

PERRY ELLIS INTERNATIONAL INC  
Form DEF 14A  
May 09, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only

(as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240 14a-12

**PERRY ELLIS INTERNATIONAL, INC.**

(Name of Registrant as Specified in Its Charter)

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

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No fee required.

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(3) Filing Party:

(4) Date Filed:

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**3000 N.W. 107th Avenue**

**Miami, Florida 33172**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON JUNE 14, 2013**

To the Shareholders of Perry Ellis International, Inc.:

The 2013 Annual Meeting of Shareholders (the "Annual Meeting") of Perry Ellis International, Inc., a Florida corporation (the "Company" or "Perry Ellis"), will be held at our principal executive offices at 3000 N.W. 107th Avenue, Miami, Florida 33172 at 11:00 A.M. on June 14, 2013 for the following purposes:

1. To elect two directors of the Company to serve until the 2016 Annual Meeting of Shareholders;
2. To hold an advisory vote on the Company's executive compensation;
3. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending February 1, 2014; and
4. To transact such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof. Our Board of Directors has fixed the close of business on April 29, 2013 as the record date for determining those shareholders entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof.

**Important Notice Regarding the Availability of**

**Proxy Materials for the Shareholder**

**Meeting to be Held on June 14, 2013**

This proxy statement and our annual report to shareholders on Form 10-K are available at:

<http://www.cstproxy.com/perryellis/2013>

Your vote is important. Whether or not you expect to be present, please sign, date and return the enclosed proxy card in the pre-addressed envelope provided for that purpose as promptly as possible. No postage is required if mailed in the United States.

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By Order of the Board of Directors,

Fanny Hanono,

Secretary

Miami, Florida

May 10, 2013

**ALL SHAREHOLDERS ARE INVITED TO ATTEND THE ANNUAL MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND, WE RESPECTFULLY URGE YOU TO SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE. SHAREHOLDERS WHO EXECUTE A PROXY CARD MAY NEVERTHELESS ATTEND THE ANNUAL MEETING, REVOKE THEIR PROXY AND VOTE THEIR SHARES IN PERSON. STREET NAME SHAREHOLDERS WHO WISH TO VOTE THEIR SHARES IN PERSON WILL NEED TO OBTAIN A PROXY FROM THE PERSON IN WHOSE NAME THEIR SHARES ARE REGISTERED.**

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**PERRY ELLIS INTERNATIONAL, INC.  
ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 14, 2013**

**PROXY STATEMENT**

**TIME, DATE AND PLACE OF ANNUAL MEETING**

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Perry Ellis International, Inc., a Florida corporation (the Company or Perry Ellis ), of proxies from the holders of our common stock, par value \$.01 per share, for use at our Annual Meeting of Shareholders (the Annual Meeting ) to be held at our principal executive offices at 3000 N.W. 107th Avenue, Miami, Florida 33172 at 11:00 A.M. on June 14, 2013, and at any adjournments or postponements thereof pursuant to the enclosed Notice of Annual Meeting.

The approximate date this proxy statement and the enclosed form of proxy are first being sent to shareholders is May 10, 2013. Shareholders should review the information provided herein in conjunction with our Annual Report to Shareholders that accompanies this proxy statement. Our principal executive offices are located at 3000 N.W. 107th Avenue, Miami, Florida 33172, and our telephone number is (305) 592-2830.

**INFORMATION CONCERNING PROXY**

The enclosed proxy is solicited on behalf of our Board of Directors. The giving of a proxy does not preclude the right to vote in person should any shareholder giving the proxy so desire. Shareholders have an unconditional right to revoke their proxy at any time prior to the exercise thereof, either in person at the Annual Meeting or by filing with our Secretary at our headquarters a written revocation or duly executed proxy bearing a later date; however, no such revocation will be effective until written notice of the revocation is received by us at or prior to the Annual Meeting.

We will pay the cost of preparing, assembling and mailing this proxy-soliciting material. In addition to the use of the mail, proxies may be solicited personally, by telephone, or by Company officers and employees without additional compensation. We will pay all costs of solicitation, including the reimbursement of certain reasonable expenses of brokers and nominees who mail proxy soliciting materials to their customers or principals. We have not retained a professional proxy solicitor or other firm to assist with the solicitation of proxies, although, we may do so if deemed appropriate.

