with respect to Average Availability, but not with respect to Covenant Availability. Accordingly, the Lenders, by executing and delivering this Consent, hereby agree to a substitution of page 10 of the

Amendment Agreement in the form annexed hereto indicating the change proposed to correct the previous error for the existing page 10 in the Amendment Agreement.

The parties hereto, intending to be legally bound, have executed and delivered the foregoing Consent as of the day and year first above written.

PHILLIPS-VAN HEUSEN CORPORATION, Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

THE IZOD CORPORATION, Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

PVH WHOLESALE CORP., Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

PVH RETAIL CORP., Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

IZOD.COM. INC., Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

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By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

CD GROUP INC., Borrower

By: /s/ Pamela N. Hootkin

Name: Pamela N. Hootkin
Title: Vice-President

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By: /s/ Jeffrey A. Ackerman

Name: Jeffrey A. Ackerman
Title: Vice-President

FLEET RETAIL FINANCE INC., individually and as Co-Arranger and Co-Syndication Agent,

By: /s/ Sally A. Sheehan

Name: Sally A. Sheehan
Title: Managing Director

SUN TRUST BANK, individually and as Co-Syndication Agent,

By: /s/ Mike Lapresi

Name: Mike Lapresi
Title: Director

THE CIT GROUP/COMMERCIAL SERVICES, INC.,
individually and as Co-Documentation Agent,

By: /s/ Kevin. J. Winsch

Name: Kevin J. Winsch
Title: Vice-President

BANK OF AMERICA, N.A., individually and as
Co-Documentation Agent,

By: /s/ Robert Scolzitti

Name: Robert Scolzitti
Title: Vice-President

THE BANK OF NEW YORK

By: /s/ James S. Ducey

Name: James. S. Ducey
Title: Vice-President

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Edward Chonko

Name: Edward Chonko
Title: Assistant Vice-President

WHITEHALL BUSINESS CREDIT CORPORATION

By: /s/ Joseph A. Klapkowski

Name: Joseph A. Klapkowski
Title: Duly Authorized Signatory

TRANSAMERICA BUSINESS CAPITAL CORPORATION

By: /s/ Michael S. Burns

Name: Michael S. Burns
Title: Senior Vice-President

STANDARD FEDERAL BANK NATIONAL ASSOCIATION

By:LASALLE BUSINESS CREDIT, INC., as Agent
(formerly known as Michigan National Bank,
as successor-in-interest to Mellon Bank, Inc.)

By: /s/ Karoline A. Moxham

Name: Karoline A. Moxham
Title: Assistant Vice President

CONGRESS FINANCIAL CORPORATION

By: /s/ Mark J. Breier

Name: Mark J. Breier
Title: Vice-President

GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ William S. Richardson

Name: William S. Richardson
Title: Duly Authorized Signatory

BANK LEUMI USA

By: /s/ John Koenigsberg

Name: John Koenigsberg
Title: First Vice-President

By: /s/ Phyllis Rosenfeld

Name: Phyllis Rosenfeld
Title: Vice-President

stock or pay cash dividends pursuant to clause (d) in any fiscal quarter to the extent that (i) the Restricted Payment would not be permitted in such fiscal quarter under the Subordinated Debt Documents, (ii) Average Availability for the 30 day period prior to the date of such Restricted Payment, both before and immediately after giving effect to such Restricted Payment, shall be less than $70,000,000 or, solely in the case of fiscal year 2003, if such cash dividend is with respect to its common stock, $50,000,000, (iii) on the date of such Restricted Payment, both before and immediately after giving effect to such Restricted Payment, Covenant Availability shall be less than $70,000,000 OR, SOLELY IN THE CASE OF FISCAL YEAR 2003, IF SUCH CASH DIVIDEND IS WITH RESPECT TO ITS COMMON STOCK, $50,000,000 or (iv) a Default exists or the making of such Restricted Payment would result in a Default; provided, further, that if such cash dividend is with respect to the Preferred Stock (Convertible), the Leverage Ratio for the most recently ended fiscal quarter prior to such proposed Restricted Payment shall not be greater than 2.00:1.00."

1.11 Article VII of the Credit Agreement is hereby amended by deleting "or" at the end of subsection (o) thereof, inserting "or" at the end of subsection (p) and adding a new subsection (q) thereto as follows:

"(q) (i) an event described in subsections (g), (h) or (j) shall occur with respect to the CKI Trust or (ii) the trust agreement or other operative documents with respect to the CKI Trust shall be modified, amended or altered in a manner which could have a material adverse effect on the CKI Trust or otherwise be materially disadvantageous to the Lenders or (iii) the provisions of the CKI Intercreditor Agreement shall for any reason be revoked or invalidated or the validity or enforceability thereof be contested in any manner or (iv) PVH shall fail to comply with any of the provisions in the Certificate of Designation for the Preferred Stock (Convertible);"

1.12 To reflect the consummation of the Transaction, Schedules 3.05, 3.08, 3.09, 3.16, 6.01, 6.04 and 6.08 to the Credit Agreement shall be amended as approved by the Administrative Agent (but no such amendment shall have the effect of waiving a Default without the consent of the Required Lenders). In addition, Schedules 3.06 and 3.07 shall be added to the Credit Agreement to reflect modifications to the corresponding representations and warranties by reason of the consummation of the Transaction as approved by the Administrative Agent (but no such amendment shall have the effect of waiving a Default without the consent of the Required Lenders).

Exhibit 10.7

REGISTRATION RIGHTS AGREEMENT

Dated as of February 12, 2003

by and among Phillips-Van Heusen Corporation and

the Other Signatories Hereto

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REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT, dated as of February 12, 2003 (this "Agreement"), by and among Phillips-Van Heusen Corporation, a Delaware corporation (the "Company"), Calvin Klein 2001 Revocable Trust (the "Klein Revocable Trust"), Barry Schwartz ("Mr. Schwartz"), Trust for the Benefit of the Issue of Calvin Klein (the "Klein Trust"), Trust for the Benefit of the Issue of Barry Schwartz (the "Schwartz Trust"), Stephanie Schwartz-Ferdman ("Schwartz-Ferdman"), Jonathan Schwartz ("J. Schwartz" and, together with the Klein Revocable Trust, Mr. Schwartz, the Klein Trust, the Schwartz Trust and Schwartz-Ferdman, and their transferees, heirs, successors and assigns, collectively the "CK Sellers"), and each of the Investors that signs a signature page annexed hereto (referred to hereinafter collectively as the "Investors" and individually as an "Investor").

RECITALS:

A. The Investors and the Company have entered into that certain Securities Purchase Agreement, dated as of December 16, 2002 (the "Purchase Agreement"), by and among the Company and the Investors pursuant to which the Investors will purchase, contemporaneously with the execution and delivery of this Agreement, 10,000 shares of Series B Convertible Preferred Stock of the Company (the "Series B Stock"), which will constitute all of the issued and outstanding shares of Series B Stock.

B. It is a condition precedent to the purchase of such Series B Stock that the Company grant to the Investors registration rights with respect to the shares of Common Stock of the Company issuable on the conversion of the Series B Stock.

C. The CK Sellers and the Company have entered into that certain Securities Purchase Agreement, dated as of December 17, 2002 (the "CK Purchase Agreement"), pursuant to which, among other things, the CK Sellers will acquire the PVH Shares.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, intending to be legally bound, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 Definitions. The following terms shall have the meanings ascribed to them below:

"Affiliate" has the meaning set forth in the Investors' Rights Agreement.

"Agreement" means this Agreement, as amended, modified or supplemented from time to time, in accordance with the terms hereof, together with any exhibits, schedules or other attachments thereto.

"Board" or "Board of Directors" shall mean the Board of Directors of the Company.

"CK Registrable Securities" means the PVH Shares and any additional shares of Common Stock acquired by a CK Seller by way of a dividend, stock split, preemptive rights, recapitalization or other distribution in respect of the PVH Shares. As to any particular CK Registrable Securities, such securities shall cease to be CK Registrable Securities when (i) a Registration Statement with respect to the sale of such shares of Common Stock has been declared effective by the Commission and such shares of Common Stock have been disposed of pursuant to such effective Registration Statement, (ii) such shares of Common Stock shall have been or could be sold under circumstances in which all of the applicable conditions of Rule 144(k) (or any similar provisions then in force) under the Securities Act are met, (iii) such shares of Common Stock have been otherwise transferred and the Company has delivered a new certificate or other evidence of ownership for such Common Stock not bearing a restrictive legend and not subject to any stop order and such Common Stock may be publicly resold by the Person receiving such certificate without complying with the registration requirements of the Securities Act, or (iv) such shares of Common Stock shall have ceased to be outstanding.

"CK Purchase Agreement" has the meaning set forth in the recitals.

"CK Sellers" has the meaning set forth in the preamble to this Agreement.

"Commission" means the United States Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act.

"Common Stock" means the common stock, par value $1.00 per share, of the Company or other publicly traded securities into which the Series B Stock is now or hereafter convertible.

"Company" has the meaning set forth in the preamble to this Agreement.

"Demand Period" means the period commencing on the date hereof and ending on the date on which each of the Holders no longer owns Registrable Securities; provided, that during the Shelf Effective Period, the Company shall be obligated to effect an underwritten Demand Registration only if the managing underwriters of the Registrable Securities sought to be included in the Demand Registration are not willing to manage an underwritten offering of the Registrable Securities pursuant to the Shelf Registration Statement.

"Demand Registration" has the meaning set forth in Section 2.2(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Holder" has the meaning set forth in the Investors' Rights Agreement.

"Holders' Counsel" has the meaning set forth in Section 2.4.

"Indemnified Party" has the meaning set forth in Section 3.1(c).

"Indemnifying Party" has the meaning set forth in Section 3.1(c).

"Institutional Investor" has the meaning set forth in the Investors' Rights Agreement.

"Investor" has the meaning set forth in the preamble of this Agreement.

"Investors' Rights Agreement" shall mean that certain Investors' Rights Agreement, dated as of the date hereof, by and among the Company and the Investors.

"J. Schwartz" has the meaning set forth in the preamble to this Agreement.

"Klein Revocable Trust" has the meaning set forth in the preamble to this Agreement.

"Klein Trust" has the meaning set forth in the preamble to this Agreement.

"Mr. Schwartz" has the meaning set forth in the preamble to this Agreement.

"Other Transferee" has the meaning set forth in the Investors' Rights Agreement.

"Person" means any natural person, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof.

"Piggy-Back Registration" has the meaning set forth in Section 2.3(a).

"Purchase Agreement" has the meaning set forth in the recitals.

"PVH Holders" means each of the Holders and CK Sellers.

"PVH Securities" means each of the Registrable Securities and CK Registrable Securities.

"PVH Shares" has the meaning set forth in the CK Purchase Agreement.

"Registration Expenses" has the meaning set forth in Section 3.2.

