

TIFFANY & CO  
Form DEF 14A  
April 09, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A  
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (AMENDMENT NO.        )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use  
of the Commission  
Only (as permitted by  
Rule 14a-6(e)(2))

Definitive Proxy  
Statement

Definitive Additional  
Materials

Soliciting Material  
Pursuant to  
Section 240.14a-11(c)  
or Section 240.14a-2.

**TIFFANY & CO.**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-12.

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

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

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

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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2010 Annual Meeting of Stockholders  
PROXY STATEMENT

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**ATTENDANCE AND VOTING MATTERS**

**Introduction**

The Annual Meeting of the stockholders of Tiffany & Co. (the Company ) will be held on Thursday, May 20, 2010, at 9:00 a.m. in the Cosmopolitan Suite of the Four Seasons Hotel, 57 East 57<sup>th</sup> Street, between Madison Avenue and Park Avenue, New York, New York.

This Proxy Statement and accompanying material, including the form of proxy, was first sent to the Company s stockholders on or about April 9, 2010. It was sent to you on behalf of the Company by order of the Company s Board of Directors (the Board ).

You are entitled to vote at our 2010 Annual Meeting because you were a stockholder, or held Company stock through a broker, bank or other nominee, at the close of business on March 23, 2010, the record date for this year s Annual Meeting. That is why you were sent this Proxy Statement and accompanying material.

This proxy statement has been bound with our Annual Report on Form 10-K, which contains financial and other information about our business during Fiscal 2009 (February 1, 2009 to January 31, 2010). As is the practice of many other companies, the Company is now providing proxy materials by a notice and access process through the Internet. This enables the Company to reduce the cost of paper, printing and postage and, of great importance, to substantially reduce paper use in order to benefit our environment. Those stockholders who wish to receive a paper report may request one.

**How to Request and Receive a PAPER or E-MAIL Copy of the Proxy Materials**

**OPTION A:** If you are a beneficial stockholder (beneficial stockholders typically have their shares held at brokerage firms or at other financial institutions):

- 1) By Internet: [www.proxyvote.com](http://www.proxyvote.com)
- 2) By Telephone: 1-800-579-1639
- 3) By E-Mail\*: [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com)

\* If requesting materials by e-mail, please send a blank e-mail with the 12-Digit Control Number (located on the Notice of Proxy) in the subject line.

Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor.

**OPTION B:** If you are a registered stockholder (registered stockholders typically have their shares held in stock certificate form or in book entry form by Tiffany s transfer agent, BNY Mellon Shareowner Services):

- 1) By Internet: <http://www.proxyvoting.com/tif>
- 2) By Telephone: 1-888-313-0164 (outside of the U.S. and Canada call 201-680-6688)
- 3) By E-mail\*\*: [shrrelations@bnymellon.com](mailto:shrrelations@bnymellon.com)

\*\* You must reference your 11-Digit Control Number to request a paper copy of the proxy materials.

Please make the requests as instructed above on or before May 6, 2010 to facilitate timely delivery.

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You may also find important information about the Company, with its principal executive offices at 727 Fifth Avenue, New York, New York 10022, on our website at [www.tiffany.com](http://www.tiffany.com). By clicking Investors at the bottom of the page, you will find additional information concerning some of the subjects addressed in this document.

**Important Notice Regarding Internet Availability of Proxy Materials  
for the Stockholder Meeting to be Held on May 20, 2010.  
The Proxy Statement and Annual Report to Stockholders  
are available at <http://bnymellon.mobular.net/bnymellon/tif>**

**Matters to be Voted on at the 2010 Annual Meeting**

There are two matters scheduled to be voted on at this year's Annual Meeting:

The election of the Board; and

Ratification of the selection of the independent registered public accounting firm to audit our Fiscal 2010 financial statements.

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

**How to Vote Your Shares**

You can vote your shares at the Annual Meeting by proxy or in person.

You can vote by proxy by having one or more individuals who will be at the Annual Meeting vote your shares for you. These individuals are called proxies and using them to cast your ballot at the Annual Meeting is called voting by proxy.

If you wish to vote by proxy, you must do one of the following:

Complete the enclosed form, called a proxy card, and mail it in the envelope provided; or

Call the telephone number listed on your proxy card or notice and follow the pre-recorded instructions; or

Use the Internet to vote by going to the Internet address listed on your proxy card or notice; have your proxy card or notice in hand as you will be prompted to enter your control number and to create and submit an electronic vote.

If you do one of the above, you will have designated three officers of the Company to act as your proxies at the 2010 Annual Meeting. One of them will then vote your shares at the Annual Meeting in accordance with the instructions you have given them on the proxy card, the telephone or the Internet with respect to each of the proposals presented in this Proxy Statement. If you sign and return your proxy card but do not give voting instructions, your proxy will vote the shares represented thereby **for** the election of each of the director nominees listed in Proposal No. 1 below, and **for** approval of Proposal No. 2, which is discussed below. Proxies will extend to, and be voted at, any adjournment or postponement of the Annual Meeting.

Alternatively, you can vote your shares in person by attending the Annual Meeting. You will be given a ballot at the meeting.

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While we know of no other matters to be acted upon at this year's Annual Meeting, it is possible that other matters may be presented at the meeting. If that happens and you have signed and not revoked a proxy card, your proxy will vote on such other matters in accordance with his best judgment.

*A special note for those who plan to attend the Annual Meeting and vote in person: if your shares are held in the name of a broker, bank or other nominee, you must bring a statement from your brokerage account or a letter from the person or entity in whose name the shares are registered indicating that you are the beneficial owner of those shares as of the record date. In addition, you will not be able to vote at the meeting unless you obtain a legal proxy from the record holder of your shares.*

**How to Revoke Your Proxy**

If you decide to vote by proxy (including by mail, telephone or Internet), you can revoke—that is, change or cancel your vote at any time before your proxy casts his vote at the Annual Meeting. Revoking your vote by proxy may be accomplished in one of three ways:

You can send an executed, later-dated proxy card to the Secretary of the Company, call in different instructions, or access the Internet voting site;

You can notify the Secretary of the Company in writing that you wish to revoke your proxy; or

You can attend the Annual Meeting and vote in person.

**The Number of Votes That You Have**

Each share of the Company's common stock has one vote. The number of shares, or votes, that you have at this year's Annual Meeting is indicated on the enclosed proxy card.

**What a Quorum Is**

A quorum is the minimum number of shares that must be present at an Annual Meeting for a valid vote. For our stockholder meetings, a majority of shares outstanding on the record date and entitled to vote at the Annual Meeting must be present.

The number of shares outstanding at the close of business on March 23, 2010, the record date, was 126,379,941.

Therefore, 63,189,971 shares must be present at our 2010 Annual Meeting for a quorum to be established.

To determine if there is a quorum, we consider a share present if:

The stockholder who owns the share is present at the Annual Meeting, whether or not he or she chooses to cast a ballot on any proposal; or

The stockholder is represented by proxy at the Annual Meeting.

If a stockholder is represented by proxy at the Annual Meeting, his or her shares are deemed present for purposes of a quorum, even if:

The stockholder withholds his or her vote or marks "abstain" for one or more proposals; or

There is a broker non-vote on one or more proposals.

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**What a Broker Non-Vote Is**

Shares held in a broker's name may be voted by the broker, but only in accordance with the rules of the New York Stock Exchange. Under those rules, your broker must follow your instructions. If you do not provide instructions to your broker, your broker may vote your shares based on its own judgment or it may withhold a vote. Whether your broker votes or withholds its vote is determined by the New York Stock Exchange rules and depends on the proposal being voted upon. Based on recently adopted amendments to these rules, in the absence of instructions provided by you, your broker will no longer be permitted to vote your shares with respect to uncontested director nominations, and will be required to withhold its vote unless you provide instructions.

If your broker withholds its vote, that is called a broker non-vote. As stated above, broker non-votes are counted as present for a quorum.

**What Vote Is Required to Approve Each Proposal**

Each nominee for director shall be elected by a majority of the votes cast for or against the nominee at the Annual Meeting. That means that the number of shares voted for a nominee must exceed the number of shares voted against that nominee. To vote for or against any of the nominees named in this Proxy Statement, you can so mark your proxy card or ballot or, if you vote via telephone or Internet, so indicate by telephone or electronically.

You may abstain on the vote for any nominee but your abstention will not have any effect on the outcome of the election of directors. A broker non-vote has the same effect as an abstention: neither will have any effect on the outcome of the election of directors. To abstain on the vote on any or all of the nominees named in this Proxy Statement, you can so mark your proxy card or ballot or, if you vote via telephone or Internet, so indicate by telephone or electronically.

The proposal to ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for Fiscal 2010 will be decided by the affirmative vote of the majority of shares present at the meeting. That means that the proposal will pass if more than half of those shares present at the meeting vote for the proposal. Therefore, if you abstain from voting in other words, you indicate abstain on the proxy card, by telephone or by Internet it will have the same effect as an against vote. Broker non-votes on this proposal will be treated the same as abstentions: both will have the same effect as an against vote.