**PURPOSES OF THE ANNUAL MEETING**

At the Annual Meeting, our shareholders will consider and vote upon the following matters:

1. To elect two directors of the Company to serve until the 2016 Annual Meeting of Shareholders;
2. To hold an advisory vote on our executive compensation;

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3. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending February 1, 2014; and

4. To transact such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof. Unless contrary instructions are indicated on the enclosed proxy, all shares of common stock represented by valid proxies received pursuant to this solicitation (and that have not been revoked in accordance with the procedures set forth herein) will be voted (a) **FOR** the election of the respective nominees for director named

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in the Section titled Election of Directors, (b) **FOR** the advisory vote on our executive compensation, (c) **FOR** the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending February 1, 2014, and in the discretion of the persons named in the proxy in connection with any other business that may properly come before the Annual Meeting. The Board of Directors knows of no other business that may properly come before the Annual Meeting; however, if other matters properly come before the Annual Meeting, it is intended that the persons named in the proxy will vote thereon in accordance with their best judgment. In the event a shareholder specifies a different choice by means of the enclosed proxy, the shareholder's shares will be voted in accordance with the specification so made.

### **OUTSTANDING VOTING SECURITIES AND VOTING RIGHTS**

Our Board of Directors has set the close of business on April 29, 2013, as the record date for determining which of our shareholders are entitled to notice of, and to vote, at the Annual Meeting. As of the record date, there were approximately 15,336,017 shares of common stock that are entitled to be voted at the Annual Meeting. Each share of common stock is entitled to one vote on each matter submitted to shareholders for approval at the Annual Meeting.

The attendance, in person or by proxy, of the holders of a majority of the outstanding shares of our common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum. Directors will be elected by a plurality of the votes cast by the shares of common stock represented in person or by proxy at the Annual Meeting. The affirmative vote of the holders of a majority of the shares of common stock represented in person or by proxy at the Annual Meeting will be required for approval of the other proposals covered by this Proxy Statement. If a shareholder provides specific voting instructions, his or her shares will be voted as instructed. If a shareholder holds shares in his or her name and returns a properly executed proxy without giving specific voting instructions, the shareholder's shares will be voted **FOR** all nominees for director and **FOR** Proposal 2 and 3, as recommended by our Board of Directors. If less than a majority of the outstanding shares entitled to vote is represented at the Annual Meeting, a majority of the shares so represented may adjourn the Annual Meeting to another date, time or place, and notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before an adjournment is taken.

Prior to the Annual Meeting, we will select one or more inspectors of election for the meeting. Such inspector(s) shall determine the number of shares of common stock represented at the meeting, the existence of a quorum and the validity and effect of proxies, and shall receive, count and tabulate ballots and votes and determine the results thereof. Abstentions will be considered as shares present and entitled to vote at the Annual Meeting and will be counted as votes cast at the Annual Meeting, but will not be counted as votes cast for or against any given matter.

If your shares are held in street name through a bank or broker, your bank or broker may vote your shares under certain circumstances if you do not provide voting instructions before the Annual Meeting, in accordance with New York Stock Exchange rules that govern the banks and brokers. These circumstances include routine matters, such as the ratification of the appointment of our independent registered public accounting firm described in this Proxy Statement. Thus, if you do not vote your shares with respect to these matters, your bank or broker may vote your shares on your behalf or leave your shares unvoted.

The election of directors and the advisory vote on our executive compensation are not considered routine matters. Thus, if you do not vote your shares with respect to any of these matters, your bank or broker may not vote the shares, and your shares will be left unvoted on the matter.

Broker non-votes occur when shares represented by proxies received from a bank or broker are not voted on a matter because the bank or broker did not receive voting instructions from the bank or broker's customer. Broker non-votes, will be treated the same as abstentions, which means the shares will be deemed to be present at the Annual Meeting for purposes of determining whether a quorum exists. In tabulating the votes for any

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particular proposal, shares that constitute broker non-votes or abstentions are not considered shares present and entitled to vote with respect to the matter on which the broker has not voted or the abstention has been received. Thus, abstentions and broker non-votes will not have an effect on any of the proposals at this meeting because they will not be counted as votes cast.