"Registrable Securities" means the shares of Common Stock into which the Series B Stock (now owned or hereafter acquired) are convertible and any additional shares of Common Stock acquired by a Holder of Series B Stock by way of a dividend, stock split, preemptive rights, recapitalization or other distribution in respect of the Series B Stock. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (i) a

Registration Statement with respect to the sale of such shares of Common Stock has been declared effective by the Commission and such shares of Common Stock have been disposed of pursuant to such effective Registration Statement, (ii) such shares of Common Stock shall have been or could be sold under circumstances in which all of the applicable conditions of Rule 144(k) (or any similar provisions then in force) under the Securities Act are met, (iii) such shares of Common Stock have been otherwise transferred and the Company has delivered a new certificate or other evidence of ownership for such Common Stock not bearing a restrictive legend and not subject to any stop order and such Common Stock may be publicly resold by the Person receiving such certificate without complying with the registration requirements of the Securities Act, or (iv) such shares of Common Stock shall have ceased to be outstanding.

"Registration Statement" means any registration statement of the Company which covers any of the PVH Securities pursuant to the provisions of this Agreement, including the prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement.

"Schwartz-Ferdman" has the meaning set forth in the preamble to this Agreement.

"Schwartz Trust" has the meaning set forth in the preamble to this Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder, all as the same shall be in effect at the time.

"Selling Holder" means a Holder who is selling Registrable Securities pursuant to a Registration Statement under the Securities Act and, as applicable, any CK Seller who is selling CK Registrable Securities pursuant to a Registration Statement under the Securities Act.

"Series B Stock" has the meaning set forth in the recitals.

"Shelf Effective Period" has the meaning set forth in Section 2.1.

"Shelf Registration Statement" has the meaning set forth in Section 2.1.

"Underwriter" means a securities dealer who purchases any Registrable Securities as principal in an underwritten offering and not as part of such dealer's market-making activities.

"Violation" has the meaning set forth in Section 3.1(a).

ARTICLE II
REGISTRATION RIGHTS

SECTION 2.1 Shelf Registration.

(a) Shelf Registration. On or prior to the 90th day following the date hereof, the Company shall prepare and file with the Commission a Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act, as such rule

may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission, covering all of the PVH Securities held by each of the PVH Holders (the "Shelf Registration Statement"). The Shelf Registration Statement shall be on Form S-3 (or any successor form then in effect) under the Securities Act (or another appropriate form reasonably acceptable to the Holders) permitting registration of such PVH Securities for resale by each of the PVH Holders in the manner or manners designated by them; provided, however that the CK Sellers shall not have the right to participate in any underwritten offering of Registrable Securities pursuant to Section 2.1(b) below. In no event shall the Company's obligation to effect an underwriting offering pursuant to Section 2.1(b) below reduce or relieve the Company of any obligation to effect and maintain the Shelf Registration Statement for the benefit of the other PVH Holders. The Company shall use its commercially reasonable efforts to effect such registration (including, without limitation, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act and any other governmental requirements or regulations) as promptly as possible after the filing thereof, but in any event prior to the 180th day following the date hereof, and shall use its commercially reasonable efforts to keep such Shelf Registration Statement continuously effective under the Securities Act until such time as when all of the PVH Securities covered by such Shelf Registration Statement have been sold or may be sold without volume restrictions pursuant to Rule 144(k) as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company's transfer agent and each of the affected PVH Holders (the "Shelf Effective Period").

(b) Underwriting. If, from time to time, the Holders owning Registrable Securities equal to at least 25% of the originally issued Series B Stock so elect, the prospectus relating to such Shelf Registration Statement shall be supplemented so that the offering of all or part of the Registrable Securities included therein shall be in the form of an underwritten public offering. Upon receipt of the request to supplement the prospectus relating to such Shelf Registration Statement, the Company will promptly give written notice of such underwritten offering to all other Holders holding Registrable Securities included in such Shelf Registration Statement. The right of any Holder to include Registrable Securities in such underwritten registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. The Company shall (together with all Holders proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the managing Underwriter selected for such underwriting by the Company and reasonably acceptable to a majority of the Holders proposing to distribute their securities through such underwriting. Notwithstanding any other provision of this Section 2.1, if the managing Underwriter advises the Company in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall so advise all Holders of Registrable Securities to be included in such underwritten offering and the Company shall include in such underwritten offering only the aggregate amount of Registrable Securities that the Underwriter believes may be sold and shall reduce the amount of Registrable Securities held by the Holders to be included in such underwritten offering pro rata based on the Registrable Securities held by such Holders at the time of filing such supplement to the prospectus relating to the Shelf Registration Statement. The Registrable Securities excluded from, or not included in, such underwritten offering shall remain available for resale pursuant to such Shelf Registration Statement.

(c) Limitations. No securities other than the PVH Securities shall be included among the securities covered by the Shelf Registration Statement unless all of the Holders of Registrable Securities covered by such Shelf Registration Statement shall have consented in writing to the inclusion of securities to be issued by the Company or securities held by other stockholders of the Company.

SECTION 2.2 Demand Registration.

(a) Demand Registration. At any time during the Demand Period, the Holders shall have the right to require the Company to file a Registration Statement under the Securities Act (a "Demand Registration") covering all or any part of their respective Registrable Securities by delivering a written request therefor to the Company specifying the number of Registrable Securities to be included in such registration by such Holder or Holders and the intended method of distribution thereof. In no event shall the Company's obligation to effect a Demand Registration reduce or relieve the Company of any obligation to effect and maintain the Shelf Registration Statement for the benefit of the other PVH Holders. Upon the receipt of such demand, the Company will (i) within ten days, give written notice of the Demand Registration to all other Holders and (ii) as soon as practicable, use its commercially reasonable efforts to effect such registration (including, without limitation, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act and any other governmental requirements or regulations) of the Registrable Securities which the Company has been so requested to register, for distribution in accordance with such intended method of distribution, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within 20 days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to take any action to effect any such Demand Registration, pursuant to this Section 2.2(a):

(i) after the Company has effected three Demand Registrations pursuant to this Section 2.2(a), which registrations are deemed effective pursuant to Section 2.2(d) hereof;

(ii) if Registrable Securities equal to at least 25% of the originally issued Series B Stock or having an aggregate market value of at least $25,000,000 (which market value shall be determined by multiplying the number of Registrable Securities to be included in the Demand Registration by the proposed per share offering price) are not included in such Demand Registration;

(iii) if the Company shall have furnished to the Holders requesting a registration pursuant to this Section 2.2(a) a certificate signed by the Chairman of the Board of Directors or President of the Company stating that in the good faith judgment of the Board of Directors it would be detrimental to the Company and its stockholders for such registration statement to be filed at such time, then the Company's obligation to make such filing shall be deferred for a period not to exceed 180 days from the date of receipt of written request in respect of such Demand

Registration; provided, however, that the Company shall not exercise such right more than once in any 12-month period;

(iv) during the period of time starting with the date 60 days immediately prior to the Company's estimated date of filing of, and ending on the date 90 days (or 180 days in the case of an underwritten public offering) immediately following the effective date of any registration statement pertaining to securities issued for the account of the Company (other than a registration of securities in a Rule 145 transaction or with respect to an employee benefit plan); provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective; provided, further, that the Company shall not exercise such right more than once in any 12-month period; or

(v) of any Registrable Securities if such Registrable Securities are then covered by an effective Registration Statement.

(b) Limitations. Except as provided in Section 2.2 (c)(i) below, whenever the Company shall effect a Demand Registration pursuant to Section 2.2(a), no securities other than the Registrable Securities requested to be included shall be included among the securities covered by such registration unless all Holders of Registrable Securities to be covered by such registration shall have consented in writing to the inclusion of securities to be issued by the Company or securities held by other stockholders of the Company.

(c) Underwriting. If Holders of a majority of the Registrable Securities to be included in such Demand Registration so elect, the offering of the Registrable Securities pursuant to such Demand Registration shall be in the form of an underwritten public offering and the Company shall so advise the other Holders as part of the notice given pursuant to Section 2.2(a) hereof. In such event, the right of any Holder to include Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. The Company shall (together with all Holders proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the managing Underwriter selected for such underwriting by the Company and reasonably acceptable to a majority of the Holders proposing to distribute their securities through such underwriting.

(i) Right to Include Additional Shares in an Underwritten Demand Registration. The Company, subject to this Section 2.2(c), may elect to include in any Demand Registration in the form of an underwritten public offering, securities of the Company for its own account and/or any other shares of Common Stock which are requested to be included in such registration pursuant to the exercise of piggyback registration rights granted by the Company after the date hereof in accordance with the terms of this Agreement; provided, however, that such inclusion shall be permitted only to the extent that it is pursuant to and subject to the terms of the underwriting agreement or arrangements, if any, entered into by the Holder or Holders making underwritten such Demand Registration.

(ii) Reduction. Notwithstanding any other provision of this Section 2.2, if the managing Underwriter advises the Company in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall so advise all Holders of Registrable Securities to be included in such Demand Registration and the Company shall include in such registration only the aggregate amount of Registrable Securities that the Underwriter believes may be sold and shall reduce the amount of securities to be included in such registration, (i) first by eliminating those securities of any holders exercising piggyback registration rights granted by the Company after the date hereof in accordance with the terms of this Agreement, (ii) second by eliminating securities offered by the Company, and (iii) third, by eliminating Registrable Securities, pro rata based on the Registrable Securities held by such Holders at the time of filing the Registration Statement

(d) Effective Registration. A registration will not be deemed to have been effected as a Demand Registration unless it has been declared effective by the Commission and the Company has complied in all material respects with its obligations under this Agreement with respect thereto; provided that if, after it has become effective, such registration or the related, offer, sale or distribution of Registrable Securities thereunder is or becomes the subject of any stop order, injunction or other order or requirement of the Commission or any other governmental or administrative agency, or if any court prevents or otherwise limits the sale of the Registrable Securities pursuant to the registration, and, as a result thereof, two-thirds of the Registrable Securities covered thereby have not been sold, then such registration will be deemed not to have been effected. If (i) a registration requested pursuant to this Section 2.2 is deemed not to have been effected or (ii) the registration requested pursuant to this Section 2.2 does not remain effective until such time as when two-thirds of the Registrable Securities covered thereby have been sold or, with respect to an underwritten offering of Registrable Securities, until 45 days after the commencement of the distribution by the Holders of the Registrable Securities included in such Registration Statement, then the Company shall continue to be obligated to effect such registration pursuant to this Section 2.2 without giving effect to such requested registration. Each Holder of Registrable Securities shall be permitted to withdraw all or any part of its Registrable Securities from a Demand Registration at any time prior to the effective date of such Demand Registration, provided that such registration shall nonetheless count as a Demand Registration under Section 2.2(a) hereof unless such withdrawing Holder(s) agree(s) to be responsible for all reasonable fees and expenses (including reasonable fees and expenses of counsel) incurred by the Company prior to such withdrawal.