**Proxy Voting on Proposals in the Absence of Instructions**

If you do not give any specific instructions as to how your shares are to be voted when you sign a proxy card or vote by telephone or by Internet, your proxies will vote your shares in accordance with the following recommendations of the Board:

FOR the election of all nine nominees for director named in this Proxy Statement; and

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm to examine our Fiscal 2010 financial statements.

Shares held in the Company's Employee Profit Sharing and Retirement Savings Plan will not be voted by the Plan's trustee unless specific instructions for voting are given by plan participants to whose accounts such shares have been allocated.

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**Table of Contents****How Proxies Are Solicited**

We have hired the firm of Georgeson Inc. to assist in the solicitation of proxies on behalf of the Board. Georgeson Inc. has agreed to perform this service for a fee of not more than \$7,500, plus out-of-pocket expenses.

Employees of Tiffany and Company, a subsidiary of the Company, may also solicit proxies on behalf of the Board. These employees will not receive any additional compensation for their work soliciting proxies and any costs incurred by them in doing so will be paid for by Tiffany and Company.

This particular solicitation is being made by mail, but proxies may also be solicited in person, by facsimile, by telephone or by electronic mail (e-mail).

In addition, we will pay for any costs incurred by brokerage houses and others for forwarding proxy materials to beneficial owners.

**OWNERSHIP OF THE COMPANY****Stockholders Who Own at Least Five Percent of the Company**

The following table shows all persons who were known to us to be beneficial owners of at least five percent of Company stock as of March 23, 2010. Footnote a) below provides a brief explanation of what is meant by the term beneficial ownership. This table is based upon reports filed with the Securities and Exchange Commission, commonly referred to as the SEC. Copies of these reports are publicly available from the SEC.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (a)		Percent of Class
Trian Fund Management, L.P. 280 Park Avenue, 41 <sup>st</sup> Floor New York, NY 10017	7,828,984	(b) (c)	6.19%
BlackRock, Inc. 55 East 52 <sup>nd</sup> Street New York, NY 10055	7,053,871	(d)	5.58%

- a) Beneficial ownership is a term broadly defined by the SEC and includes more than the typical form of stock ownership, that is, stock held in the person's name. The term also includes what is referred to as indirect ownership such as where, for example, the person has or shares the power to vote the stock, sell it or acquire it within 60 days. Accordingly, some of the shares reported as beneficially owned in this table may actually be held by other persons or organizations. Those other persons and organizations are described in the reports filed with the SEC.
- b) The Filing Persons discussed below reported such beneficial ownership to the SEC on their Schedule 13D as of March 27, 2009 and that they shared voting power and shared dispositive power with respect to such shares. According to said Schedule 13D, the Filing Persons are Trian Partners GP, L.P., Trian Partners General Partner, LLC, Trian Partners, L.P., Trian Partners Master Fund, L.P., a Cayman Islands limited partnership, Trian Partners Parallel Fund I, L.P., Trian Partners Parallel Fund I General Partner, LLC, Trian Partners Parallel Fund II, L.P., Trian Partners Parallel Fund II GP, L.P., Trian Partners Parallel Fund II General Partner,

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LLC, Trian Fund Management, L.P., Trian Fund Management GP, LLC, Nelson Peltz, Peter W. May and Edward P. Garden. This information was updated on the basis of a Form 4 filed January 21, 2010 by Peter W. May and Trian Fund Management, L.P.

- c) Peter W. May, referred to in Note (b) above, is a nominee of the Board for election as a director. See Item 1 Election of Directors below.
- d) BlackRock, Inc. ( Blackrock ) reported such beneficial ownership to the SEC on its Amendment to Schedule 13G as of December 31, 2009 and stated that, as a parent holding company or control person, it beneficially owned the number of shares referred to above. That Amendment stated that it amended the most recent Schedule 13G filings, if any, by Blackrock or Barclays Global Investors, NA ( Barclays ) and certain of the affiliates of Barclays. The Amendment stated that on December 1, 2009 Blackrock completed its acquisition of Barclays and that substantially all of the Barclays affiliates were, as a result of that acquisition, subsidiaries of Blackrock for purposes of Schedule 13G filings.

**Ownership by Directors, Director Nominees and Executive Officers**

The following table shows the number of shares of the Company's common stock beneficially owned as of March 23, 2010 by those persons who are director nominees or who were, as of the end of Fiscal 2009, directors, the principal executive officer (the CEO), the principal financial officer (the CFO) and the three next most highly compensated executive officers of the Company:

Name	Amount and Nature of Beneficial Ownership	Percent of Class <sup>a</sup>
<b>Directors</b>		
Rose Marie Bravo	58,023 b	*
Gary E. Costley	27,523 c	*
Lawrence K. Fish	26,523 d	*
Abby F. Kohnstamm	78,523 e	*
Michael J. Kowalski (CEO)	1,336,045 f	1.1
Charles K. Marquis	234,143 g	*
Peter W. May	7,855,507 h	6.2
J. Thomas Presby	53,423 i	*
William A. Shutzer	334,085 j	*
<b>Executive Officers</b>		
James E. Quinn	597,748 k	*
Beth O. Canavan	163,284 l	*
James N. Fernandez (CFO)	249,680 m	*
Jon M. King	200,248 n	*
All executive officers and directors as a group (19 persons):	12,036,962 o	9.5

a) An asterisk (\*) is used to indicate less than 1% of the class outstanding.

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- b) Includes 52,217 shares issuable upon the exercise of Vested Stock Options, which are stock options that either are exercisable as of March 23, 2010 or will become exercisable within 60 days of that date. Includes 1,806 shares issuable upon the maturity of restricted stock grants made to directors on May 21, 2009.
- c) Includes 24,717 shares issuable upon the exercise of Vested Stock Options. Includes 1,806 shares issuable upon the maturity of restricted stock grants made to directors on May 21, 2009.
- d) Includes 24,717 shares issuable upon the exercise of Vested Stock Options. Includes 1,806 shares issuable upon the maturity of restricted stock grants made to directors on May 21, 2009.
- e) Includes 74,717 shares issuable upon the exercise of Vested Stock Options. Includes 1,806 shares issuable upon the maturity of restricted stock grants made to directors on May 21, 2009.
- f) Includes 972,000 shares issuable upon the exercise of Vested Stock Options.
- g) Includes 97,593 shares issuable upon the exercise of Vested Stock Options. Includes 1,806 shares issuable upon the maturity of restricted stock grants made to directors on May 21, 2009.
- h) Includes 7,828,984 shares reported to SEC as under Mr. May's beneficial ownership on his Form 4 as of January 21, 2010. Includes 24,717 shares issuable upon the exercise of Vested Stock Options. Includes 1,806 shares issuable upon the maturity of restricted stock grants made to directors on May 21, 2009.
- i) Includes 49,717 shares issuable upon the exercise of Vested Stock Options. Includes 1,806 shares issuable upon the maturity of restricted stock grants made to directors on May 21, 2009.
- j) Includes 74,717 shares issuable upon the exercise of Vested Stock Options, 5,100 shares held by or for Mr. Shutzer's child, 114,000 shares held by KJC Ltd. of which Mr. Shutzer is the sole general partner and 60,000 shares held in a trust for Mr. Shutzer's child. Mr. Shutzer disclaims beneficial ownership of Company stock held by KJC Ltd. Includes 1,806 shares issuable upon the maturity of restricted stock grants made to directors on May 21, 2009.
- k) Includes 511,250 shares issuable upon the exercise of Vested Stock Options; 143 shares credited to Mr. Quinn's account under the Company's Employee Profit Sharing and Retirement Savings Plan; 57,883 shares held by Mr. Quinn's wife; and 4,000 shares owned by Mr. Quinn's child under the UGMA.
- l) Includes 141,000 shares issuable upon the exercise of Vested Stock Options, and 567 shares credited to Mrs. Canavan's account under the Company's Employee Profit Sharing and Retirement Savings Plan.
- m) Includes 205,250 shares issuable upon the exercise of Vested Stock Options and 142 shares credited to Mr. Fernandez's account under the Company's Employee Profit Sharing and Retirement Savings Plan.
- n) Includes 183,500 shares issuable upon the exercise of Vested Stock Options and 450 shares credited to Mr. King's account under the Company's Employee Profit Sharing and Retirement Savings Plan.
- o) Includes 3,183,650 shares issuable upon the exercise of Vested Stock Options and restricted stock grants that will mature on May 21, 2010 and 2,782 shares held in the Company's Employee Profit Sharing and Retirement Savings Plan.

See COMPENSATION OF THE CEO AND OTHER EXECUTIVE OFFICERS, Compensation Discussion and Analysis, *Equity Ownership by Executive Officers and Directors* on page PS-38 below for a discussion of the Company's share ownership policy.

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**Compliance of Directors, Executive Officers and Greater-Than-Ten-Percent Stockholders with Section 16(a) Beneficial Ownership Reporting Requirements**

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors, executive officers and greater-than-ten-percent stockholders to file reports of ownership and changes in ownership with the SEC and the New York Stock Exchange. These persons are also required to provide us with copies of those reports.

Based on our review of those reports and of certain other documents we have received, we believe that, during and with respect to Fiscal 2009, all filing requirements under Section 16(a) applicable to our directors, executive officers and greater-than-ten-percent stockholders were satisfied.