**PROPOSAL 1 ELECTION OF DIRECTORS****ELECTION OF DIRECTORS**

During our fiscal year ended January 28, 2012, the Board of Directors unanimously approved a reduction in the size of the board from nine directors to seven directors. Our amended and restated articles of incorporation provide that the Board of Directors be divided into three classes. Each class of directors serves a staggered three-year term. George Feldenkreis and Gary Dix hold office until the 2013 Annual Meeting. Joseph Natoli and Eduardo M. Sardiña hold office until the 2014 Annual Meeting. Oscar Feldenkreis, Joe Arriola, and Joseph P. Lacher hold office until the 2015 Annual Meeting. At the Annual Meeting, two directors will be elected by the shareholders to serve until the Annual Meeting to be held in 2016, or until their successors are duly elected and qualified. Messrs. Feldenkreis, and Dix are standing for re-election at the Annual Meeting. The accompanying form of proxy when properly executed and returned to us, will be voted **FOR** the election as directors of the two persons named below to the class of directors set forth opposite each of their respective names, unless the proxy contains contrary instructions. Proxies cannot be voted for a greater number of persons in each class of directors than the number of nominees named in this Proxy Statement who are nominated for election to such class. Management has no reason to believe that any of the nominees is unable or unwilling to serve if elected. However, in the event that any of the nominees should become unable or unwilling to serve as a director, the proxy will be voted for the election of such person or persons as shall be designated by our Board of Directors.

**Nominees**

The persons nominated as directors are as follows:

Name	Age	Position with the Company	Term Expires	Term of Class Expires
George Feldenkreis	77	Chairman of the Board and Chief Executive Officer	2013	2016
Gary Dix(1)(2)	65	Director	2013	2016

(1) Member of Corporate Governance Committee.

(2) Member of Investment Policy Committee.

**George Feldenkreis** founded the Company in 1967, has been involved in all aspects of our operations since that time and served as our President and a director until February 1993, at which time he was elected Chairman of the Board and Chief Executive Officer (the CEO). He is a trustee of the University of Miami, a member of the Board of Directors of the Greater Miami Jewish Federation, a trustee of the Simon Wiesenthal Board, and a member of the Board of Directors of the American Apparel and Footwear Association. He is also a director of Federal Mogul Corporation. Mr. Feldenkreis' development and expansion of the Company from a small privately-held company to a successful multi-brand public company, as well as his role as our CEO, provide valuable experience and insight to the Board and the Company.

**Gary Dix** was elected to our Board of Directors in 1993. Since February 1994, Mr. Dix, a certified public accountant, an accredited business valuator, and a certified valuation analyst, has been a shareholder at Mallah Furman & Company, P.A., an accounting firm, and has served as Managing Director of the accounting firm since December 2011. From 1979 to January 1994, Mr. Dix was a partner of Silver Dix & Hammer, P.A., another accounting firm. Mr. Dix's accounting, tax, and business valuation experience is a valuable resource to the Board and the Company, and provides a strong background for his role as chair of the Investment Policy Committee.

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Set forth below is certain information concerning our continuing directors who are not currently standing for election and our other executive officers who are not directors:

Name	Age	Position with the Company	Term Expires
<b>Directors</b>			
Oscar Feldenkreis	53	Vice Chairman of the Board, President and Chief Operating Officer	2015
Joseph Natoli (1)(2)(3)	57	Director	2014
Eduardo M. Sardiña(1)(2)(3)(4)	67	Director	2014
Joe Arriola (2)(3)(4)(5)	66	Director	2015
Joseph P. Lacher (1)(2)(3)(4)(5)	67	Director	2015
<b>Other Executive Officers</b>			
Anita Britt	49	Chief Financial Officer	N/A
Fanny Hanono	51	Secretary and Treasurer	N/A
John F. Voith, Jr.	58	Group President, Golf and Sportswear Division	N/A
Stephen Harriman	55	President, Bottoms Division	N/A
Luis Paez	52	Chief Information Officer	N/A
Cory Shade	48	Senior Vice President, General Counsel and Assistant Secretary	N/A

(1) Member of Audit Committee.

(2) Member of Corporate Governance Committee.

(3) Member of Nominating Committee.