(e) Withdrawal. The Company agrees to supplement the prospectus relating to the Shelf Registration Statement to withdraw any shares of the Registrable Securities on the Shelf Registration Statement in the event that such shares are to be sold pursuant to a Demand Registration.

SECTION 2.3 Piggy-Back Registration.

(a) Notice of Registration. If at any time the Company proposes to file a registration statement under the Securities Act with respect to an offering by the Company for its own account (other than a registration statement on Form S-4 or S-8 (or any substitute form that may

be adopted by the Commission)) or for the account of any of its security holders, the Company will give to each PVH Holder written notice of such filing at least 20 days prior to filing such registration statement and such notice shall offer the PVH Holders the opportunity to register the number of PVH Securities as each such PVH Holder may request in writing. Upon the written request of such PVH Holder made within ten days after receipt of such notice by the Company (which request shall specify the PVH Securities intended to be disposed of by such PVH Holder), the Company shall include in such registration all of the PVH Securities specified in such request or requests in accordance with the provisions of this Section 2.3 (a "Piggy-Back Registration").

(b) Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the PVH Holders as a part of the written notice given pursuant to Section 2.3(a) hereof. In such event, the right of any PVH Holder to registration pursuant to Section 2.3(a) hereof shall be conditioned upon such PVH Holder's participation in such underwriting and the inclusion of PVH Securities in the underwriting to the extent provided herein. All PVH Holders proposing to distribute their securities through such underwriting shall (together with the Company) enter into an underwriting agreement in customary form with the managing Underwriter selected for such underwriting by the Company. The Company shall use its commercially reasonable efforts to cause the managing Underwriter to permit the PVH Securities requested to be included in a Piggy-Back Registration to be included on the same terms and conditions as any similar securities of the Company (whether sold by the Company or a security holder other than a PVH Holder) included therein and to permit the sale or other disposition of such PVH Securities in accordance with the intended method of distribution thereof. Notwithstanding anything to the contrary contained herein, if the managing underwriter advises the Company in writing that in its reasonable opinion the number of equity securities requested to be included in such Piggy-Back Registration exceeds the number which can be sold in such offering, the Company will include in such Piggy-Back Registration: (i) first, the number of shares to be offered by the Company; (ii) second, the number of shares of Common Stock requested to be included by the security holders of the Company exercising their demand registration rights; and (iii) third, that number of other shares of Common Stock proposed to be included in such Piggy-Back Registration, pro rata among all other security holders of the Company (including the PVH Holders) exercising their respective piggy-back registration rights thereof based upon the aggregate number which such holders (including the PVH Holders) propose to include in such Piggy-Back Registration; and the Company shall so advise all Holders and CK Sellers of such limitation (or exclusion, if applicable).

(c) Right to Terminate Registration.

(i) The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.3 prior to the effectiveness of the related Registration Statement and shall have no obligation to register any PVH Securities in connection with such registration, except to the extent provided herein. The Registration Expenses of such withdrawn Piggy-Back Registration shall be borne by the Company in accordance with Section 2.4 hereof.

(ii) Any PVH Holder shall have the right to withdraw its request for inclusion of its PVH Securities in any Piggy-Back Registration by giving written notice to the

Company of its request to withdraw prior to the planned effective date of the related Registration Statement.

(d) Failure to Effect. No registration effected under this Section 2.3, and no failure to effect a registration under this Section 2.3, shall relieve the Company of its obligation to effect and maintain a Demand Registration upon the request of Holders pursuant to Section 2.2 hereof or the Shelf Registration pursuant to Section 2.1 hereof, and no failure to effect a registration under this Section 2.3 and to complete the sale of the PVH Securities in connection therewith, shall relieve the Company of any other obligation under this Agreement (including, without limitation, the Company's obligations under Sections 2.4 and 3.1).

SECTION 2.4 Registration Expenses. In connection with registrations pursuant to Sections 2.1, 2.2 and 2.3 hereof, the Company shall pay all of the registration expenses incurred in connection with the registration thereunder (the "Registration Expenses"), including, without limitation, all: (i) reasonable registration and filing fees, (ii) reasonable fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities and the CK Registrable Securities, as applicable), (iii) reasonable processing, duplicating and printing expenses, (iv) of the Company's internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) fees and expenses incurred in connection with the listing of the Registrable Securities and the CK Registrable Securities, as applicable, (vi) fees and disbursements of counsel for the Company and fees and expenses for independent certified public accountants retained by the Company (including the expenses of any comfort letters or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters requested but not the cost of any audit other than a year end audit), (vii) fees and expenses of any special experts retained by the Company in connection with such registration, and (viii) reasonable fees and expenses of one firm of counsel for the Holders to be selected by the Holders of a majority of the Registrable Securities to be included in such registration ("Holders' Counsel"). Notwithstanding the foregoing, each Selling Holder shall be responsible for any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities of such Selling Holder.

SECTION 2.5 Registration Procedures. In the case of each registration effected by the Company pursuant to this Agreement, the Company will keep each PVH Holder who is entitled to registration rights hereunder advised in writing as to the initiation of each registration and as to the completion thereof. In connection with any such registration:

(a) The Company will promptly prepare and file with the Commission a Registration Statement on Form S-3 (or any successor form then in effect) under the Securities Act (or another appropriate form reasonably acceptable to the Holders) and use its commercially reasonable efforts to cause such Registration Statement to become and remain effective until the completion of the distribution contemplated thereby; provided, however, the Company shall not be required to keep such Registration Statement effective for more than (i) 180 days in the case of registrations effected pursuant to Sections 2.2 and 2.3 hereof (or such shorter period which will

terminate when all Registrable Securities covered by such Registration Statement have been sold, or (ii) the Shelf Effective Period in the case of a Shelf Registration Statement.

(b) The Company will promptly prepare and file with the Commission such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for as long as such registration is required to remain effective pursuant to the terms hereof; cause the prospectus to be supplemented by any required prospectus supplement, and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act; and comply with the provisions of the Securities Act applicable to it with respect to the disposition of all Registrable Securities covered by such Registration Statement during the applicable period in accordance with the intended methods of disposition by the Selling Holders set forth in such Registration Statement or supplement to the prospectus.

(c) The Company, at least 10 days prior to filing a Registration Statement or at least five days prior to filing a prospectus or any amendment or supplement to such Registration Statement or prospectus, will furnish to (i) each Selling Holder, (ii) Holders' Counsel and (iii) each Underwriter, if any, of the Registrable Securities covered by such Registration Statement copies of such Registration Statement and each amendment or supplement as proposed to be filed, together with exhibits thereto, which documents will be subject to reasonable review and approval (which approval may not be unreasonably withheld) by each of the foregoing within five days after delivery (except that such review and approval of any prospectus or any amendment or supplement to such Registration Statement or prospectus must be within three days), and thereafter, furnish to such Selling Holders, Holders' Counsel and Underwriters, if any, such number of copies of such Registration Statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such Registration Statement (including each preliminary prospectus) and such other documents or information as such Selling Holders, Holders' Counsel or Underwriters may reasonably request in order to facilitate the disposition of the Registrable Securities and/or CK Registrable Securities (as applicable); provided, however, that notwithstanding the foregoing, if the Company intends to file any prospectus, prospectus supplement or prospectus sticker which does not make any material changes in the documents already filed (including, without limitation, any prospectus under Rule 430A or 424(b)), then Holders' Counsel will be afforded such opportunity to review such documents prior to filing consistent with the time constraints involved in filing such document, but in any event no less than one day.

(d) The Company will promptly notify each Selling Holder of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it at the earliest possible moment if entered.

(e) On or prior to the date on which the Registration Statement is declared effective by the Commission, the Company will use all commercially reasonable efforts to (i) register or qualify the Registrable Securities and/or CK Registrable Securities (as applicable) under such other securities or blue sky laws of such jurisdictions in the United States as any Selling Holder reasonably (in light of such Selling Holder's intended plan of distribution) requests, and (ii) file all of the documents required to register such Registrable Securities and/or CK Registrable Securities (as

applicable) with or approved by such other governmental agencies or authorities in the United States as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Holder to consummate the disposition of the Registrable Securities and/or CK Registrable Securities (as applicable) owned by such Selling Holder; provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (e), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(f) The Company will notify each Selling Holder, Holders' Counsel and any Underwriter promptly and (if requested by any such Person) confirm such notice in writing, (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a Registration Statement or prospectus or for additional information to be included in any Registration Statement or prospectus or otherwise, (iii) of the issuance by any state securities commission or other regulatory authority of any order suspending the qualification or exemption from qualification of any of the Registrable Securities and/or CK Registrable Securities (as applicable) under state securities or "blue sky" laws or the initiation of any proceedings for that purpose, and (iv) of the happening of any event which makes any statement made in a Registration Statement or related prospectus or any document incorporated or deemed to be incorporated by reference therein untrue or which requires the making of any changes in such Registration Statement, prospectus or documents so that they will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements in the Registration Statement and prospectus not misleading in light of the circumstances in which they were made; and, as promptly as practicable thereafter, prepare and file with the Commission and furnish a supplement or amendment to such prospectus so that, as thereafter deliverable to the purchasers of such Registrable Securities and/or CK Registrable Securities, such prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Each Selling Holder hereby agrees to keep any disclosures under subsection (v) above confidential until such time as a supplement or amendment is filed.

(g) The Company will make generally available an earnings statement satisfying the provisions of Section 11(a) of the Securities Act no later than 90 days after the end of the 12-month period beginning with the first day of the Company's first fiscal quarter commencing after the effective date of a Registration Statement, which earnings statement shall cover said 12-month period, and which requirement will be deemed to be satisfied if the Company timely files complete and accurate information on Forms 10-Q, 10-K and 8-K under the Exchange Act and otherwise complies with Rule 158 under the Securities Act.

(h) The Company will enter into customary agreements reasonably satisfactory to the Company (including, if applicable, an underwriting agreement in customary form and which is reasonably satisfactory to the Company) and take such other actions as are reasonably

required in order to expedite or facilitate the disposition of such Registrable Securities and/or CK Registrable Securities.

(i) The Company, during the period when the prospectus is required to be delivered under the Securities Act, promptly will file all documents required to be filed with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act.

(j) The Company will furnish to each Selling Holder a signed counterpart, addressed to such Selling Holder, of (i) an opinion of counsel for the Company, dated the effective date of the Registration Statement, and (ii) "comfort" letters signed by the Company's independent public accountants who have examined and reported on the Company's financial statements included in the Registration Statement, covering substantially the same matters with respect to the Registration Statement (and the prospectus included therein) and (in the case of the accountants' "comfort" letters, with respect to events subsequent to the date of the financial statements), in each case as are customarily covered in opinions of issuer's counsel and in accountants' "comfort" letters delivered to the Underwriters in underwritten public offerings of securities.