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REGISTERED PUBLIC ACCOUNTING FIRM**

PricewaterhouseCoopers LLP ( PwC ) serves as the Company's independent registered public accounting firm and, through its predecessor firms, has served in that capacity since 1984.

The Audit Committee has selected PwC as the independent registered public accounting firm to audit the Company's financial statements and effectiveness of internal controls for the fiscal year ending January 31, 2011. The Audit Committee is directly responsible for appointing the independent auditors. In making this selection, the Audit Committee considered the independence of PwC, and whether the audit and non-audit services PwC provides to the Company are compatible with maintaining that independence.

The Audit Committee has adopted a policy requiring advance approval of PwC's fees and services by the Audit Committee; this policy also prohibits PwC from performing certain non-audit services for the Company including: (i) bookkeeping, (ii) systems design and implementation, (iii) appraisal or valuation, (iv) actuarial, (v) internal audit, (vi) management or human resources, (vii) investment advice or investment banking, (viii) legal services, and (ix) expert services unrelated to the audit. All fees paid to PwC by the Company as shown in the table that follows were approved by the Audit Committee pursuant to this policy.

**Fees and Services of PricewaterhouseCoopers LLP**

The following table presents fees for professional audit services rendered by PwC for the audit of the Company's consolidated financial statements and the effectiveness of internal controls over financial reporting for the years ended January 31, 2010 and 2009, and for its reviews of the Company's unaudited condensed consolidated interim financial statements. This table also reflects fees billed for other services rendered by PwC.

	January 31, 2010	January 31, 2009
Audit Fees	\$ 2,273,000	\$ 2,436,500
Audit-related Fees <sup>a</sup>	9,000	22,300
Audit and Audit-related Fees	2,282,000	2,458,800
Tax Fees <sup>b</sup>	1,877,350	1,544,350
All Other Fees <sup>c</sup>	13,300	12,600
Total Fees	\$ 4,172,350	\$ 4,015,750

- a) In 2008, the Company discontinued the engagement of PwC to audit the financial statements of certain employee benefit plans.
- b) Tax fees consist of fees for tax consultation and tax compliance services. These fees included tax filing and compliance fees of \$1,750,350 for the year ended January 31, 2010 and \$1,337,150 for the year ended January 31, 2009.
- c) All other fees consist of costs for research software and other advisory services for the years ended January 31, 2010 and January 31, 2009.

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**BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

**The Board, In General**

The Company is a Delaware corporation. Our principal subsidiary is Tiffany and Company, a New York corporation. In this Proxy Statement, Tiffany and Company will be referred to as simply Tiffany.

The Board is currently comprised of nine members. The Board can also fill vacancies and newly created directorships, as well as amend the By-laws to provide for a greater or lesser number of directors.

Directors are required by our By-laws to be less than age 72 when elected or appointed unless the Board waives that provision with respect to an individual director whose continued service is deemed uniquely important to the Company. Under the Company's Corporate Governance Principles, directors may not serve on a total of more than six public company boards. Service on the Board is included in that total.

**The Role of the Board in Corporate Governance**

The Board plays several important roles in the governance of the Company, as set out in the Company's Corporate Governance Principles. The Corporate Governance Principles may be viewed on the Company's website [www.tiffany.com](http://www.tiffany.com), by clicking on Investors at the bottom of the page and then selecting Corporate Governance from the left-hand column. The Corporate Governance Principles can also be found as Appendix I to this Proxy Statement.

The responsibilities of the Board include:

Management succession;

Review and approval of the annual operating plan prepared by management;

Monitoring of performance in comparison to the operating plan;

Review and approval of the Company's strategic plan prepared by management;

Consideration of topics of relevance to the Company's ability to carry out its strategic plan;

Review and approval of a delegation of authority by which management carries out the day-to-day operations of the Company and its subsidiaries;

Review of the Company's investor relations program;

Review of the Company's schedule of insurance coverage; and

Review and approval of significant actions by the Company.

**Executive Sessions of Non-management Directors/Presiding Non-management Director**

Non-management directors meet regularly in executive session without management participation. This encourages open discussion. At those meetings, Charles K. Marquis, Chairman of the Nominating/Corporate Governance Committee, presides. In addition, at least once per year the independent directors meet separately in executive session.

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**Communication with Non-management Directors**

Stockholders may send written communications to the entire Board or to any of the non-management directors by addressing their concerns to Mr. Marquis, Chairman of the Nominating/Corporate Governance Committee (presiding director), at the following address: Corporate Secretary (Legal Department), Tiffany & Co., 600 Madison Avenue, 8th Floor, New York, New York 10022. All communications will be compiled by the Corporate Secretary and submitted to the Board or an individual director, as appropriate, on a periodic basis.

**Director Attendance at Annual Meeting**

The Board schedules a regular meeting on the date of the Annual Meeting of Stockholders to facilitate attendance at the Annual Meeting by the directors. All nine directors attended the Annual Meeting held in May 2009.

**Independent Directors Constitute a Majority of the Board**

The Board has affirmatively determined that each of the following directors (each of whom is also a nominee for re-election) is independent under the listing standards of the New York Stock Exchange in that none of them has a material relationship with the Company (directly or as a partner, shareholder or officer of any organization that has a relationship with the Company): Rose Marie Bravo, Gary E. Costley, Lawrence K. Fish, Abby F. Kohnstamm, Charles K. Marquis, Peter W. May, and J. Thomas Presby.

All of the members of the Audit, Nominating/Corporate Governance and Compensation Committee are independent as indicated in the prior paragraph.

The Board also considered the other tests of independence set forth in the New York Stock Exchange Corporate Governance Rules and has determined that each of the above directors and nominees is independent as defined in such Rules.

In addition, the Board has affirmatively determined that J. Thomas Presby, Gary E. Costley, Lawrence K. Fish, Abby F. Kohnstamm, and Charles K. Marquis meet the additional, heightened independence criteria applicable to audit committee members under New York Stock Exchange rules.

In determining that Mr. May is independent, the Board considered the *Commentary* set forth in the New York Stock Exchange's *Listed Company Manual*, section 303A.02, which states ... as the concern is independence from management, the Exchange does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding. See OWNERSHIP OF THE COMPANY, Stockholders Who Own At Least Five Percent of the Company above.

In determining that Mr. Fish is independent, the Board considered banking relationships that exist between ABN/AMRO and the Company. Both ABN/AMRO and Citizens Financial Group are subsidiaries of the Royal Bank of Scotland Group. Mr. Fish was, on first election, an employee of Citizens Financial Group and a director of Royal Bank of Scotland Group. A portion of the operations of ABN/AMRO was acquired by Royal Bank of Scotland Group. The Company does banking business with ABN/AMRO. Mr. Fish is no longer associated with any of those entities.

In determining that Ms. Bravo is independent, the Board considered the employment relationship between Ms. Bravo's adult stepdaughter and Tiffany. This stepdaughter is not an officer of the Company or Tiffany and does not reside in Ms. Bravo's household and, for purposes of the New York Stock Exchange categorical independence test she is not deemed an immediate family

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member nor is her compensation as a Tiffany employee required to be considered under such test. She was hired in June 2009 after Tiffany acquired a product design group from a disbanding company; subsequent to this acquisition, she was recruited to this design group because she had previously worked for the group. She is not at a significantly high enough job level within Tiffany so that the Compensation Committee is involved in determining the elements or level of her compensation except as equity compensation is determined for the group of employees that work at her job level.

To our knowledge, none of the other independent directors has any direct or indirect relationship with the Company, other than as a director.

**Board and Committee Meetings and Attendance during Fiscal 2009**

All current and incumbent directors attended at least 87% of the aggregate number of meetings of the Board and those committees (including the Audit Committee, Compensation Committee, Stock Option Subcommittee, Nominating/Corporate Governance Committee, the Finance Committee, and the Corporate Social Responsibility Committee) on which they served during Fiscal 2009.

The full Board held six meetings. Attendance averaged 98% amongst all members.

The Audit Committee held eight meetings. Attendance averaged 95% amongst all members.

The Compensation Committee and its Stock Option Subcommittee held seven meetings. Attendance averaged 94% amongst all members.

The Nominating/Corporate Governance Committee met seven times. Attendance averaged 94% amongst all members. On each of these occasions the Chief Executive absented himself from the meeting so as to allow the outside directors to meet alone.

The Finance Committee held seven meetings. Attendance averaged 95% amongst all members.

The Corporate Social Responsibility Committee met three times. Attendance averaged 89% amongst all members.