(4) Member of Compensation Committee.

(5) Member of Investment Policy Committee.

**Oscar Feldenkreis** was elected our Vice President and a director in 1979 and joined us on a full-time basis in 1980. Mr. Feldenkreis has been involved in all aspects of our operations since that time and was elected President and Chief Operating Officer (the COO) in February 1993 and elected Vice Chairman of the Board in March 2005. He is a member of the Board of Directors of FIT's Educational Foundation for the Fashion Industries, an Advisory Board of My Mela and an Advisory Member for the University of Pennsylvania's Wharton School of Business Retail. Mr. Feldenkreis' extensive experience in the apparel industry and all aspects of the markets served by the Company, as well as his role as our COO, make him uniquely qualified to serve as a member of the Board.

**Joe Arriola** was appointed to our Board of Directors in 2006. In 1972, Mr. Arriola founded Avanti-Case Hoyt, a commercial printing company, and served as its President until 2001. From 2003 to 2006, he was Manager for the City of Miami. Between August 2006 and December 2006, he was the Managing Partner of MBF Healthcare Partners, a private equity firm. Mr. Arriola served as the President and Chief Executive Officer of Pullmantur Cruises, the largest cruise line in Spain, from September 2007 to September 2008, from which he retired. He is Treasurer and a member of the Financial Recovery Board of Jackson Memorial Hospital. Mr. Arriola's executive and entrepreneurial experience provides him with extensive knowledge of many issues that affect us, and allows him to advise the Board and the Company on matters involving global operations, strategic planning and marketing matters.

**Joseph P. Lacher** was elected to our Board of Directors in 1999 and became our lead director in 2006. From 1991 until his retirement in 2005, Mr. Lacher was State President for Florida Operations of BellSouth Telecommunications, Inc., a telecommunications company. From 1967 through 1990, Mr. Lacher served in various management capacities at AT&T corporate headquarters and at BellSouth. Mr. Lacher was Chairman of



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Great Florida Bank between June 2004 and December 2006. He is a director of TECO Energy, Inc. and chairs its audit committee and he is on its governance committee. He is a chairman and director of Goodwill of South Florida, and a trustee and board member of St. Thomas University. Mr. Lacher is uniquely qualified to serve on the Board primarily as a result of his extensive experience leading a major division of a large publicly traded company and his service on the board of directors of other public companies, which also provides a strong background for his role as chair of the Audit Committee and an audit committee financial expert.

**Joseph Natoli** was appointed to our Board of Directors in December 2007. Since 2006, Mr. Natoli has served as Senior Vice President of Business and Finance and Chief Financial Officer of the University of Miami, where he has direct responsibility over multiple financial and operational areas of the university. From 2004 to 2006, Mr. Natoli was Chairman and Publisher of Philadelphia Newspapers, Inc., publishers of The Philadelphia Inquirer, the Philadelphia Daily News and Philly.com. From 2001 to 2003, Mr. Natoli was President and Publisher of the San Jose Mercury News. From 1994 to 2001, Mr. Natoli was President of the Miami Herald Publishing Company. Mr. Natoli's background as Chief Financial Officer and as an executive of news media organizations, provides him with financial and operational experience that allows him to advise us on a range of matters and serve as an audit committee financial expert.

**Eduardo M. Sardiña** was appointed to our Board of Directors in March 2010. From 1996 until his retirement in 2006, Mr. Sardiña served as Chief Executive Officer of Bacardi USA and, beginning in 2000, he also served as President of the North American Region and a member of the Executive Committee and Director of Bacardi Limited, an international consumer products company. From 1973 through 1996, Mr. Sardiña served in various management capacities for the Bacardi organization, in the United States and internationally, including Managing Director of Europe from 1992 through 1995. From 2006 until 2007, he served as a consultant to Bacardi Ltd. Mr. Sardiña is a member of the Orange Bowl Committee and the South Florida Advisory Board of the Sun Trust Bank, and a trustee of the University of Miami. Mr. Sardiña's years of experience leading a major division of a global multi-brand consumer products company, particularly in the development and marketing of consumer products, provides him with a background that is relevant to the Board and business and allows him to advise us on a range of global matters and serve as an audit committee financial expert.