(k) The Company shall cause all such Registrable Securities and/or CK Registrable Securities (as applicable) registered pursuant hereunder to be listed on each securities exchange on which similar securities of the same class issued by the Company are then listed.

(l) The Company shall otherwise comply with all applicable rules and regulations of the Commission.

The Company may require each Selling Holder to promptly furnish in writing to the Company such information regarding the distribution of such Person's PVH Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration including, without limitation, all such information as may be requested by the Commission. The Company may exclude from such Registration Statement any Selling Holder who fails to provide such information.

Each Selling Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 2.5(f) hereof, such Selling Holder will forthwith discontinue the disposition of such Person's PVH Securities pursuant to the Registration Statement covering such PVH Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.5(f) hereof, and, if so directed by the Company, such Selling Holder will deliver to the Company all copies, other than permanent file copies then in such Selling Holder's possession, of the most recent prospectus covering such Person's PVH Securities at the time of receipt of such notice. In the event the Company shall give such notice, the Company shall extend the period during which such Registration Statement shall be maintained effective (including the period referred to in Section 2.5(a) hereof) by the number of days during the period from and including the date of the giving of notice pursuant to Section 2.5(f) hereof to the date when the Company shall make available to the Selling Holders covered by such Registration Statement a prospectus supplemented or amended to conform with the requirements of Section 2.5(f) hereof.

ARTICLE III
INDEMNIFICATION

SECTION 3.1 In the event any PVH Securities are included in a Registration Statement under Article II:

(a) The Company will indemnify and hold harmless each Selling Holder, each of its officers, directors, partners and trustees, and each person controlling such Selling Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification or compliance has been effected pursuant to Article II, and each Underwriter, if any, and each Person who controls such Underwriter within the meaning of Section 15 of the Securities Act, against all expenses (including reasonable costs of investigation), claims, losses, damages or liabilities, or actions in respect thereof, including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any Registration Statement, prospectus, or any amendment or supplement thereto, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with any such registration, qualification or compliance ("Violation"), and the Company will reimburse each such Selling Holder, each of its officers, directors, and partners and each Person controlling such Selling Holder, each such Underwriter and each Person who controls any such Underwriter, for any legal and any other expenses (as such legal or other expenses are incurred) reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission or alleged untrue statement or omission, made in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by such Selling Holder, controlling Person or Underwriter and stated to be specifically for use therein and provided further that the Company will not be liable for the failure of any Selling Holder to send a copy of a final prospectus, amendment or supplement to the claimant if copies of such final prospectus, amendment or supplement were made available to the Selling Holder by the Company and the claim would not have arisen if the final prospectus, amendment or supplement had been delivered to the claimant.

(b) Each Selling Holder will, if such Person's PVH Securities are included in the securities as to which such registration, qualification or compliance is being effected, indemnify the Company, each of its directors and officers, each Underwriter, if any, of the Company's securities covered by such a Registration Statement, each Person who controls the Company or such Underwriter within the meaning of Section 15 of the Securities Act, and each other Selling Holder, each of its officers, directors and partners and each Person controlling such Selling Holder within the meaning of Section 15 of the Securities Act, against all expenses (including reasonable costs of investigation), claims, losses, damages or liabilities, or actions in respect thereof, arising out of or based on any Violation, and will reimburse the Company, such other Selling

Holders, such directors, officers, Persons, Underwriters or control Persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such Violation is made in such Registration Statement, prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by such Selling Holder and stated to be specifically for use therein. A Selling Holder will not be required to enter into any agreement or undertaking in connection with any registration under Article II providing for any indemnification or contribution on the part of such Selling Holder greater than the Selling Holder's obligations under this Section 3.1(b). Notwithstanding anything in this Section 3.1(b), the aggregate amount which may be recovered from any Selling Holder pursuant to the indemnification provided for in this Section 3.1(b) shall be limited to the total proceeds received by such Selling Holder from the sale of such Selling Holder's PVH Securities (net of underwriting discounts and commissions) and the obligations of each Selling Holder pursuant to this Section 3.1 shall be individual and not several or joint and several.

(c) Each party entitled to indemnification under this Article III (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claims as to which indemnity may be sought and the Indemnifying Party shall assume the defense thereof, including the employment of counsel and payment of all fees and expenses. The failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 3.1, except to the extent that the Indemnifying Party is actually prejudiced by such failure to give notice. Such Indemnified Party shall have the right to retain separate counsel with respect to the defense of a claim, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party has agreed in writing to pay such fees and expenses, (ii) the Indemnifying Party has failed to assume the defense and retain counsel within a reasonable time after notice of such claim, or (iii) the Indemnified Party shall have reasonably concluded that a conflict of interest between such Indemnified Party and Indemnifying Party may exist in respect of such claim. It is understood, however, that the Company shall, in connection with any one such claim, be liable for the fees and expenses of only one separate firm of attorneys (in addition to local counsel) at any time for all such Selling Holders not having actual or potential differing interests, which firm shall be designated in writing by a majority of the Selling Holders, and all such fees and expenses shall be reimbursed within 30 days after such fees and expenses are incurred. The Indemnifying Party will not, without the prior written consent of each Indemnified Party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not such Indemnified Party or any Person who controls such Indemnified Party is a party to such claim, action, suit or proceeding), if such settlement, compromise or consent (i) does not include an unconditional release of such Indemnified Party from all liability arising out of such claim, action, suit or proceeding or (ii) requires anything from the Indemnified Party other than the payment of money damages which the Indemnifying Party has agreed to pay in full.

(d) If the indemnification provided for in this Section 3.1 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any losses,

claims, damages or liabilities referred to herein, the Indemnifying Party, in lieu of indemnifying such Indemnified Party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the Violation(s) that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding anything in this Section 3.1(d), the aggregate amount which may be recovered from any Selling Holder pursuant to the contribution provided for in this Section 3.1(d) shall be limited to the total proceeds received by such Selling Holder from the sale of such Selling Holder's PVH Securities (net of underwriting discounts and commissions), less any amounts recovered from such Selling Holder under Section 3.1(b).

ARTICLE IV
OTHER REGISTRATION RIGHTS

SECTION 4.1 Best Registration Rights. The Company shall not in the future grant to any owner or purchaser of shares of capital stock of the Company registration rights that would provide for terms that are in any manner more favorable to the holder of such registration rights than the terms granted to the PVH Holders herein other than the number of demand registrations or the minimum amount of shares required to exercise demand registration rights (and the Company shall not amend or waive any provision of any agreement providing registration rights to others or take any other action whatsoever to provide for terms that are more favorable to other holders than the terms granted to the PVH Holders herein other than the number of demand registrations or the minimum amount of shares required to exercise demand registration rights).

SECTION 4.2 Assignment of Registration Rights. Each Investor may assign its rights, interests and obligations under this Agreement to any: (i) direct or indirect partner, investor or participant of such Investor; (ii) other Investor; (iii) Institutional Investor; (iv) Other Transferee; or (v) Affiliate of such Investor, in connection with a transfer of shares of Series B Stock and/or Common Stock to such Person in accordance with the Investors' Rights Agreement; provided, that in the event of such assignment, the assignee shall agree in writing to be bound by the provisions of this Agreement. The CK Sellers may not assign their rights, interests and obligations under this Agreement without the prior written consent of the Company and a majority of the Holders; provided, that, notwithstanding the foregoing, the CK Sellers shall be allowed to assign their rights, interests and obligations under this Agreement to family members, entities either controlled by or under common control with such CK Seller, financial institutions or institutional investors.

ARTICLE V
MISCELLANEOUS

SECTION 5.1 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission which may at any time permit the sale of the PVH Securities to the public without registration, the Company agrees, so long as there are outstanding PVH Securities, to use its commercially reasonable efforts to:

(a) to file with the Commission in a timely manner all reports and other documents as the Commission may prescribe under Section 13(a) or 15(d) of the Exchange Act at any time while the Company is subject to such reporting requirements of the Exchange Act; and

(b) furnish to the Holders forthwith upon a reasonable request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act.

SECTION 5.2 Holdback Agreement. Subject to the provisions hereof, in the event the Company proposes to enter into an underwritten public offering, each Holder agrees to enter into a customary agreement with the managing Underwriters not to effect any sale or distribution of equity securities of the Company, or any securities convertible, exchangeable or exercisable for or into such securities, during the period beginning on the date of such offering and extending for up to 180 days if so requested by the Company and the Underwriters; provided that such Holders shall not be so obligated unless the Company and each other selling stockholder owning 5% or more of the Company's outstanding Common Stock participating in such offering enter into the same or comparable lock-up agreement for the same period and further shall not be so obligated if such Holder then owns less than 5% of the outstanding Series B Stock; provided, further, that the Holders shall not be obligated to enter into more than one such agreement in any twelve-month period.

SECTION 5.3 Termination of Registration Rights. The rights granted under this Agreement shall terminate, as to any Selling Holder, on the date on which such Selling Holder no longer owns PVH Securities.

SECTION 5.4 Amendment and Modification. This Agreement may be amended, modified and supplemented, and any of the provisions contained herein may be waived, only by a written instrument signed by the Company and the Holders holding a majority of the Registrable Securities; provided, that no amendment, modification or supplement that adversely affects the rights of the CK Sellers hereunder may be made without the consent of a majority of the CK Sellers. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement.

SECTION 5.5 Limitations on the CK Sellers. In any three month period, the CK Sellers shall only be permitted to sell in the aggregate, pursuant to the Shelf Registration Statement, that number of shares of Common Stock equal to the greater of: (i) 15% of the average reported

trading volume of the shares of Common Stock on the New York Stock Exchange Composite Transaction Reporting System (if the Common Stock is not so listed on any national securities exchange, on the Nasdaq National Market or the Nasdaq SmallCap Market, then on the domestic over-the-counter market as reported by the National Quotation Bureau Incorporated, or any similar successor organization) as reported in the Wall Street Journal for the three month period immediately preceding such sale or sales or (ii) the maximum such CK Seller would be eligible to sell in accordance with Rule 144.

SECTION 5.6 Binding Effect; Entire Agreement. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and executors, administrators and heirs. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements and understandings of any and every nature among them.

SECTION 5.7 Severability. In the event that any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected except to the extent necessary to delete such illegal, invalid or unenforceable provision unless that provision held invalid shall substantially impair the benefits of the remaining portions of this Agreement.