**Committees of the Board**

*Committees Composed Entirely of Independent Directors*

*Audit*

J. Thomas Presby, Chair  
Gary E. Costley  
Lawrence K. Fish  
Abby F. Kohnstamm  
Charles K. Marquis

*Nominating/Corporate Governance*

Charles K. Marquis, Chair  
Rose Marie Bravo  
Gary E. Costley  
Abby F. Kohnstamm  
J. Thomas Presby

*Compensation*

Gary E. Costley, Chair  
Rose Marie Bravo  
Abby F. Kohnstamm  
Charles K. Marquis  
Peter W. May

*Stock Option Subcommittee*

Gary E. Costley, Chair  
Rose Marie Bravo  
Abby F. Kohnstamm  
Charles K. Marquis  
Peter W. May

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*Committees Including Non-Independent Directors*

*Finance*

William A. Shutzer, Chair  
Lawrence K. Fish  
Peter W. May

*Corporate Social Responsibility*

Lawrence K. Fish, Chair  
Abby F. Kohnstamm  
Michael J. Kowalski

*Dividend*

Michael J. Kowalski

*Nominating/Corporate Governance Committee*

The primary function of the Nominating/Corporate Governance Committee is to assist the Board in matters of corporate governance. The Nominating/Corporate Governance Committee operates under the charter adopted by the Board. The charter may be viewed on the Company's website, [www.tiffany.com](http://www.tiffany.com), by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance" from the left-hand column. Under its charter, the role of the Nominating/Corporate Governance Committee includes recommending to the Board:

Policies on the composition of the Board;

Criteria for the selection of nominees for election to the Board;

Nominees to fill vacancies on the Board; and

Nominees for election to the Board.

*Submitting Candidate Names*

If you would like to submit the name of a candidate for the Nominating/Corporate Governance Committee to consider as a nominee of the Board for director, you may send your submission at any time to the Nominating/Corporate Governance Committee, c/o Mr. Patrick B. Dorsey, Corporate Secretary (Legal Department), Tiffany & Co., 600 Madison Avenue, New York, New York 10022.

*Process for Identifying and Evaluating Nominees for Director*

The Nominating/Corporate Governance Committee evaluates candidates recommended by stockholders in the same manner as it evaluates director candidates suggested by others, including those recommended by director search firms. See our Corporate Governance Principles which are available on our website [www.tiffany.com](http://www.tiffany.com) (click "Investors" at the bottom of the page, then select "Corporate Governance" from the left-hand column) and as Appendix I to this Proxy Statement. In accordance with these principles, candidates for director shall be selected on the basis of their business experience and expertise, with a view to supplementing the business experience and expertise of management and adding further substance and insight into board discussions and oversight of management.

The policy is implemented through discussions at meetings of the Nominating/Corporate Governance Committee and through specifications provided to director search firms when such firms are retained. The Nominating/Corporate Governance Committee has no procedure or means of assessing the effectiveness of this policy other than the process described under "Self-Evaluation" below.

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The Nominating/Corporate Governance Committee has no other policy with regard to the consideration of diversity in identifying director nominees.

*Dividend Committee*

The Dividend Committee declares regular quarterly dividends in accordance with the dividend policy established by the Board. The Dividend Committee acts by unanimous written consent and did not meet in Fiscal 2009.

Mr. Kowalski is the sole member of the Dividend Committee.

*Compensation Committee*

The primary function of the Compensation Committee is to assist the Board in compensation matters. The Compensation Committee operates under its charter which may be viewed on the Company's website, [www.tiffany.com](http://www.tiffany.com), by clicking Investors at the bottom of the page, and then selecting Corporate Governance from the left-hand column. Under its charter, the Compensation Committee's responsibilities include:

Approval of remuneration arrangements for executive officers; and

Approval of compensation plans in which officers and employees of Tiffany are eligible to participate.

Compensation for the non-management members of the Board is set by the Board with advice from the Nominating/Corporate Governance Committee.

*Role of Compensation Consultants.*

Two firms are retained by the Compensation Committee to provide advice with respect to the amount and form of executive compensation. Neither firm provides advice with respect to director compensation.

Towers Watson (formerly known as Towers Perrin) is the principal advisor to the Compensation Committee. The decision to retain Towers Watson was made by the Committee Chair. Management recommended Towers Watson and has assisted in arranging meetings between Towers Watson and the Committee.

Towers Watson performs two functions for the Compensation Committee. First, Towers Watson prepares and discusses with the Committee an annual competitive compensation analysis with respect to the executive officers positions. The use of this analysis is discussed in COMPENSATION DISCUSSION AND ANALYSIS, Competitive Compensation Analysis on Page PS-35. Second, Towers Watson recommends compensation initiatives to the Compensation Committee, including the structure of long- and short-term compensation components (including both equity and non-equity components) and the relative value that each component should constitute within the total portfolio of executive compensation.

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Because Towers Watson also consults with management on compensation to be paid to non-executive employees, the Compensation Committee has retained and consulted with a separate independent compensation advisor, Independent Compensation Committee Adviser, LLC ( Independent Consultant ), to help the Committee understand all of the relevant compensation, financial and technical information it needs to make proper decisions regarding executive compensation. The Compensation Committee has told the Independent Consultant that they are to act independently of management and only at the direction of the Committee and that their ongoing engagement is determined solely by the Compensation Committee. The Independent Consultant is available to the Committee, as requested, to:

Review recommendations from management and Towers Watson and provide an additional layer of peer review to analyses and recommendations provided to the Committee;

Join other consultants in explaining relevant information and provide additional feedback to the Committee;

Help the Committee to identify key issues and ask probing questions; and

Review and comment upon all plans, agreements or other documents or actions the Committee is asked to adopt or approve.

The Independent Consultant provides no other services for the Company. For additional information regarding the operation of the Compensation Committee, including the role of consultants and management in the process of determining the amount and form of executive compensation, see Compensation Committee Process beginning on page PS-41 of the Compensation Discussion and Analysis below. The Compensation Committee's report appears on page PS-43.

*Stock Option Subcommittee*

The Stock Option Subcommittee determines the grant of options, restricted stock units, cash incentive awards and other matters under our 2005 Employee Incentive Plan. All members of the Compensation Committee are members of this subcommittee.

*Compensation Committee Interlocks and Insider Participation*

No director serving on the Compensation Committee or its Stock Option Subcommittee during any part of Fiscal 2009 was, at any time either during or before such fiscal year, an officer or employee of Tiffany & Co. or any of its subsidiaries. No interlocking relationship exists between the Board or Compensation Committee and the board of directors or compensation committee of any other company, nor has any interlocking relationship existed during Fiscal 2009.

*Audit Committee*

The Company's Audit Committee is an audit committee established in accordance with Section 3(a)-(58)(A) of the Securities Exchange Act of 1934. The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Company's financial matters. The Audit Committee operates under a charter adopted by the Board; that charter may be viewed on the Company's website, [www.tiffany.com](http://www.tiffany.com), by clicking Investors at the bottom of the page and then selecting Corporate Governance from the left-hand column. Under its charter, the Audit Committee's responsibilities include:

Retaining and terminating the Company's independent registered public accounting firm, reviewing the quality-control procedures and independence of such firm and evaluating their proposed audit scope, performance and fee arrangements;

Approving in advance all audit and non-audit services to be rendered by the independent registered public accounting firm;

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Reviewing the adequacy of our system of internal control over financial reporting;

Establishing procedures for complaints regarding accounting, internal accounting controls or auditing matters;  
and

Conducting a review of our financial statements and audit findings in advance of filing, and reviewing in advance proposed changes in our accounting principles.

The Board has determined that all members of the Audit Committee are financially literate, that at least one member of the Audit Committee meets the New York Stock Exchange standard of having accounting or related financial management expertise, and that Mr. Presby meets the SEC criteria of an audit committee financial expert. Mr. Presby is a member of the National Association of Corporate Directors and chairs the audit committees of four public companies in addition to that of the Company. In view of Mr. Presby's full-time commitment to work as an independent director, the Board has determined that his simultaneous service on five audit committees will not impair his ability to effectively serve on the Company's Audit Committee. The report of the Audit Committee is on page PS-22.

*Finance Committee*

In May 2008, the Board formed the Finance Committee to assist the Board with its oversight of the Company's capital structure, dividend policy, repurchase of the Company's capital stock, debt and equity financings, and the retention of investment bankers and other financial advisors to the Board. The Finance Committee operates under the charter adopted by the Board. The charter may be viewed on the Company's website, [www.tiffany.com](http://www.tiffany.com), by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance" from the left-hand column.

*Corporate Social Responsibility Committee*

In March 2009, the Board formed the Corporate Social Responsibility Committee to assist the Board with its oversight of the Company's policies and practices involving the environment, vendor workplace conditions and employment practices, community affairs, sustainable product sourcing, corporate charitable giving, governmental relations, political activities and diversity in employment. The Corporate Social Responsibility Committee operates under the charter adopted by the Board. The charter may be viewed on the Company's website, [www.tiffany.com](http://www.tiffany.com), by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance."

**Self-Evaluation**

The independent directors who serve on the Board conduct an annual evaluation of the workings and efficiency of the Board and of each of the Board committees on which they serve and make recommendations for change, if required.

**Resignation on Job Change or New Directorship**

Under the Company's Corporate Governance Principles, a director must submit a letter of resignation to the Nominating/Corporate Governance Committee on a change in employment or significant change in job responsibilities and upon accepting or resolving to accept a directorship with another public company. The Committee may either accept or reject such resignation, but must act within 10 days after considering, in light of the circumstances, the continued appropriateness of the continued service of the director.