**Anita Britt** was appointed Chief Financial Officer in March 2009. From 2006 until 2009, Ms. Britt served as Executive Vice President and Chief Financial Officer of Urban Brands, Inc., an apparel company. From 1993 to 2006, Ms. Britt served in various positions, including that of Executive Vice President, Finance for Jones Apparel Group, an apparel company.

**Fanny Hanono** was appointed Secretary and Treasurer in September 1990, after serving as our Assistant Secretary and Assistant Treasurer from September 1988 to August 1990. Additionally, she has overseen our Human Resources since April 2003, and has managed insurance and imports since 2006. From April 2012 to present she also has served as President of GFX, an automotive parts company.

**John F. Voith, Jr.** was appointed Group President of Golf and Sportswear Divisions in April 2012. From September 2009 to April 2012, he served as President of Golf and Sportswear Divisions and from 2001 to 2009 he served as Executive Vice President of the Sportswear Division. Prior to 2001, Mr. Voith held various positions, including as an Executive Vice President, at each of Phillips Van Heusen and The Arrow Co., both apparel companies.

**Stephen Harriman** was appointed President, Bottoms Division in 2006. Since 1995, Mr. Harriman has been responsible for the development and sourcing of our bottom products. Prior to 1995, Mr. Harriman was a buyer for Marshall's, an off-price apparel and home fashions retailer.

**Luis Paez** was appointed to Chief Information Officer ( CIO ) in 2000. From December 1994 to 2000, he served as our MIS Director. From 1989 to 1994, he held various positions including that of Systems Director for Sauve Shoes, a shoe company.

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**Cory Shade** was appointed Senior Vice President and General Counsel in 2006, and Assistant Secretary in 2010. Between 2002 and 2006, Ms. Shade was General Counsel of BG Investments, an investment company. From 2000 through 2002, Ms. Shade was a corporate attorney at the law firm of Kilpatrick Stockton LLP. From 1998 through 2000, Ms. Shade was General Counsel of FirstCom Corporation, a telecommunications company, which merged into AT&T Latin America Corp. From 1996 through 1998, Ms. Shade was a corporate attorney at the law firm of Steel, Hector & Davis LLP, now known as Squire Saunders & Dempsey LLP.

George Feldenkreis is the father of Oscar Feldenkreis, our Vice Chairman, President and COO and a director, and Fanny Hanono, our Secretary and Treasurer. There are no other family relationships among our directors and executive officers.

Our executive officers are elected annually by our Board of Directors and serve at the discretion of our Board of Directors. Our directors hold office until the third succeeding Annual Meeting of Shareholders after their respective election, unless otherwise stated, and until their successors have been duly elected and qualified.

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**CORPORATE GOVERNANCE**

**Board Responsibilities, Structure and Requirements**

The board oversees, counsels and directs management in our long-term interests and those of our shareholders. The board's responsibilities include:

Selecting and regularly evaluating the performance of the CEO and other executive officers;

Reviewing and approving our major financial objectives and strategic and operating plans, business risks and actions;

Overseeing the conduct of our business to evaluate whether the business is being properly managed; and

Overseeing the processes for maintaining the integrity of our financial statements and other publicly disclosed information in compliance with law.

The board has a lead director. Joseph P. Lacher was elected lead director in the fiscal year ended January 31, 2007, and continues to serve in this position. The responsibilities of the lead director are as follows:

Presiding at all executive sessions of the meetings of the Board of Directors without any management members present;

Serving as a liaison between the Chairman and the independent directors; and

Calling meetings of the independent directors.

George Feldenkreis serves as both Chairman of the Board and CEO for our Company. The board believes that the combined role of Chairman and CEO is the appropriate leadership structure for us at this time. This leadership model provides clear accountability and efficient and effective leadership of our business, and the board believes Mr. Feldenkreis is the appropriate person to lead both our board and the management of our business.

All of our directors are expected to comply with our Code of Business Conduct and Ethics and our Insider Trading Policy. The Board of Directors conducts an annual self-assessment. In addition, we encourage our directors to attend formal training programs in areas relevant to the discharge of their duties as directors. We reimburse directors for all expenses they incur in attending such programs.