SECTION 5.8 Notices and Addresses. Any notice, demand, request, waiver, or other communication under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service, if personally served or sent by facsimile; on the business day after notice is delivered to a courier or mailed by express mail, if sent by courier delivery service or express mail for next day delivery; and on the third day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered, return receipt requested, postage prepaid and addressed as follows:

If to the Company:

Phillips-Van Heusen Corporation
200 Madison Avenue
New York, New York 10016
Attention: Vice President, General Counsel and Secretary
Facsimile: (212) 381-3970
Telephone: (212) 381-3509

with a copy (which shall not constitute notice) to:

Katten Muchin Zavis Rosenman
575 Madison Avenue
New York, New York 10022
Attention: David H. Landau, Esq.
Facsimile: (212) 940-8776

Telephone: (212) 940-8800

If to any Holder, at the most current address, and with a copy to be sent to each additional address, given by such Holder to the Company in writing, and copies (which shall not constitute notice) sent to:

Swidler Berlin Shereff Friedman, LLP
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Attention: Morris Orens, Esq.
Fax: (212) 891-9598

If to any CK Seller

at the address set forth in the CK Purchase Agreement

with copies to:

Grubman, Indursky & Schindler, P.C.
152 West 57th Street
New York, New York 10019
Attention: Arthur Indursky, Esq.
Facsimile: (212) 554-0444
Telephone: (212) 554-0400

and

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019
Attention: James H. Schwab, Esq.
Facsimile: (212) 757-3900
Telephone: (212) 373-3000

SECTION 5.9 Governing Law. This Agreement and (unless otherwise provided) all amendments hereof and waivers and consents hereunder shall be governed by the internal Laws of the State of New York, without regard to the conflicts of Law principles thereof which would specify the application of the Law of another jurisdiction.

SECTION 5.10 Headings. The headings in this Agreement are for convenience of reference only and shall not constitute a part of this Agreement, nor shall they affect their meaning, construction or effect.

SECTION 5.11 Counterparts. This Agreement may be executed via facsimile and in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute one and the same instrument.

SECTION 5.12 Further Assurances. Each party shall cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

SECTION 5.13 Remedies. In the event of a breach or a threatened breach by any party to this Agreement of its obligations under this Agreement, any party injured or to be injured by such breach will be entitled to specific performance of its rights under this Agreement or to injunctive relief, in addition to being entitled to exercise all rights provided in this Agreement and granted by law, it being agreed by the parties that the remedy at law, inducing monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense or objection in any action for specific performance or injunctive relief that a remedy at law would be adequate is waived.

SECTION 5.14 Pronouns. Whenever the context may require, any pronouns used herein shall be deemed also to include the corresponding neuter, masculine or feminine forms.

SECTION 5.15 Jurisdiction. Each of the PVH Holders and the Company (a) hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any state or federal court sitting in New York County, New York for the purposes of any suit, action or other proceeding arising out of this Agreement or the subject matter hereof brought by the Company, or any PVH Holder and (b) hereby waives and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer

Name: Mark D. Fischer
Title: Vice President, General Counsel, Secretary

APAX EXCELSIOR VI, L.P.
By: Apax Excelsior VI Partners, L.P., Its General Partner
By: Apax Managers, Inc. Its General Partner

By: /s/ David Landau

Name: David Landau
Title: Vice President

APAX EXCELSIOR VI-A C.V.
By: Apax Excelsior VI Partners, L.P., Its General Partner
By: Apax Managers, Inc. Its General Partner

By: /s/ David Landau

Name: David Landau
Title: Vice President

APAX EXCELSIOR VI-B C.V.
By: Apax Excelsior VI Partners, L.P., Its General Partner
By: Apax Managers, Inc. Its General Partner

By: /s/ David Landau

Name: David Landau
Title: Vice President

PATRICOF PRIVATE INVESTMENT CLUB III, L.P.
By: Apax Excelsior VI Partners, L.P.,
Its General Partner
By: Apax Managers, Inc.
Its General Partner

By: /s/ David Landau

Name: David Landau
Title: Vice President

APAX EUROPE V - A, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - B, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - C GmbH & Co. KG
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - D, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - E, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - F, C.V.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - G, C.V.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - 1, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - 2, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

By: /s/ Barry Schwartz

Barry Schwartz

By: /s/ Stephanie-Schwartz-Ferdman

Stephanie Schwartz-Ferdman

By: /s/ Jonathan Schwartz

Jonathan Schwartz

CALVIN KLEIN 2001 REVOCABLE TRUST

By: /s/ Calvin Klein

Calvin Klein, as trustee

TRUST F/B/O ISSUE OF CALVIN KLEIN

By: /s/ Richard E. Norton Jr.

Richard E. Norton Jr., as trustee

By: /s/ Paul Forte

Paul Forte, as trustee

TRUST F/B/O ISSUE OF BARRY SCHWARTZ

By: /s/ Sheryl Rona Schwartz

Sheryl Rona Schwartz, as trustee

Exhibit 10.8

INVESTORS' RIGHTS AGREEMENT

Dated as of February 12, 2003

by and among Phillips-Van Heusen Corporation and

the Other Signatories Hereto

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INVESTORS' RIGHTS AGREEMENT

THIS INVESTORS' RIGHTS AGREEMENT, dated as of February 12, 2003 (this "Agreement"), by and among Phillips-Van Heusen Corporation, a Delaware corporation (the "Company"), and each of the Investors that signs a signature page annexed hereto (referred to hereinafter collectively as the "Investors" and individually as an "Investor").

RECITALS:

A. The Investors and the Company have entered into that certain Securities Purchase Agreement, dated as of December 16, 2002 (the "Purchase Agreement"), by and among the Company and the Investors pursuant to which the Investors will purchase, contemporaneously with the execution and delivery of this Agreement, 10,000 shares of Series B Convertible Preferred Stock of the Company (the "Series B Stock"), which will constitute all of the issued and outstanding shares of Series B Stock.

B. It is a condition precedent to the purchase of such Series B Stock that the Company enter into this Agreement with the Investors to provide for certain agreements and obligations of the parties following the Closing.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, intending to be legally bound, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 Definitions. The following terms shall have the meanings ascribed to them below:

"Additional Securities" shall have the meaning set forth in Section 4.3(a).

"Affiliate" of a Person shall have the meaning set forth in Rule 12b-2 under the Exchange Act. Notwithstanding anything to the contrary set forth in this Agreement, no limited partner or similar participant of an Investor shall be deemed an Affiliate of such Investor.

"Agreement" shall mean this Agreement, as amended, modified or supplemented from time to time, in accordance with the terms hereof, together with any exhibits, schedules or other attachments thereto.

"Beneficially Own" with respect to any securities shall mean having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act without limitation by the 60-day provision in paragraph (d)(1)(i) thereof). The terms "Beneficial Ownership" and "Beneficial Owner" have correlative meanings.

"Board" or "Board of Directors" shall mean the Board of Directors of the Company.

"Budget" shall have the meaning set forth in Section 4.1.

"CK Purchase Agreement" shall have the meaning set forth in the Purchase Agreement.

"Closing" shall mean the closing of the transactions contemplated by the Purchase Agreement.

"Closing Date" shall mean the date of the Closing.

"Certificate of Designations" shall mean the Company's Certificate of Designations governing the Series B Stock.

"Commission" shall mean the United States Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act.

"Common Stock" shall mean the common stock, $1.00 par value per share, of the Company.

"Company" shall have the meaning set forth in the preamble of this Agreement.

"Competitor" shall mean any Person whose principal business is developing, designing, merchandising, licensing, manufacturing or causing the manufacture of, men's, women's, children's or infants wearing apparel, footwear, accessories, luggage, watches, jewelry, fragrances, eyewear and optical products, home furnishing products and accessories, table top housewares, silverware, floor and wall coverings, furniture or leather goods.

"Declining Preemptive Purchaser" shall have the meaning set forth in Section 4.3(c).

"Derivative Securities" shall mean any subscriptions, options, conversion rights, warrants, phantom stock rights or other agreements, securities or commitments of any kind obligating the Company or any of its Subsidiaries to issue, grant, deliver or sell, or cause to be issued, granted, delivered or sold (i) any Voting Securities of the Company, (ii) any securities convertible into, exercisable for or exchangeable for any Voting Securities of the Company, or (iii) any obligations measured by the price or value of any shares of capital stock of the Company.

"Disposition" shall have the meaning set forth in Section 3.3.

"DGCL Section 203" shall have the meaning set forth in Section 3.2.

"Director" shall mean a director of the Company.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Excluded Shares" shall mean (i) shares of Common Stock issuable upon conversion of, or distributions with respect to, any shares of Series B Stock; (ii) shares of Common Stock issuable upon exercise of the Warrants; (iii) shares of Common Stock issuable upon the exercise of stock options or other awards made or denominated in shares of Common Stock under any of the Company's stock plans including any stock option, stock purchase, restricted stock or similar plan hereafter adopted by the Board of Directors and, if required by applicable Law or stock exchange requirement, approved by the stockholders of the Company; and (iv) shares of Common Stock issued pursuant to an acquisition of a business (including, without limitation, by way of an acquisition of capital stock) or the assets of a business (which assets do not consist primarily of cash or cash equivalents) approved by the Board of Directors.

"Governmental Body" shall mean any government or governmental or quasi-governmental authority including, without limitation, any federal, state, territorial, county, municipal or other governmental or quasi-governmental agency, board, branch, bureau, commission, court, arbitral body (public or private), department or other instrumentality or political unit or subdivision, whether located in the United States or abroad, the NYSE, the Nasdaq National Market, the Nasdaq SmallCap Market or the American Stock Exchange.

"Holder" shall mean any Investor and any Person to whom an Investor has transferred shares of Series B Stock during the term of this Agreement pursuant to Section 3.3(b)(iii) or Section 3.3(c).

"Institutional Investor" shall mean any of the following Persons: (i) a bank, (ii) an insurance company, (iii) a pension fund, (iv) a hedge fund, (v) a venture capital fund, (vi) a mutual fund, (vii) a leveraged buyout fund, (viii) an investment bank, (ix) a savings association, (x) an investment fund whose principal investors are Institutional Investors, or (xi) any Person that is an Affiliate of any Person named in clauses (i) through (x).

"Investors" shall have the meaning set forth in the preamble of this Agreement.

"Key Committees" shall have the meaning set forth in Section 2.3.

"Law" shall mean any treaty, statute, ordinance, code, rule, regulation, Order or other legal requirement enacted, adopted, promulgated, applied or followed by any Governmental Body.

"NYSE" shall mean the New York Stock Exchange.

"Observer" shall have the meaning set forth in Section 2.5.

"Order" shall mean any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award.

"Overallotment Right" shall have the meaning set forth in Section 4.03(a).

"Other Transferee" shall have the meaning set forth in Section 3.3(b).

"Permitted Acquisitions" shall have the meaning set forth in Section 3.1(a).

"Permitted Disposition" shall have the meaning set forth in Section 3.3.

"Person" shall mean any natural person, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof.

"Preemptive Acceptance Notice" shall have the meaning set forth in Section 4.3(b).

"Preemptive Acceptance Period" shall have the meaning set forth in Section 4.3(b).

"Preemptive Notice" shall have the meaning set forth in Section 4.3(b).

"Preemptive Right" shall have the meaning set forth in Section 4.3(a).