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**Board Leadership Structure**

The offices of Chairman of the Board and Chief Executive Officer are held by the same person, Michael J. Kowalski. The Company has a lead independent director (also referred to as presiding independent director). Charles K. Marquis occupies such position by virtue of his chairmanship of the Nominating/Corporate Governance Committee.

The Board Chairman organizes a preliminary agenda for each board meeting and submits it for the approval of the lead independent director.

The lead independent director chairs meetings of the independent and non-management directors (including meetings of the Nominating/Corporate Governance Committee) and during those meetings solicits the comments and suggestions of the independent directors and other non-management directors with respect to the agenda for Board meetings, the information to be provided by management and the quality of the discussions and decision-making process.

The Nominating/Corporate Governance Committee deems the existing structure appropriate in the context of the existing board size, the tenure of the directors with the Company, the overall experience of the directors and the experience that the directors have had with the existing Board Chairman and executive management group.

Mr. Kowalski has served as Board Chairman since the start of Fiscal 2003 and the directors have had the opportunity during that time to assess his skills at moderating discussions during meetings, his responsiveness to the Board's suggestions for agenda and the information provided by management to the directors.

The Nominating/Corporate Governance Committee may reassess the appropriateness of the existing leadership structure at any time, including following changes in management, in board composition or in the scope or complexity of the Company's operations.

**Board Role in Risk Oversight**

The Board believes (i) that management is responsible to manage the various risks that may arise in the Company's operations and (ii) that the Board has a role in overseeing management in the risk management function.

Management's approach to risk management includes systems of authorities and approval levels; internal control checks and balances; analytical methods for making and evaluating decisions; planning for annual business growth and profitability; strategic planning; and nurturing a corporate culture that rewards integrity and supports the TIFFANY & CO. brand image. This approach to risk management includes these goals: that every risk should, when possible and practicable, be identified, quantified as to monetary impact, assigned a probability factor, and properly delegated to management for a response. Operational risks so categorized are used to inform and shape the internal audit plan and are communicated to the Company's independent registered public accounting firm so that they can be referenced and used, if deemed appropriate, to inform and shape the external audit plan. Strategic risks are identified and are addressed in the strategic planning process.

Each year management is charged with the preparation of detailed business plans for the one-year and four-year or five-year periods and required to review these plans, as they are developed and refined, on three separate occasions with the Board. Among other items, such plans include budgets for capital expenditures, inventory purchases, cash flow and liquidity, hiring, borrowing and dividends. The Board requires management to plan on the basis of realistic assumptions

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concerning sales and cost increases. In this process, the Board endeavors to assess whether management has made an appropriate analysis of the operational and brand risks inherent in the plans.

Each year the Board reviews and approves the annual business plan and the strategic plan mentioned in the previous paragraph. The Board also reviews specific risk areas on a regular basis. These are insured risks, management authority, investor relations, litigation risks, foreign currency risks, diamond supply risk and inventory risk.

The Audit Committee is required to discuss policies with respect to risk assessment and risk management and regularly does so. The Audit Committee concerns itself most specifically with the integrity of the financial reporting process, but also with personnel, asset and information security risk.

The Finance Committee concerns itself principally with liquidity risk.

The Company has not designated an overall risk management officer and has no formal policy for coordination of risk management oversight amongst the two board committees involved. The committee structure was not organized specifically for the purpose of risk management oversight.

The Board coordinates the risk management oversight function in the following manner. Both the Finance Committee and the Audit Committee share the minutes of their meetings with the Board and report regularly to the Board. All committee meetings are open to the other directors and many regularly attend because the committee meetings are regularly scheduled on the day of or the day preceding Board meetings.

**Business Conduct Policy and Code of Ethics**

Since the 1980s, the Company has had a policy governing business conduct for all Company employees worldwide. The policy requires compliance with law and avoidance of conflicts of interest and sets standards for various activities to avoid the potential for abuse or the occasion for illegal or unethical activities. This policy covers, among other activities, the acceptance or giving of gifts from or to those seeking to do business with the Company, processing one's own transactions, political contributions and reporting dishonest activity. Each year, all employees are required to review the policy, report any violations or conflicts of interest and affirm their obligation to report future violations to management.

The Company has a toll-free hotline to receive complaints from employees, vendors, stockholders and other interested parties concerning violations of the Company's policies or questionable accounting, internal controls or auditing matters. The toll-free phone number is 877-806-7464. The hotline is operated by a third party service provider to assure the confidentiality and completeness of all information received. Users of this service may elect to remain anonymous.

We also have a Code of Business and Ethical Conduct for the directors, the chief executive officer, the chief financial officer and all other officers of the Company. The Code advocates, and requires those persons to adhere to, principles and responsibilities governing professional and ethical conduct. This Code supplements our business conduct policy. Waivers may only be made by the Board. A summary of our business conduct policy and a copy of the Code of Business and Ethical Conduct are posted on our website, [www.tiffany.com](http://www.tiffany.com), by clicking Investors at the bottom of the page, and then selecting Corporate Governance from the left-hand column. We have also filed a copy of the Code with the SEC as an exhibit to our Annual Report on Form 10-K for Fiscal 2009. The Board has not adopted a policy by which it will disclose amendments to, or waivers from, the Company's Code of Business and Ethical Conduct on our website. Accordingly, we will file a

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report on Form 8-K if that Code is amended or if the Board has granted a waiver from such Code, including an implicit waiver. We will file such a report only if the waiver applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, and if such waiver relates to: honest and ethical conduct; full, fair, accurate, timely, and understandable disclosure; compliance with applicable governmental laws, rules and regulations; the prompt internal reporting of violations of the Code; or accountability for adherence to the Code.

The Nominating/Corporate Governance Committee, Audit Committee and Compensation Committee charters as well as the Code of Ethics and the Corporate Governance Principles are available in print to any stockholder who requests them.

**Limitation on Adoption of Poison Pill Plans**

On January 19, 2006, the Board terminated the Company's stockholder rights plan (typically referred to as a "poison pill") and adopted the following policy:

This Board shall submit the adoption or extension of any poison pill to a stockholder vote before it acts to adopt such poison pill; provided, however, that this Board may act on its own to adopt a poison pill without first submitting such matter to a stockholder vote if, under the circumstance then existing, this Board in the exercise of its fiduciary responsibilities deems it to be in the best interests of the Company and its stockholders to adopt a poison pill without the delay in adoption that is attendant upon the time reasonably anticipated to seek a stockholder vote. If a poison pill is adopted without first submitting such matter to a stockholder vote, the poison pill must be submitted to a stockholder vote within one year after the effective date of the poison pill. Absent such submission to a stockholder vote, and favorable action thereupon, the poison pill will expire on the first anniversary of its effective date.

**TRANSACTIONS WITH RELATED PERSONS**

The Board has adopted policies and procedures for the review, approval or ratification of transactions with the Company (or any subsidiary) in which any director or executive officer, any nominee for election as a director, any immediate family member of such an officer, director or nominee or any five-percent holder of the Company's securities has a direct or indirect material interest. Such transactions are referred to the Nominating/Corporate Governance Committee for review. In determining whether to approve or ratify any transaction, the Committee applies the following standard after considering the facts and circumstances of the transaction: whether, in the business judgment of the Committee members, the interests of the Company appear likely to be served by such approval or ratification.

The Board has ratified the hiring in Fiscal 2009 by Tiffany management of the following related person: Suzanne Jackey, an adult stepdaughter of Rose Marie Bravo, a director and a nominee for director. Ms. Jackey was hired as Tiffany's Director of Product Development and Merchandising - Leather Accessories because she had previously worked for the product development group hired to develop a new product line. Ms. Jackey is a salaried employee of Tiffany whose annual salary and bonus rate totaled approximately \$200,000 for fiscal year 2009.

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**CONTRIBUTIONS TO DIRECTOR-AFFILIATED CHARITIES**

None of the independent directors serves as an executive officer of any charitable organization to which the Company or any of its affiliates has made any significant contributions within the preceding three years.

The following contributions were made to charitable organizations with which directors or director nominees are affiliated through membership on the governing board of such charitable organizations:

Boston Symphony Orchestra: cash grant of \$5,000 in Fiscal 2008 (Mr. Fish is an Overseer).

University of Chicago Cancer Research Foundation (Women's Board): merchandise grants totaling \$30,300 and \$62,500, in Fiscal 2009 and 2008, respectively (Mr. May is a Trustee of The University of Chicago, a member of its Executive Committee, and a member of the Advisory Council on the Graduate School of Business at The University of Chicago).

Carnegie Hall: subscription for a \$6,500 advertisement for the opening night gala program in 2009 (Mr. May is a Trustee).

The New York Philharmonic: a combination of merchandise grants and ticket subscriptions for fund-raising events of \$25,000, \$10,225 and \$2,100 in Fiscal 2009, 2008 and 2007, respectively (Mr. May is a Trustee).

Partnership for New York City: \$15,000 annual dues contributions in each of Fiscal 2009, 2008 and 2007 (Mr. May and Tiffany are each partners).