**Meetings and Committees of the Board of Directors**

The board and its committees meet throughout the year on a set schedule, and hold special meetings and act by written consent from time to time as appropriate. During the fiscal year ended February 2, 2013 ( fiscal 2013 ), our Board of Directors held six meetings including board meetings held via conference call. During fiscal 2013, all of our directors attended at least 75% of the meetings of the Board of Directors and applicable committees on which they served. We strongly encourage all directors to attend the Annual Meeting of Shareholders, but we have no specific policy requiring attendance by directors at such meeting. All of our directors attended the 2012 Annual Meeting of Shareholders.

The board delegates various responsibilities and authority to different board committees. Committees regularly report on their activities and actions to the full board. The standing committees of the Board of Directors are the Audit Committee (the Audit Committee ), the Compensation Committee (the Compensation Committee ), the Corporate Governance Committee (the Corporate Governance Committee ), the Nominating Committee (the Nominating Committee ) and the Investment Policy Committee (the Investment Policy Committee ). The board has determined that each member of the Audit Committee, Compensation Committee, Corporate Governance Committee and Nominating Committee is an

independent director in accordance with the

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standards adopted by The Nasdaq Stock Market, Inc. ( NASDAQ ). Our outside independent directors meet without management at regularly scheduled executive sessions, in conjunction with regularly scheduled board and committee meetings, and at such other times as they deem appropriate.

Our board or the applicable committee has adopted written charters for the Audit, Compensation, Nominating and Corporate Governance Committees and has adopted corporate governance guidelines that address the composition and duties of the board and its committees. The charters for the Audit, Compensation, Corporate Governance and Nominating Committee and corporate governance guidelines are posted in the Investor Relations section of our website at [www.pery.com](http://www.pery.com), and each is available in print, without charge, to any shareholder. Each of the committees has the authority to retain independent advisors and consultants with all fees and expenses to be paid by us.

### ***Audit Committee***

The Audit Committee is comprised of Joseph P. Lacher, Chairman of the committee, Joseph Natoli and Eduardo M. Sardiña. The Audit Committee's functions include overseeing the integrity of our financial statements, our compliance with legal and regulatory requirements, the selection and qualifications of our independent registered public accounting firm, and the performance of our internal audit function and controls regarding finance, accounting, risk, legal compliance and ethics that management and our Board of Directors have established. In this oversight capacity, the Audit Committee reviews the scope, timing and fees for the annual audit and the results of audit examinations performed by the internal auditors and independent registered public accounting firm, including any recommendations to improve the system of accounting and internal controls. The Audit Committee met on thirteen occasions during fiscal 2013, including participation in conference calls with members of management and our independent registered public accounting firm to review and pre-approve earnings press releases and our quarterly and annual periodic reports before their issuance.

The Audit Committee is comprised of outside directors who are not officers or employees of us or our subsidiaries. In the opinion of the Board of Directors, all of the members of the Audit Committee are independent as that term is defined in the NASDAQ listing standards and the rules and regulations of the Securities and Exchange Commission (the Commission) and these directors are independent of management and free of any relationships that would interfere with their exercise of independent judgment as members of the Audit Committee. Additionally, all of the Audit Committee members have been determined by our Board of Directors to meet the qualifications of an Audit Committee Financial Expert as defined in the Commission's rules.

Deloitte & Touche LLP, our independent registered public accounting firm, reports directly to the Audit Committee. Our internal audit department also reports directly to the Audit Committee through the Vice President of Internal Audit. The Audit Committee, consistent with the Sarbanes Oxley Act of 2002 and the Commission's rules adopted thereunder, meets with management and the independent registered public accounting firm prior to the filing of our periodic reports. The Audit Committee has also adopted a policy and procedures for reporting improper activity to enable confidential and anonymous reporting of improper activities to the Audit Committee and the treatment of such reported activity.

### ***Compensation Committee***

The Compensation Committee is comprised of Joe Arriola, Chairman of the committee, Joseph P. Lacher and Eduardo M. Sardiña. The Compensation Committee determines the goals and objectives, and makes determinations regarding the salary and incentives, for the CEO, approves salaries and incentives for other executive officers, administers our incentive compensation plans and makes recommendations to the Board of Directors and senior management regarding our compensation programs, including an assessment of the risks associated with such programs. The Compensation Committee held six meetings during fiscal 2013 including committee meetings held via conference calls.