"Public Stockholders" shall mean the stockholders of the Company other than (a) the Investors, (b) any Person who has made a Third-Party Offer, (c) any Affiliate of any Person included in the foregoing clause (b), and (d) any Person with whom any Person included in the foregoing clauses (b) or (c) is part of a 13D Group.

"Purchase Agreement" shall have the meaning ascribed thereto in the recitals.

"Redemption Date" shall have the meaning set forth in the Certificate of Designations.

"Registration Rights Agreement" shall mean that certain Registration Rights Agreement, dated as of the date hereof, by and among the Company and the Investors.

"Rights Agreement" shall mean the Rights Agreement, dated as of June 10, 1986, as amended, by and between the Company and The Bank of New York (successor to The Chase Manhattan Bank, N.A.), as Rights Agent, and each amendment and extension thereof.

"Sale" shall mean the sale of the Company by way of stock sale, merger or comparable transaction, or the sale of all of substantially all of the assets of the Company.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder, all as the same shall be in effect at the time.

"Series B Designees" shall mean the directors elected by the Investors to the Board of Directors pursuant to the Certificate of Designations.

"Series B Stock" shall have the meaning ascribed thereto in the recitals.

"Standstill Period" shall mean the period commencing on the Closing Date and ending on the termination of this Agreement pursuant to Section 5.1.

"Subsidiary" shall mean, as to any Person, any other Person more than 50% of the shares of the voting stock or other voting interests of which are owned or controlled, or the ability to select or elect more than 50% of the directors or similar managers is held, directly or indirectly, by such first Person or one or more of its Subsidiaries or by such first Person and one or more of its Subsidiaries.

"Third-Party Bid" shall mean a bid or a proposal made by any Person (with whom the Board of Directors has participated in discussions or negotiations concerning such bid or proposal) to acquire the Company by way of (i) a stock acquisition, (ii) merger or comparable transaction, or (iii) the purchase of all of substantially all of the assets of the Company.

"Third-Party Offer" shall mean a written offer by a Third-Party Person to acquire some, all or no shares of Voting Securities held by the Investors and at least 35% of the outstanding shares of Common Stock held by the Public Stockholders, through stock acquisition, merger or similar transaction.

"Third-Party Person" shall mean any Person other than (a) any Investor, (b) any Subsidiary or Affiliate of an Investor, or (c) any Affiliate of any Person included in the foregoing clauses (a) or (b).

"13D Group" shall mean any group of Persons who, with respect to those acquiring, holding, voting or disposing of Voting Securities would, assuming ownership of the requisite percentage thereof, be required under Section 13(d) of the Exchange Act to file a statement on Schedule 13D with the Commission as a "person" within the meaning of Section 13(d)(3) of the Exchange Act.

"Total Voting Power" shall mean, calculated at a particular point in time, the aggregate Votes represented by all then outstanding Voting Securities then entitled to vote.

"Votes" shall mean, at any time, with respect to any Voting Securities, the total number of votes that would be entitled to be cast by the holders of such Voting Securities generally (by the terms of such Voting Securities, the Certificate of Incorporation of the Company or any certificate of designations for such Voting Securities) at a meeting held for the election of Directors.

"Voting Securities" shall mean the shares of Common Stock, Series B Stock and any other securities of the Company entitled to vote generally for the election of directors, and any securities which are convertible into, or exercisable or exchangeable for, Voting Securities.

"Warrants" shall have the meaning set forth in the Purchase Agreement.

SECTION 1.2 General Interpretive Principles. Whenever used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, any noun or pronoun shall be deemed to include the plural as well as the singular and to cover all genders. The name assigned this Agreement and the section captions used herein are for convenience of reference only and shall not be construed to affect the meaning, construction or effect hereof. Unless otherwise specified, the terms "hereof," "herein" and similar terms refer to this Agreement as a whole (including the exhibits hereto), and references herein to Sections refer to Sections of this Agreement.

ARTICLE II
GOVERNANCE

SECTION 2.1 Board Meetings. For so long as any Series B Designee is a Director, the Board of Directors shall conduct at least four Board meetings during each fiscal year of the Company.

SECTION 2.2 Expenses. The Company agrees to reimburse each of the Series B Designees elected to the Board for their reasonable expenses incurred attending meetings of the Board and/or any committee of the Board.

SECTION 2.3 Committees; Board Requirements; Resignation Obligation. For so long as any Series B Designee is a Director, the Holders of Series B Stock may require that at least one Series B Designee be appointed, subject to compliance with applicable Law, to each or any of the following committees of the Board of Directors: (i) the Audit Committee; (ii) the Compensation Committee; (iii) the Executive Committee; (iv) the Nominating Committee; and (v) any other committee performing similar functions of any of the foregoing committees (referred to collectively as the "Key Committees"). Notwithstanding the foregoing, the Holders of Series B Stock shall not be entitled to designate an individual to the Board of Directors in the event that such individual would not be qualified under any applicable Law to serve as a director of the Company or if the Company objects to such individual because such individual has been involved in any of the events enumerated in Item 2(d) or (e) of Schedule 13D or such individual is currently the target of an investigation by any Governmental Body relating to felonious criminal activity or is subject to any Order of any Governmental Body prohibiting service as a director of any public company or providing investment or financial advisory services and, in any such event, the Holders shall withdraw the designation of such individual and designate a replacement therefor (which replacement Series B Designee shall also be subject to the requirements of this Section 2.3). Upon any decrease in outstanding Series B Stock below the Beneficial Ownership thresholds set forth in Section 9(d) of the Certificate of Designations and at the request of the Board of Directors, the Investors shall use all commercially reasonable efforts to cause a number of Series B Designees to offer to resign from the Board of Directors such that the number of Series B Designees serving on the Board of Directors immediately thereafter will be equal to the number of Series B Designees

which the Investors would then be entitled to designate under Section 9(d) of the Certificate of Designations.

SECTION 2.4 Appointment of the Chief Executive Officer. For so long as the Investors continue to own at least 50% of the outstanding shares of Series B Stock, if a new Chief Executive Officer of the Company is to be appointed, the Investors shall have the right to designate one of the Series B Designees to be involved in any search or evaluation process established by the Board of Directors to interview candidates and recommend to the Board of Directors a new Chief Executive Officer of the Company, including, without limitation, by way of serving on any committee formed to oversee the search for and hiring of such new Chief Executive Officer.

SECTION 2.5 Observers. If the number of Series B Designees appointed to the Board by the Investors is fewer than the number of Series B Designees the Investors are entitled to appoint to the Board as holders of the Series B Stock, the Investors shall be entitled to designate one observer ("Observer") for each Series B Designee the Investors are entitled to appoint to the Board but have not so appointed; provided, however, that in no event shall the Investors be entitled to appoint more than two Observers. Each Observer shall be entitled to receive notice of all meetings of the Board and Key Committees of the Board and shall have the right to attend such meetings. The Company shall reimburse each Observer for his or her reasonable expenses incurred attending such meetings. None of the Observers shall have the right to vote on any matter presented to the Board or Key Committees of the Board.

ARTICLE III
ADDITIONAL AGREEMENTS

SECTION 3.1 Standstill. During the Standstill Period and unless otherwise approved by the Board of Directors (other than the Series B Designees), each Holder will not, and will cause each of its Affiliates not to, directly or indirectly:

(a) acquire, offer or propose to acquire or agree to acquire, whether by purchase, tender or exchange offer, by joining a partnership, limited partnership, syndicate or other 13D Group or otherwise, (A) Beneficial Ownership of any Voting Securities, Derivative Securities or any other securities of the Company or any rights to acquire (whether currently, upon lapse of time, following the satisfaction of any conditions, upon the occurrence of any event or any combination of the foregoing) any Voting Securities, Derivative Securities or any other securities of the Company, other than (i) the acquisition of the shares of the Series B Stock pursuant to the Purchase Agreement, (ii) shares of Common Stock and other securities, if any, issuable upon the conversion of the Series B Stock, (iii) the acquisition of Voting Securities pursuant to Sections 4.2 and 4.3 hereof, (iv) the acquisition of Voting Securities and Derivative Securities as a result of any stock splits, stock dividends or other distributions, recapitalizations or offerings made available by the Company to holders of Voting Securities or Derivative Securities generally, but only to the extent any such securities are owned by a Holder, (v) in a transaction in which any Holder acquires an interest in an entity that owns shares of Voting Securities of the Company representing 2% or less of the Total Voting Power, or (vi) any acquisition of Voting Securities approved by a majority of the Directors

(other than the Series B Designees) (clauses (i) through (vi) are referred to collectively as "Permitted Acquisitions") or (B) the Company or any of its Subsidiaries or all or substantially all of the assets of the Company or any of its Subsidiaries except pursuant to Section 4.2 hereof or as approved by a majority of the Directors (other than the Series B Designees);

(b) engage in any "solicitation" (within the meaning of Rule 14a-1 under the Exchange Act) of proxies or consents relating to the election of directors with respect to the Company, or become a "participant" in any "election contest" (within the meaning of the Exchange Act) seeking to elect directors not nominated by the Board of Directors, other than nominees for director who are to be elected by the Holders of Series B Stock in accordance with the Certificate of Designations;

(c) induce or attempt to induce any other Person to initiate any stockholder proposal to seek election to or seek to place a representative on the Board of Directors (except pursuant to the Certificate of Designations) or seek the removal of any member of the Board of Directors of the Company);

(d) in any manner, agree, attempt, seek or propose to deposit any Voting Securities, Derivative Securities or any other securities of the Company or any rights to acquire (whether currently, upon lapse of time, following the satisfaction of any conditions, upon the occurrence of any event or any combination of the foregoing) any Voting Securities, Derivative Securities or other securities of the Company in any voting trust or similar arrangement (other than any such voting trust or similar arrangement among two or more Holders);

(e) publicly announce any intention, plan or arrangement inconsistent with the foregoing; or

(f) form or join in the formation of a 13D Group with respect to any Voting Securities, other than any such "group" consisting exclusively of Holders and any Affiliates of the Holders;

(g) except as provided in Section 4.2, finance (or arrange financing for) any Person in connection with any of the foregoing; provided, however, that nothing in this Section 3.1 shall (i) limit any rights of the Investors under each of the Purchase Agreement, Certificate of Designations, and Registration Rights Agreement, (ii) prohibit any individual who is serving as a Director, solely in his or her capacity as a Director, from (x) exercising his or her fiduciary duties, (y) taking any action or making any statement at any meeting of the Board of Directors or of any committee thereof, or (z) making any statement or disclosure required under federal securities Laws or other applicable Law, (iii) restrict any disclosure or statements required to be made by any Investor under applicable Law, or (iv) limit the rights of the Investors pursuant to Section 4.2 hereof.