Mt. Sinai Medical Center: combination of cash and merchandise grants totaling approximately \$5,600, \$3,340, \$10,675, \$87,905, and \$13,580 in Fiscal 2009, 2008, 2007, 2006, and 2005, respectively (Mr. May is Chairman of the Board of Trustees).

Paul Taylor Dance Company: merchandise grants of \$895 and \$2,975 in Fiscal 2009 and 2007, respectively (Mr. Shutzer is a Trustee).

Prep for Prep: merchandise grants totaling \$5,205, \$3,165, and \$370 for Fiscal 2009, 2008, and 2007, respectively (Mr. Shutzer is a Trustee).

Tufts Medical Center and Floating Hospital for Children: merchandise grants totaling \$150, \$575, and \$395 for Fiscal 2009, 2008, and 2007, respectively (Ms. Kohnstamm is a Trustee of Tufts University).

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**REPORT OF THE AUDIT COMMITTEE**

Included in the Company's Annual Report to Stockholders are the consolidated balance sheets of the Company and its subsidiaries as of January 31, 2010 and 2009, and the related consolidated statements of earnings, stockholders' equity and comprehensive earnings, and cash flows for each of the three years in the period ended January 31, 2010. These statements (the Audited Financial Statements) are the subject of a report by the Company's independent registered public accounting firm, PricewaterhouseCoopers LLP (PwC). The Audited Financial Statements are also included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

The Audit Committee reviewed and discussed the Audited Financial Statements with the Company's management and otherwise fulfilled the responsibilities set forth in its charter. The Audit Committee has also discussed with the Company's management and independent registered public accounting firm their evaluations of the effectiveness of the Company's internal controls over financial reporting.

The Audit Committee has discussed with PwC the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, Communication with Audit Committees, as adopted by the PCAOB in Rule 3200T, and PCAOB Auditing Standard No. 5, An Audit of Internal Control Over Financial Reporting That Is Integrated With An Audit of Financial Statements.

The Audit Committee received from PwC the written disclosure and letter required by PCAOB Rule 3526

Communication with Audit Committees Concerning Independence, and has discussed the independence of PwC with that firm. The Audit committee has considered whether the provision by PwC of the tax consultation, tax compliance and other non-audit-related services disclosed above under RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM Fees and Services of PricewaterhouseCoopers LLP is compatible with maintaining PwC's independence and has concluded that providing such services is compatible with that firm's independence from the Company and its management.

The Audit Committee is aware that the provision of non-audit services by an independent accountant may, in some circumstances, create the perception that independence has been compromised. Accordingly, the Audit Committee has instructed management and management has agreed to develop professional relationships with firms other than PwC so that, when needed, other qualified resources will be available and will be used as appropriate.

Based upon the review and discussions referred to above, the Audit Committee recommended to the Company's Board that the Audited Financial Statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2010.

Signed:

J. Thomas Presby, Chair

Gary E. Costley

Lawrence K. Fish

Abby F. Kohnstamm

Charles K. Marquis

Members of the Audit Committee

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**Table of Contents****EXECUTIVE OFFICERS OF THE COMPANY**

The executive officers of the Company are:

Name	Age	Position	Year Joined Tiffany
Michael J. Kowalski	58	Chairman of the Board and Chief Executive Officer	1983
James E. Quinn	58	President	1986
Beth O. Canavan	55	Executive Vice President	1987
James N. Fernandez	54	Executive Vice President and Chief Financial Officer	1983
Jon M. King	53	Executive Vice President	1990
Victoria Berger-Gross	54	Senior Vice President Global Human Resources	2001
Pamela H. Cloud	40	Senior Vice President Merchandising	1994
Patrick B. Dorsey	59	Senior Vice President General Counsel and Secretary	1985
Patrick F. McGuinness	44	Senior Vice President Finance	1990
Caroline D. Naggiar	52	Senior Vice President Chief Marketing Officer	1997
John S. Petterson	51	Senior Vice President Operations	1988

*Michael J. Kowalski.* Mr. Kowalski assumed the role of Chairman of the Board in 2003, following the retirement of William R. Chaney. He has served as the Registrant's Chief Executive Officer since 1999 and on the Registrant's Board of Directors since 1995. After joining Tiffany in 1983 as Director of Financial Planning, Mr. Kowalski held a variety of merchandising management positions and served as Executive Vice President from 1992 to 1996 with overall responsibility in the areas of merchandising, marketing, advertising, public relations and product design. He was elected President in 1997. Mr. Kowalski is a member of the Board of Directors of the Bank of New York Mellon. The Bank of New York Mellon is Tiffany's principal banking relationship, serving as Administrative Agent and a lender under Tiffany's credit agreement and as the trustee and investment manager for Tiffany's Employee Pension Plan; and BNY Mellon Shareowner Services serves as the Company's transfer agent and registrar.

*James E. Quinn.* Mr. Quinn was appointed President in 2003. He had served as Vice Chairman since 1998. After joining Tiffany in 1986 as Vice President of branch sales for the Company's business-to-business sales operations, Mr. Quinn had various responsibilities for sales management and operations. He was promoted to Executive Vice President in 1992. He has responsibility for Tiffany & Co. sales outside the Americas. Mr. Quinn is a member of the board of directors of Mutual of America Capital Management, Inc.

*Beth O. Canavan.* Mrs. Canavan joined Tiffany in 1987 as Director of New Store Development. She later held the positions of Vice President, Retail Sales Development, Vice President and General Manager of the New York flagship store, and Eastern Regional Vice President. In 1997, she assumed the position of Senior Vice President for U.S. Retail. In 2000, she was promoted to Executive Vice President responsible for retail sales activities in the U.S. and Canada and retail store expansion. In 2001, Mrs. Canavan assumed additional responsibility for direct sales and business-to-business sales activities in the Americas.

*James N. Fernandez.* Mr. Fernandez joined Tiffany in 1983 and has held various positions in financial planning and management prior to his appointment as Senior Vice President Chief Financial Officer in 1989. In 1998, he was promoted to Executive Vice President Chief Financial Officer. He has responsibility for accounting, treasury, investor relations, information technology, financial planning, financial services, business development, diamond operations, real estate operations and overall responsibility for distribution, manufacturing, customer service and security.

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Mr. Fernandez serves on the Board of Directors of The Dun & Bradstreet Corporation and is a member of its Audit Committee and Board Affairs Committee.

*Jon M. King.* Mr. King joined Tiffany in 1990 as a jewelry buyer and has held various positions in the Merchandising Division, assuming responsibility for product development in 2002 as Group Vice President. In 2003, he was promoted to Senior Vice President Merchandising. In 2006, he was promoted to Executive Vice President and, in addition to his Merchandising leadership role, assigned responsibility for Marketing and Public Relations.

*Victoria Berger-Gross.* Dr. Berger-Gross joined Tiffany in 2001 as Senior Vice President Human Resources.

*Pamela H. Cloud.* Ms. Cloud joined Tiffany in 1994 as an Assistant Buyer and has since advanced through positions of increasing management responsibility within the Merchandising Division. In 2007, she was promoted to Senior Vice President Merchandising, responsible for all aspects of product planning and inventory management.

*Patrick B. Dorsey.* Mr. Dorsey joined Tiffany in 1985 as General Counsel and Secretary.

*Patrick F. McGuinness.* Mr. McGuinness joined Tiffany in 1990 as an Analyst in Accounting & Reporting and has held a variety of management positions within the Finance Division, most recently as Group Vice President Finance, and in Merchandising from 2000 to 2002 as Vice President Merchandising Process Improvement. In 2007, he was promoted to Senior Vice President Finance, responsible for Tiffany's worldwide financial functions.

*Caroline D. Naggiar.* Ms. Naggiar joined Tiffany in 1997 as Vice President Marketing Communications. She assumed her current role and responsibilities as head of advertising and marketing in 1998 and in 2007 she was assigned additional responsibility for the Public Relations department and named Chief Marketing Officer.

*John S. Petterson.* Mr. Petterson joined Tiffany in 1988 as a management associate. He was promoted to Senior Vice President Corporate Sales in 1995. In 2001, Mr. Petterson assumed the role of Senior Vice President Operations, with responsibility for worldwide distribution, customer service and security activities. His responsibilities were expanded in 2003 to include manufacturing operations.

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**COMPENSATION OF THE CEO AND OTHER EXECUTIVE OFFICERS  
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<u>Grants of Plan-Based Awards Table Fiscal 2009</u>	Page PS-48
<u>Equity Compensation Plan Information</u>	Page PS-50
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<u>Option Exercises and Stock Vested Table Fiscal 2009</u>	Page PS-59
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COMPENSATION DISCUSSION AND ANALYSIS

*Overview*

The Compensation Committee of the Board of Directors (the Committee ) has established an executive compensation plan that contains the following key components:

<i>Compensation Component</i>	<i>Objectives</i>	<i>Key Features</i>
Salary	Provide cash compensation that is not at risk.	Designed to retain key executives by being competitive; not the primary means of recognizing performance.
Annual incentive (annual incentive award or bonus)	Motivate and reward achievement of the annual financial results.	Cash payments dependent on the degree of achievement of the annual profit plan Committee retains discretion to reduce awards.
Long-term incentives (performance-based restricted stock units and stock options)	Align management interests with those of stockholders; retain executives; motivate and reward achievement of sustainable earnings growth.	Stock unit awards vest upon achievement of Company financial goals over a three-year performance period and require continued employment. Committee retains discretion to reduce awards. Stock option awards vest ratably over four years of continued employment.
Benefits	Retain executives over the course of their careers.	A comprehensive program of benefits that includes (i) a defined benefit retirement program that provides a special stay-incentive for experienced executives; and (ii) life insurance benefits that build cash value.