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### ***Corporate Governance Committee***

The Corporate Governance Committee is comprised of Joe Arriola, Chairman of the committee, Gary Dix, Joseph P. Lacher, Joseph Natoli and Eduardo M. Sardiña. The Corporate Governance Committee is responsible for evaluating our governance and the governance of our board and its committees; monitoring our compliance and that of the board and its committees with our corporate governance guidelines; and evaluating our corporate governance guidelines and reviewing those matters that require the review and consent of the independent directors of the board and that are not otherwise within the responsibilities delegated to another committee of the board. The Corporate Governance Committee met six times in fiscal 2013.

### ***Nominating Committee***

The Nominating Committee is comprised of Joe Arriola, Joseph P. Lacher, Joseph Natoli and Eduardo M. Sardiña. The committee assists the Board of Directors, on at least an annual basis, by identifying individuals qualified to become board members, and recommending to the board the director nominees for the next Annual Meeting of Shareholders. The Nominating Committee met four times in fiscal 2013. Pursuant to the board membership criteria as set forth in the corporate governance guidelines, the committee requires that each director or nominee that it considers for the Board of Directors: (1) be a person of personal and professional integrity; (2) demonstrate seasoned business judgment; (3) be independent from management (with respect to outside directors); (4) possess strategic planning experience/vision; and (5) have time to commit to the board.

Additionally, pursuant to our corporate governance guidelines, the committee has determined that it will consider a number of other factors, skills and characteristics in evaluating candidates for the Board of Directors, such as:

The candidate's ability to comprehend our strategic goals and to help guide us towards the accomplishment of those goals;

The candidate's history of conducting his/her personal and professional affairs with the utmost integrity and observing the highest standards of values, character and ethics;

The candidate's time availability for in-person participation at Board of Directors and committee meetings;

The candidate's judgment and business experience with related businesses or other organizations of comparable size;

The knowledge and skills the candidate would add to the Board of Directors and its committees, including the candidate's knowledge of Commission and NASDAQ regulations, and accounting and financial reporting requirements;

The candidate's ability to satisfy the criteria for independence established by the Commission and the NASDAQ;

The candidate's business management and leadership experience;

The overall financial acumen of the candidate;

The candidate's technical knowledge;

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The candidate's industry knowledge;

The functional experience of the candidate;

The risk management experience of the candidate;

The gender and cultural diversity of the candidate;

The makeup, skills and experience of the Board as a whole; and

The interplay of the candidate's experience with the experience of other board members.

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The Board believes that the Board of Directors should be a diverse body and the Nominating Committee regularly evaluates the composition of the Board of Directors in light of the Company's strategies, business focus and related factors. In assessing the appropriate composition of the Board of Directors, the committee considers diversity. The committee approaches diversity broadly, including gender and cultural diversity, and takes into account the candidates' various professional and personal backgrounds, skill sets and business perspectives.

The committee will consider a candidate recommended by a shareholder, provided that the shareholder mails a recommendation to us that contains the following:

The recommending shareholder's name and contact information;

The candidate's name and contact information;

A brief description of the candidate's background and qualifications, taking into account the qualification factors set forth above;

The reasons why the recommending shareholder believes the candidate would be well suited for the Board of Directors;

A statement by the candidate that the candidate is willing and able to serve on the Board of Directors; and

A brief description of the recommending shareholder's ownership of our common stock and the term during which such shares have been held.

In making its determination whether to recommend that the Board of Directors nominate a candidate who has been recommended by a shareholder, the committee will consider, among other things, (a) the appropriateness of adding another director to the Board of Directors and (b) the candidate's background and qualifications. The committee may conduct an independent investigation of the background and qualifications of a candidate recommended by a shareholder, and may request an interview with the candidate. The committee will not determine whether to recommend that the Board of Directors nominate a candidate until the committee completes what it believes to be a reasonable investigation, even if that delays the recommendation until after it is too late for the candidate to be nominated with regard to a particular meeting of shareholders. When the committee determines not to recommend that the Board of Directors nominate a candidate, or the Board determines to nominate or not to nominate a candidate, the committee will notify the recommending shareholder and the candidate of the determination.