SECTION 3.2 Anti-Takeover Provisions and Permitted Acquisitions. The Board of Directors shall take all action necessary to: (a) exempt from the provisions of Section 203 of the

Delaware General Corporation Law ("DGCL Section 203") any Permitted Acquisition, and (b) exempt any Holder who acquires securities in accordance with Section 3.1(a) from being deemed an "Acquiring Person" under the Rights Agreement.

SECTION 3.3 Dispositions. So long as the Holders Beneficially Own Voting Securities representing in the aggregate at least 10% of the Total Voting Power of the Company, the Holders shall not, directly or indirectly (including, without limitation, through the disposition or transfer of any equity interest in another Person), sell, assign, transfer, pledge, hypothecate, grant any option with respect to or otherwise dispose of any interest in (or enter into an agreement or understanding with respect to the foregoing) any Voting Securities (a "Disposition"), except as set forth below in this Section 3.3 (each such exception being hereinafter referred to as a "Permitted Disposition"):

(a) Pro rata Dispositions of Common Stock may be made to any direct or indirect partner, investor or participant of any Holder pursuant to the terms of the limited partnership agreement, operating agreement or similar agreement of such Holder.

(b) Dispositions of Voting Securities may be made to any Person pursuant to (i) a public offering effected in accordance with the Registration Rights Agreement, (ii) in open market "brokers' transactions" or transactions directly with a "market maker" as permitted by the provisions of Rule 144 as currently promulgated under the Securities Act, and (iii) in privately-negotiated transactions to (A) an Institutional Investor or (B) any other Person if such Disposition is approved by the Board ("Other Transferee") (which such approval shall not be unreasonably withheld, provided that such Disposition is not made to a Competitor); provided, that no Disposition shall be made pursuant to clause (iii) of this Section 3.3(b) unless such Institutional Investor or Other Transferee agrees in writing to be bound by the terms of this Agreement.

(c) Dispositions of Voting Securities may be made to any Affiliate of an Investor, provided that such Affiliate agrees to be bound by the terms of this Agreement.

(d) Dispositions of Voting Securities may be made pursuant to a Third-Party Offer, tender offer, exchange offer, merger, consolidation or any other transaction (x) which is recommended to stockholders of the Company by the Board of Directors (or, in the case of a tender or exchange offer, which is not within 10 business days of the commencement thereof opposed by the Board of Directors) or (y) in the case of a merger or other business combination transaction, which has been approved by the stockholders of the Company.

SECTION 3.4 Anti-Takeover Provisions and Permitted Disposition. The Board of Directors shall take all action necessary to: (a) exempt from the provisions of DGCL Section 203 any Permitted Disposition made to any Institutional Investor or Other Transferee pursuant to Section 3.3 (b)(iii), and (b) exempt any Institutional Investor or Other Transferee who acquires Voting Securities pursuant to Section 3.3 (b)(iii) from being deemed an "Acquiring Person" under the Rights Agreement.

ARTICLE IV
ADDITIONAL COVENANTS

SECTION 4.1 Certain Information. For so long as any Series B Designee is a Director, upon the request of any Investor, the Company will deliver to a Series B Designee on behalf of such Investor: (a) for each calendar month, as soon as practicable and in any event within 30 calendar days after the close of each such month copies of (i) (A) the balance sheet of the Company as of the end of such month, (B) statements of operations of the Company for such month, and (C) statements of changes in cash flows of the Company for such month, setting forth in each case in comparative form the corresponding figures for the Budget, for the year-to-date and for the comparable periods in the preceding year (month and year-to-date); (b) as soon as practicable and in any event not less than 30 calendar days prior to the end of each fiscal year of the Company, a proposed annual operating budget for the Company for the succeeding fiscal year, containing forecasts of profit and loss and cash flow with monthly and quarterly breakdowns and management's reasonably estimated projections of indebtedness and commitments for the succeeding fiscal year (the "Budget"); (c) on a quarterly basis, within 45 calendar days after the close of each quarter, the report in the form annexed hereto as Exhibit A, and (d) any and all other information as any Investor may, from time to time, reasonably request.

SECTION 4.2 Right to Participate in Sale and Third-Party Bid. During the Standstill Period, any Holder that Beneficially Owns in excess of 10% of the Voting Securities shall be given the reasonable opportunity to participate in any bidding process in connection with a Sale or Third-Party Bid. Nothing contained herein requires that the Board of Directors accept any offer by the Holders in connection with a Sale or Third-Party Bid.

SECTION 4.3 Preemptive Rights.

(a) For so long as at least 50% of the originally issued shares of Series B Stock remain outstanding, prior to the issuance or sale of any shares of Voting Securities or Derivative Securities (other than Excluded Shares) (all such securities, other than Excluded Shares, are referred to collectively herein as "Additional Securities"), the Company shall first give to each Holder holding shares of Series B Stock the opportunity (such opportunity being herein referred to as the "Preemptive Right") to purchase (on the same terms as such Additional Securities are proposed to be sold) the same percentage of such Additional Securities proposed to be sold by the Company as equals the percentage equal to the quotient of (i) the number of shares of Common Stock into which the shares held by such Holder of Series B Stock could be converted, divided by (ii) the sum of (A) all the outstanding shares of Common Stock of the Company and (B) the number of shares of Common Stock into which all the shares of Series B Stock held by all Holders could be converted.

(b) At least 15 days prior to the issuance by the Company of any Additional Securities, the Company shall give written notice thereof (the "Preemptive Notice") to each Holder. The Preemptive Notice shall specify (i) the name and address of the bona fide investor (if known) to whom the Company proposes to issue or sell Additional Securities, (ii) the total amount of capital to be raised by the Company pursuant to the issuance or sale of Additional

Securities, (iii) the number of such Additional Securities proposed to be issued or sold, (iv) the price and other terms of their proposed issuance or sale, (v) the number of such Additional Securities which such Holder is entitled to purchase (determined as provided in Section 4.3(a)), and (vi) the period during which such Holder may elect to purchase such Additional Securities, which period shall extend for at least 15 days following the receipt by such Holder of the Preemptive Notice (the "Preemptive Acceptance Period"). Each Holder who desires to purchase Additional Securities shall notify the Company within the Preemptive Acceptance Period of the number of Additional Securities he wishes to purchase, as well as the number, if any, of extra Additional Securities he would be willing to purchase in the event that all of the Additional Securities subject to the Preemptive Right are not subscribed for by the other Holders (the "Preemptive Acceptance Notice").

(c) In the event a Holder declines to subscribe for all or any part of its pro rata portion of any Additional Securities which are subject to the Preemptive Right (the "Declining Preemptive Purchaser") during the Preemptive Acceptance Period, then the other Holders shall have the right to subscribe for all (or any declined part) of such Declining Preemptive Purchaser's pro rata portion of such Additional Securities (to be divided among the other Holders desiring to exercise such right on a ratable basis) (the "Overallotment Right"). Each Holder's Overallotment Right, if any, shall be deemed to be exercised on the date the Preemptive Acceptance Notice is given.

(d) After the conclusion of the Preemptive Acceptance Period, any Additional Securities, less any Additional Securities for which Preemptive Rights or Overallotment Rights are exercised, may be sold by the Company, within a period of 4 months after the expiration of the Preemptive Acceptance Period, to any other Person or Persons at not less than the price and upon other terms and conditions not less favorable to the Company than those set forth in the Preemptive Notice.

(e) Notwithstanding anything to the contrary contained herein, if the Company issues, pursuant to a rights offering, rights to acquire shares of Common Stock or other securities to holders of Common Stock, then the Holders of Series B Stock shall be entitled to receive that kind and number of rights which such Holder would have been entitled to receive if the Holder had held the Common Stock issuable upon conversion of its Series B Stock as of the date a record is taken of the holders of Common Stock for the purpose of receiving such distribution (or if no such record is taken, the earlier of the date of such declaration, payment or other distribution).

SECTION 4.4 Restricted Actions.

(a) The Company shall not amend, modify or supplement any provision of the Rights Agreement in a manner that adversely affects the rights and benefits of any Holder under any such provision.

(b) Notwithstanding anything to the contrary contained herein, for so long as at least 50% of the originally issued shares of Series B Stock is held by the Investors, the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, without the prior written consent of at least a majority of the then-outstanding shares of Series B Stock: (i) take

any action, or fail to take any action, that would have the effect of substantially altering the business of the Company and its Subsidiaries as such businesses are conducted as of the Closing Date after giving effect to the transactions contemplated by the CK Purchase Agreement; or (ii) effect any sale, conveyance or other disposition of, or encumbrance upon, all or substantially all of the property, assets or business of the Company or merge with or into or consolidate with any other corporation or entity or entities, or effect any transaction or series of related transactions in which more than 50% of the capital stock or Total Voting Power is transferred or disposed of, or effect any voluntary dissolution or liquidation or effect a reorganization in any form of transaction (including, without limitation, any reorganization into a limited liability company, a partnership or any other non-corporate entity which is treated as a partnership for federal income tax purposes).

ARTICLE V
TERMINATION

SECTION 5.1 Termination. Without limiting any liability of the Company or the Holders for any breach of its obligations hereunder, this Agreement may be terminated: (i) if the Company and the Holders holding a majority of the Voting Securities mutually agree in writing; (ii) with respect to the Investors, by notice in writing at any time when the Investors Beneficially Own in the aggregate less than 10% of the Total Voting Power of the Company, and with respect to any other Holder, by notice in writing at any time by such Holder, when such Holder has ceased to Beneficially Own at least 10% of the Total Voting Power of the Company; (iii) at any time on or after the Redemption Date; or (iv) if the Company causes the conversion of all of the shares of Series B Stock into shares of Common Stock pursuant to Section 6(b) of the Certificate of Designations; provided, however, that, for purposes of this clause (iv), the restrictions set forth in Section 3.1 shall continue to be in full force and effect unless, or until, this Agreement has been, or is, terminated pursuant to clause (i), (ii) or (iii) of this Section 5.1.

ARTICLE VI
MISCELLANEOUS

SECTION 6.1 Amendment and Modification. This Agreement may be amended, modified and supplemented, and any of the provisions contained herein may be waived, only by a written instrument signed by the Company and by the Holders owning at least a majority of the outstanding Voting Securities owned by all Holders. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement.

SECTION 6.2 Assignment; No Third Party Beneficiaries.

(a) Neither this Agreement, nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of Law or otherwise) without the prior written consent of the other parties; provided, however that (i) each Investor may assign its rights, interests and obligations under this Agreement to any other Investor and to (except

for Sections 2.4, 4.1 and 4.4(b)) any Institutional Investor, Other Transferee, or Affiliate of such Investor in connection with a transfer of Voting Securities to such Person, and (ii) in the event of such assignment, the assignee shall agree in writing to be bound by the provisions of this Agreement.

(b) This Agreement shall not confer any rights or remedies upon any Person other than the parties to this Agreement and their respective successors and permitted assigns.