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*Elements of Actual Compensation, Fiscal years 2007, 2008, and 2009*

**CEO**

**OTHER EXECUTIVE OFFICERS**

(average)

(Charts are based on total actual compensation and benefits for Fiscal years 2007, 2008, and 2009, as reflected in more detail in SUMMARY COMPENSATION TABLE.)

*Short- and Long-term Planning for Sustainable Earnings Growth*

The performance of management in planning, execution and brand stewardship and variable external factors determines the Company's success in achieving its financial goals both short and long term.

As part of each year's planning process, the executive officers develop and submit for Board approval:

A four-year or five-year strategic plan that balances earnings with brand stewardship (see below); and

A profit plan for the fiscal year.

Both plans must incorporate challenging but achievable goals for sales growth, merchandising, gross margins, marketing expenditures, staffing, other expenses, capital spending and all other components of the Company's financial statements.

Brand stewardship refers to actions taken by management to maintain, in the minds of consumers, strong associations between the TIFFANY & CO. brand and product quality, product exclusivity, the highest levels of customer service, compelling store design and product display, and responsible product sourcing practices.

The Board recognizes that tradeoffs between short-term objectives and brand stewardship are often difficult. For example, variations in product mix can positively affect gross margins in the short term while negatively affecting brand image, and increased staffing can positively affect customer service while negatively affecting earnings.

Through the planning process, management must bring into balance expectations for quarterly and annual earnings growth and concerns for brand stewardship and sustainable earnings growth.

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*Objectives of the Executive Compensation Program*

The Committee has established the following objectives for the compensation program:

To attract, motivate and retain the management talent necessary to develop and execute both the annual and strategic plans;

To reward achievement of annual and long-term financial goals; and

To link management's interests with those of the stockholders.

The total executive compensation program includes base salary, annual and long-term incentives and benefits.

*Base Salary*

The Committee pays the executive officers competitive salaries as one part of a competitive total compensation program to attract and retain them, but does not use salary increases as the primary means of recognizing talent and performance. For a discussion of how the Committee determines that the Company's base salaries for executives are competitive, see below under the heading *Competitive Compensation Analysis*.

The Committee last made a general adjustment to executive salaries in 2008. At that time the Committee determined that salaries would, in the future, be adjusted every other year if warranted by competitive conditions and individual performance factors.

**January 2010 Action:** The Committee determined to maintain 2010 salaries at 2008 levels in all but two instances. The Committee increased the 2010 base salary of those two executive officers because the *Competitive Compensation Analysis* discussed below indicated that these executives were being paid significantly below the market value for a comparable position. The executive officers who received these increases are not named executive officers in this Proxy Statement.

*Short-term Incentives*

The Committee uses short-term incentives to motivate executive officers to achieve the annual profit plan. Short-term incentives consist of annual incentive awards for the five named executive officers and bonus eligibility for the other executive officers. Annual incentive awards are primarily formula-driven, with payments based on the degree of achievement of the annual profit plan. Bonuses are entirely discretionary.

Although annual incentive awards are contingent upon the degree to which the annual profit plan is achieved, the Committee has the discretion to take other considerations into account. Such considerations include events, unanticipated at the time that incentive award targets were set, that affect earnings, and contributions to business outcomes consistent with the strategic plan. (For a description of the Incentive Awards, including incentive award targets from year-to-year and the conditions under which the Committee may exercise discretion, see DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS – Non-Equity Incentive Plan Awards).

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The Committee awards annual bonuses to the other executive officers. Although the Committee retains discretion with respect to bonuses, in practice it aligns bonuses with the annual incentive awards.

The Committee has established targets and maximums for annual incentive awards for each of the named executive officers. The Committee established these targets and maximums in Fiscal 2008, maintained them for Fiscal 2009 and determined that they will remain effective for Fiscal 2010. They are as follows:

Executive	Position	Target Incentive as a Percent of Base Salary	Maximum Incentive as a Percent of Base Salary
Michael J. Kowalski	Chairman & CEO	100%	200%
James E. Quinn	President	70%	140%
Beth O. Canavan	Executive Vice President	70%	140%
James N. Fernandez	Executive Vice President & CFO	70%	140%
Jon M. King	Executive Vice President	70%	140%

**January 2010 Action:**

In January 2010, the Committee determined to maintain target and maximum incentives for Fiscal 2010 at the same levels set for Fiscal 2008. *See above.*

In March 2009, the Committee established, as a condition to awarding the maximum incentive awards, that the Company attain Fiscal 2009 net earnings of \$116 million. At the same time the Committee also advised the executive officers that, in the absence of other factors, the Committee will exercise its discretion as follows:

To reduce the award to zero if Fiscal 2009 net earnings from continuing operations do not equal or exceed \$135,111,200;

To pay 80% of the target incentive award if Fiscal 2009 net earnings from continuing operations equal \$173,714,400;

To pay the target incentive award if Fiscal 2009 net earnings from continuing operations equal \$193,016,000;

To pay 120% of the target incentive award if Fiscal 2009 net earnings from continuing operations equal \$212,317,600;

To pay the maximum award if Fiscal 2009 net earnings from continuing operations equal or exceed \$250,920,800; and

To vary the incentive award payable if Fiscal 2009 net earnings from continuing operations fall between the amounts set forth above.

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**March 2010 Action:** After reviewing and concurring with the recommendation of the chief executive officer, the Committee, in the exercise of its retained discretion, determined to pay incentive awards on the basis of Fiscal 2009 net earnings from continuing operations (\$265.7 million) as follows:

Michael J. Kowalski	\$ 2,000,000
James E. Quinn	\$ 1,036,000
Beth O. Canavan	\$ 840,000
James N. Fernandez	\$ 1,036,000
Jon M. King	\$ 840,000

**March 2010 Action:** The Committee established, as a condition to awarding the maximum incentive awards, that the Company attain Fiscal 2010 net earnings of \$189 million. At the same time the Committee also advised the executive officers that, in the absence of other factors, the Committee will exercise its discretion as follows:

To reduce the award to zero if Fiscal 2010 net earnings as publicly reported do not exceed \$220,500,000;

To pay the target incentive award if Fiscal 2010 net earnings as publicly reported equal \$315,000,000;

To pay the maximum award if Fiscal 2010 net earnings as publicly reported equal or exceed \$410,000,000; and

To vary the incentive award payable if Fiscal 2010 net earnings as publicly reported fall between the amounts set forth above.

*Strategic Incentives*

The Committee uses long-term incentives to promote the retention of executive officers and motivate them to achieve sustainable earnings growth.

The Committee considers equity-based awards to be appropriate because, over the long term, the Company's stock price should be a good indicator of management's success in achieving sustainable earnings growth.

The Committee awards both performance-based restricted stock units and stock options because each form of award complements the other in helping the Company retain and motivate its executive officers.

In its decision to use both forms of award, the Committee took into account the difficulty of setting appropriate strategic performance goals. This difficulty arises due to the significant degree of influence that noncontrollable and highly variable external factors have upon the Company's performance and the fact that the market does not always respond immediately to earnings growth.

Performance-based restricted stock units have the advantage of rewarding executives for meeting financial goals - even if the achievement of those goals is not reflected in the share price in the short term.

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Stock options do not reward executives in a declining market. However, they do provide gains commensurate with those of shareholders, whether or not financial goals have been met.

In order to provide balance to the Company's long-term incentives, the Committee determined that the ratio of the estimated value of performance-based restricted stock unit awards to the estimated value of stock options awards should be as nearly 50/50 as practicable. For purposes of achieving this ratio the Committee values the awards as follows:

for options, on the basis of the Black-Scholes model; and

for performance-based restricted stock units, using the per share market value immediately prior to the grant on the assumption that units would vest at the earnings target (attainment of the ROA target was not considered in making this allocation).

*Performance-Based Restricted Stock Unit Grants Made in January 2010*

Complete vesting of performance-based restricted stock units granted in January 2010 is dependent upon achievement of an earnings threshold. Achievement of that threshold will give the Committee the discretion to vest the total number of stock units granted or any lesser number down to zero. However, the Committee has communicated to the executive officers that it will exercise its discretion to reduce the number of units vesting on the basis of both a cumulative earnings per share (EPS) goal and an average return on assets (ROA) goal over the three-year performance period (Fiscal Years 2010, 2011 and 2012).

Like most companies, the Company's stock price over the long term is primarily driven by growth in EPS. The Committee considers EPS performance to be the primary determiner of vesting and no shares will vest unless a threshold level of EPS performance is achieved.

The Company's ROA is also likely to significantly affect its stock price over the long term. This is due, in part, to the significance of inventory and store fitting-out expenses in its business. Thus the Committee uses ROA as a supplemental indicator of management's success in achieving sustainable earnings growth.