### ***Investment Policy Committee***

The Investment Policy Committee is comprised of Gary Dix, Chairman of the committee, Joe Arriola and Joseph P. Lacher. The Investment Policy Committee's function is to oversee and administer the retirement plan and the pension plan acquired as a result of our acquisition of Perry Ellis Menswear, LLC in 2003 and our 401(k) plan. The Investment Policy Committee met on two occasions during fiscal 2013.

### **Compensation Committee Interlocks and Insider Participation**

None of the members of our Compensation Committee (i) has ever been an officer or employee of us, (ii) had any relationship requiring disclosure by us under Commission rules, or (iii) is an executive officer of another entity where one of our executive officers serves on the Board of Directors.

### **Director Independence**

The Board has determined that a majority of its members are independent in accordance with NASDAQ standards. In determining the independence of directors, our Board of Directors considered information regarding the relationships between each director and his or her family and us. Our Board of Directors made its determinations under the listing requirements of the NASDAQ. The NASDAQ independence definition includes



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a series of objective tests, such as that the director is not our employee and has not engaged in various types of business dealings with us. The NASDAQ definition also includes a subjective test. As required by the NASDAQ listing requirements, our Board of Directors made a subjective determination as to each independent director that no relationships exist that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In making these determinations, our Board of Directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities as they may relate to us and our management. After reviewing the information presented to it, our Board of Directors concluded that Joe Arriola, Gary Dix, Joseph P. Lacher, Joseph Natoli, and Eduardo M. Sardiña each satisfied the NASDAQ standards of independence. The Board's independence determination included the review of the relationship between Gary Dix and us. Mr. Dix is a shareholder and serves as Managing Director for the accounting firm of Mallah Furman & Company, P.A., that provides accounting services to certain members of the Feldenkreis family which totaled approximately \$70,330 in fiscal 2013. Neither Mr. Dix nor Mallah Furman provided accounting and/or other services to us in fiscal 2013. The Board considered the nature of the services and the fees paid in relation to the firm's total revenue and determined that Mr. Dix was independent. Additionally, our Board's independence determination included the review of the relationship between Joseph Natoli and us. Mr. Natoli is the Senior Vice President of Business and Finance and Chief Financial Officer of the University of Miami. George Feldenkreis and Eduardo Sardiña serve as Trustees of the University of Miami. Neither Mr. Feldenkreis nor Mr. Sardiña serves in a position at the University of Miami, as a trustee or otherwise, responsible for determining the compensation of Mr. Natoli. In addition, Mr. Natoli does not serve on our Compensation Committee. The Board considered the nature of the relationships and determined that Mr. Natoli was independent.

In addition to the NASDAQ standards for independence, the directors who serve on the Audit Committee each satisfy standards established by the Commission providing that to qualify as independent for the purposes of serving on the Audit Committee, members of the Audit Committee may not accept, directly or indirectly, any consulting, advisory, or other compensatory fee from us other than their director compensation.

## **Shareholder Communication with the Board of Directors**

Our Board of Directors has established a procedure that enables shareholders to communicate in writing with members of the Board of Directors. Any such communication should be addressed to Perry Ellis International, Inc., 3000 N.W. 107th Avenue, Miami, Florida 33172, Attention: General Counsel. Any such communication must state, in a conspicuous manner, that it is intended for distribution to the entire Board of Directors. Under the procedures established by our Board of Directors, upon receipt of such communications, our General Counsel will log receipt of such communications and send a copy of all communications that the General Counsel believes are bona fide and require attention to each member of our Board of Directors, identifying each one as a communication received from a shareholder. The General Counsel will also periodically provide our Board of Directors with a summary of all communications received and any responsive actions taken. Absent unusual circumstances, at the next regularly scheduled meeting of our Board of Directors held more than two days after a communication has been distributed, the Board of Directors will consider the substance of any communication that any director wants to discuss.

## **Corporate Governance Guidelines**

The Board has adopted Corporate Governance Guidelines. The Corporate Governance Committee is responsible for overseeing these guidelines and making recommendations to the Board concerning corporate governance matters. Among other matters, the guidelines address the following items concerning the Board and its committees:

Director qualifications generally and guidelines on the composition of the Board and its committees;

Director responsibilities and the standards for carrying out such responsibilities;

Board membership criteria;

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