SECTION 6.3 Binding Effect; Entire Agreement. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and executors, administrators and heirs. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements and understandings of any and every nature among them.

SECTION 6.4 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable Law, such provision(s) shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms so long as the economic or legal substance of the transactions contemplated by this Agreement are not affected in any manner materially adverse to any party.

SECTION 6.5 Notices and Addresses. Any notice, demand, request, waiver, or other communication under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service, if personally served or sent by facsimile; on the business day after notice is delivered to a courier or mailed by express mail, if sent by courier delivery service or express mail for next day delivery; and on the third day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered, return receipt requested, postage prepaid and addressed as follows:

If to the Company:
Phillips-Van Heusen Corporation
200 Madison Avenue
New York, New York 10016
Attention: Vice President, General Counsel and Secretary
Facsimile: (212) 381-3970
Telephone: (212) 381-3509

with a copy (which shall not constitute notice) to:

Katten Muchin Zavis Rosenman
575 Madison Avenue
New York, New York 10022
Attention: David H. Landau, Esq.
Facsimile: (212) 940-8776

Telephone: (212) 940-8800

If to any Investor, at the most current address, and with a copy to be sent to each additional address, given by such Investor to the Company in writing, and copies (which shall not constitute notice) sent to:

Swidler Berlin Shereff Friedman, LLP
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Attention: Morris Orens, Esq.
Fax: (212) 891-9598

SECTION 6.6 Governing Law. This Agreement and (unless otherwise provided) all amendments hereof and waivers and consents hereunder shall be governed by the internal Laws of the State of New York, without regard to the conflicts of Law principles thereof which would specify the application of the Law of another jurisdiction.

SECTION 6.7 Headings. The headings in this Agreement are for convenience of reference only and shall not constitute a part of this Agreement, nor shall they affect their meaning, construction or effect.

SECTION 6.8 Counterparts. This Agreement may be executed via facsimile and in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute one and the same instrument.

SECTION 6.9 Further Assurances. Each party shall cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

SECTION 6.10 Remedies. In the event of a breach or a threatened breach by any party to this Agreement of its obligations under this Agreement, any party injured or to be injured by such breach will be entitled to specific performance of its rights under this Agreement or to injunctive relief, in addition to being entitled to exercise all rights provided in this Agreement and granted by Law, it being agreed by the parties that the remedy at Law, inducing monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense or objection in any action for specific performance or injunctive relief that a remedy at Law would be adequate is waived.

SECTION 6.11 Jurisdiction. Each of the Investors and the Company (a) hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any state or federal court sitting in New York County, New York for the purposes of any suit, action or other proceeding arising out of this Agreement or the subject matter hereof brought by the Company, or any Investor and (b) hereby waives and agrees not to assert, by way of motion, as a defense, or otherwise, in any

such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer

Name: Mark D. Fischer
Title: Vice President, General Counsel, Secretary

APAX EXCELSIOR VI, L.P.
By: Apax Excelsior VI Partners, L.P.,
Its General Partner
By: Apax Managers, Inc.
Its General Partner

By: /s/ David Landau

Name: David Landau
Title: Vice President

APAX EXCELSIOR VI-A C.V.
By: Apax Excelsior VI Partners, L.P.,
Its General Partner
By: Apax Managers, Inc.
Its General Partner

By: /s/ David Landau

Name: David Landau
Title: Vice President

APAX EXCELSIOR VI-B C.V.
By: Apax Excelsior VI Partners, L.P.,
Its General Partner
By: Apax Managers, Inc.
Its General Partner

By: /s/ David Landau

Name: David Landau
Title: Vice President

PATRICOF PRIVATE INVESTMENT CLUB III, L.P.
By: Apax Excelsior VI Partners, L.P.,
Its General Partner
By: Apax Managers, Inc.
Its General Partner

By: /s/ David Landau

Name: David Landau
Title: Vice President

APAX EUROPE V - A, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beercroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - B, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - C GmbH & Co. KG
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - D, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - E, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - F, C.V.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - G, C.V.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - 1, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

APAX EUROPE V - 2, L.P.
By: Apax Partners Europe Managers Ltd.
Its Investment Manager

By: /s/ Adrian Beecroft

Name: Adrian Beecroft
Title: Managing Director

By: /s/ Clive Sherling

Name: Clive Sherling
Title: Managing Director

EXHIBIT 99.1

Phillips-Van Heusen (ticker: PVH, exchange: New York Stock Exchange)
News Release - Feb. 12, 2003

PHILLIPS-VAN HEUSEN COMPLETES ACQUISITION OF CALVIN KLEIN, INC; COMPANY MOVING FORWARD AGGRESSIVELY TO TAP EXTRAORDINARY GROWTH POTENTIAL OF LEADING LIFESTYLE BRAND

NEW YORK, Feb 12, 2003 (BUSINESS WIRE) -- Phillips-Van Heusen Corporation (NYSE:PVH) announced today it has completed its acquisition of Calvin Klein, Inc. (CKI), one of the world's leading lifestyle brands and businesses, a transaction PVH believes will make a major contribution to its growth in 2004.

"Each day since our agreement was announced has further strengthened our belief that the acquisition of Calvin Klein, Inc. is a transforming transaction for Phillips-Van Heusen, providing us with a solid existing business and a brand with incredible growth potential worldwide," said Bruce Klatsky, Chairman and Chief Executive of PVH. "We have been working closely with the CKI team, including its business partners, and are quickly implementing our growth plan for the brand."

Calvin Klein said: "The closing of this transaction marks another milestone in the development of our business, a new chapter that will see the full realization of the value of the business and brand on a global scale. Bruce Klatsky, Mark Weber and their team understand the unique value, positioning and integrity of our brand, so I look forward to working with them to build upon the strong foundation so many people have worked so hard to create."

Mr. Klatsky said: "We are continuing to move aggressively with our plans to launch in the next 24 months the Calvin Klein better men's and women's sportswear and accessories businesses which we believe will have a tremendous presence in this segment and contribute substantially to our revenues."

Other potential growth areas for the brand include global expansion of Calvin Klein retail stores, and taking advantage of regional growth prospects in Europe and Asia where the brand has high awareness but has not yet been fully leveraged.

Mr. Klein will continue to be the design inspiration for the company, focusing on key strategic issues and decisions. Tom Murry, president of CKI, will continue as president and chief operating officer of a separate operating unit that will include CKI's existing design, merchandising and marketing teams, which will remain unaffected by the acquisition.

PVH acquired CKI for $430 million in cash and stock and has an ongoing agreement with Mr. Klein that will enable him to receive purchase price payments based on sales of all Calvin Klein products through 2018.

PVH anticipates that the CKI acquisition will be somewhat dilutive in 2003 and will make a positive contribution to annual earnings by 2004, as previously announced. During 2003, due to normal integration and transition costs, operating earnings per share are expected to be approximately $1.00. Earnings per share for fiscal 2004 and beyond are expected to grow at an annual rate of 15-20 percent. PVH anticipates being able to make annual cost savings of approximately $20-30 million through 2004 in back office and logistical functions as a result of the transaction.

Apax Partners, a leading private equity firm, provided financing for the transaction in the form of a $250 million equity investment in PVH convertible preferred stock, with respect to which Lehman Brothers acted as broker dealer. Apax Partners has also provided financing of up to $125 million, pursuant to a two-year secured note.

Phillips-Van Heusen Corporation is the largest shirt company in the world and one of the leading apparel and footwear companies. Its well-known brands include Van Heusen, IZOD, G.H. Bass, as well as licensing agreements with Geoffrey Beene, ck Calvin Klein, Arrow, DKNY and Kenneth Cole.

Calvin Klein, Inc. is one of the leading design and marketing companies in the world. The company

consists of a highly successful couture business and an extensive network of licensing agreements that together generate over $3 billion in annual retail sales worldwide. The company's product lines include the Calvin Klein Collection, cK and cK Calvin Klein. Products designed under these lifestyles include apparel, accessories, shoes, underwear, sleepwear, hosiery, socks, swimwear, eyewear, watches, coats, and fragrances, as well as products for the home.

Apax Partners is one of the world's leading international private equity investment groups, managing and advising more than $12 billion worldwide. With over 30 years of direct investing experience, Apax focuses on the following industry sectors: retail/consumer products, information technology, telecommunications, healthcare, media and financial services.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: Forward-looking statements in this press release, including, without limitation, statements relating to the Company's plans, strategies, objectives, expectations and intentions, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy, and some of which might not be anticipated, including, without limitation, the following: (i) the Company's plans, strategies, objectives, expectations and intentions are subject to change at any time at the discretion of the Company; (ii) the levels of sales of the Company's apparel and footwear products, both to its wholesale customers and in its retail stores, and the extent of discounts and promotional pricing in which the Company is required to engage, all of which can be affected by weather conditions, changes in the economy, fuel prices, reductions in travel, fashion trends and other factors; (iii) the Company's plans and results of operations will be affected by the Company's ability to manage its growth and inventory; (iv) the Company's operations and results could be affected by quota restrictions (which, among other things, could limit the Company's ability to produce products in cost-effective countries that have the labor and technical expertise needed), the availability and cost of raw materials (particularly petroleum-based synthetic fabrics, which are currently in high demand), the Company's ability to adjust timely to changes in trade regulations and the migration and development of manufacturers (which can affect where the Company's products can best be produced), and civil conflict or war and political and labor instability in the countries where the Company's products are or are planned to be produced; and (v) acquisitions and issues arising with acquisitions and proposed transactions, including without the limitation, the ability to integrate an acquired entity into the Company with no substantial adverse affect on the acquired entity's operations, employee relationships, vendor relationships, customer relationships or financial performance and (vi) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission.

The Company does not undertake any obligation to update publicly any forward-looking statement, including, without limitation, any estimate regarding revenues or earnings, whether as a result of the receipt of new information, future events or otherwise.

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For Apax Partners:
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"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding Phillips-Van Heusen's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.

EXHIBIT 99.2

Phillips-Van Heusen (ticker: PVH, exchange: New York Stock Exchange) News Release - Feb. 14, 2003

PHILLIPS-VAN HEUSEN ANNOUNCES NEW BOARD OF DIRECTORS

NEW YORK, Feb 14, 2003 (BUSINESS WIRE) -- Phillips-Van Heusen Corporation (NYSE: PVH) announced that in connection with its acquisition of Calvin Klein, David A. Landau, Henry Nasella and Christian Nather have been elected as directors of the Company.

Messrs. Landau, Nasella and Nather are partners in Apax Partners, which made a $250 million equity investment in and provided a loan of up to $125 million to PVH in connection with the acquisition.

PVH also announced that Maria Elena Lagomasino resigned as a director of the company. The resignation was due to Ms. Lagomasino's other business commitments and was unrelated to the acquisition or the election of the new directors.

CONTACT:
Phillips-Van Heusen Corporation, New York
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"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding Phillips-Van Heusen's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.