The EPS and ROA goals were set by the Committee in conformance to, and as part of the process of approving, the Company's strategic plan.

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The Committee has provided the following chart to the executive officers to illustrate the manner in which the Committee intends to exercise its discretion at the conclusion of the three-year performance period:

<b>Earnings Performance</b>	<b>Percent of Target Shares Vesting for Earnings Performance</b>	<b>ROA Adjustment to Shares Vesting for Earnings Performance (percent of Target)</b>	<b>Percent of Target Shares Vesting After ROA Adjustment</b>	<b>Percent of Maximum Number of Shares Vesting</b>
<b>Earnings Threshold Not Reached</b>	0%	None	0%	None
<b>Earnings Threshold Reached</b>	25%	10% increase if ROA Target achieved	25% to 35%	12.5% to 17.5%
<b>Earnings Target Reached</b>	100%	10% increase if ROA Target achieved/10% decrease if ROA Target not achieved	90% to 110%	45% to 55%
<b>Earnings Target Exceeded by 34.2%</b>	190%	10% increase if ROA Target achieved/10% decrease if ROA Target not achieved	180% to 200%	90% to 100%

**January 2010 Action:** The Committee granted performance-based restricted stock units as described above in the per-share amounts shown in the table titled GRANTS OF PLAN-BASED AWARDS, Fiscal 2009, 2005 Employee Incentive Plan on PS-48.

**March 2010 Action:** The Committee established the following in respect of the above-referenced stock units, subject to adjustments as permitted under the Plan:

Earnings Target: \$9.10 per share (aggregate consolidated net earnings per share on a diluted basis over the three-year period);

ROA Target: 10.6% (consolidated return on average assets in each of the fiscal years in the performance period, expressed as a percentage and then averaged over the entire performance period);

Earnings Threshold: \$4.25 per share (aggregate consolidated net earnings per share on a diluted basis over the three-year period); and

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Earnings Maximum: \$12.21 per share (aggregate consolidated net earnings per share on a diluted basis over the three-year period).

*Performance-Based Restricted Stock Unit Grants Made in January 2009*

When the Committee met in January 2009, it considered:

The Company's projected financial performance for Fiscal 2008;

The economic circumstances and uncertainty then confronting retailers of luxury goods and jewelry retailers in particular;

The difficulty of planning for Fiscal 2009 in the face of such uncertainty;

The diminished realizable and retentive value of equity awards made to the executive officers in prior fiscal years due to the effect of significant declines in the market value for the Company's stock and the Company's financial performance in Fiscal 2008; and

Whether the vesting provisions of performance-based restricted stock unit grants to be made in respect of the three-year performance period ending on January 31, 2012 should be changed, relative to those made for prior performance periods (see below), to recognize the economic uncertainty and to provide the Company with a better opportunity to retain the executives.

The Committee determined that the performance-based restricted stock unit grants made in January 2009 for the three-year performance period ending January 31, 2012 (Fiscal 2009, 2010 and 2011) will vest 100% for those executives who remain employed through the end of the performance period if consolidated earnings from continuing operations equal or exceed \$300 million in any one of the three fiscal years ending during the performance period. Unlike prior grants, there is no incremental opportunity for the executives if the earnings goal is overachieved, and no partial vesting for partial performance.

*Performance-Based Restricted Stock Unit Grants Made in January 2007 and 2008*

Complete vesting of performance-based restricted stock units granted in January 2007 and 2008 is dependent upon achievement of both EPS goal and an ROA goal over each three-year performance period following the grants. Due to the Company's financial performance in Fiscal 2008, it is unlikely the Company will meet the applicable three-year cumulative EPS goal and ROA goal for these grants, and these grants are not likely to vest.<sup>1</sup> The Committee has not retained any discretion in that regard.

For a more complete description of the performance-based restricted stock units, including a description of the circumstances in which a portion of the units may vest in various circumstances of death, disability, a Change of Control or at the initiative of the executive's employer and the goals set from year-to-year, see DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS - Equity Incentive Plan Awards - Performance-Based Restricted Stock Units.

<sup>1</sup> For performance-based restricted stock units granted in January 2007 and 2008, goals are respectively as follows: Threshold cumulative net EPS of \$6.72 and \$8.54; Target cumulative

net EPS of \$7.76 and  
\$9.87; Maximum  
cumulative net EPS  
of \$8.31 and \$10.62;  
and ROA goal of  
10.6% and 11.5%.

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*Stock Option Grants Made in January 2010*

The Committee grants stock options in order to clarify the link between the interests of the executive officers and those of the Company's stockholders in long-term growth in share value and to support the brand stewardship over the long term. As in prior years, stock options have a 10-year term and vest at the rate of 25% per year. (For a description of the stock options see DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS - Options).

**January 2010 Action:** As has been its practice, the Committee granted stock options to the executive officers on January 20, 2010. To see the number of stock options granted to each of the named executive officers on January 20, 2010 refer to GRANTS OF PLAN-BASED AWARDS Fiscal 2009, 2005 Employee Incentive Plan.

*Retirement Benefits*

Retirement benefits are offered to executive officers because the Committee seeks to retain them over the course of their career, especially in their later years when they have gained experience and become more valuable to the Company and to its competitors. (For a description of the retirement benefits see PENSION BENEFITS Features of the Retirement Plans).

Retirement benefits are not contingent upon corporate performance factors, although the average final compensation of each executive officer, on which retirement benefits are based, will be determined, in part, by reference to bonus and incentive awards made in the past. Such awards were determined by corporate performance factors.

Executives participate in three retirement plans: they participate in the same tax-qualified pension plan available to all full-time U.S. employees hired before January 1, 2006 and also receive incremental benefits under the Excess Plan and the Supplemental Plan.

The Excess Plan credits salary and bonus in excess of amounts that the Internal Revenue Service (IRS) allows the tax-qualified pension plan to credit in computing benefits, although benefits under both of these plans are computed under the same formula. The Committee considers it fair and consistent with the employee retention purpose of the tax-qualified pension plan to maintain for executives the relationship established for employees compensated below the IRS limit between annual cash compensation and pension benefits.

The Supplemental Plan serves as a stay-incentive for experienced executives by increasing the percentage of average final compensation provided as a benefit when the executive reaches specified service milestones.

*Life Insurance Benefits*

IRS limitations render the life insurance benefits that the Company provides to all full-time U.S. employees in multiples of their annual salaries largely unavailable to the Company's executive officers. The Company maintains the relationship established for lower-compensated employees between annual salaries and life insurance benefits through executive-owned, employer-paid whole life policies. (For an explanation of the key features of the life benefits, see DISCUSSION

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OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS - Life Insurance Benefits). The Committee considers the increase in policy cash value attributable to Company contributions to be part of target total direct compensation for purposes of the *Competitive Compensation Analysis* discussed below. Effective in 2009, the Committee discontinued its prior practice of grossing-up Company contributions. Such gross-ups were last paid in Fiscal 2008.

*Disability Insurance Benefits*

The Committee provides executive officers with special disability insurance benefits because their salaries are inconsistent with the income replacement limits of the Company's standard disability insurance policies. Thus, these special disability benefits maintain the relationship established for employees compensated below the IRS limit between annual cash compensation and disability benefits. Disability insurance premiums are taxable to the executives and no gross-up is paid.

*Competitive Compensation Analysis*

Each year the Committee refers to competitive compensation (market) data because the Committee believes that such data are helpful in assessing the competitiveness of the total compensation offered to the Company's executive officers. However, the Committee does not consider such market data sufficient for a full evaluation of appropriate compensation for any individual executive officer. Accordingly, the Committee:

Has not set a benchmark to such data for any executive officer, although it does look to see if the Company's total executive program falls between the 25<sup>th</sup> and 75<sup>th</sup> percentile of market data;

Does not rely exclusively on compensation surveys or publicly available compensation information when it determines the compensation of individual executive officers; and

Also considers:

The comparability of compensation as between executive officers of comparable experience and responsibility;

Job comparability with market positions;

The recommendations of the chief executive officer; and

The Committee's own business judgment as to an individual's maturity, experience and tenure, capacity for growth, demonstrated success and desirability to the Company's competitors.

The Committee reviewed a comparability analysis prepared on November 18, 2009 by Towers Watson (then Towers Perrin), a nationally recognized compensation consulting firm.

The analysis included the following elements of compensation for each executive officer:

base salary;

target annual incentive or bonus as a percentage of salary;

target total cash compensation (salary plus target incentive/bonus award);

actual total cash compensation (salary plus actual incentive/bonus granted in the prior year);

expected value of long-term incentives as a percentage of salary;

target total direct compensation (target total cash compensation, life insurance cash value increases and the expected value of long-term incentives granted in the prior year);

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actual total direct compensation (actual total cash compensation plus life insurance cash value increases and the expected value of long-term incentives granted in the prior year); and

pay mix.

The Committee believes that a competitive market for the services of retail executives exists, even among firms that operate in a different line of business. To fully understand market compensation levels for comparable executive positions, the analysis includes data for both retail and general industry companies, with greater emphasis on the former.

Defining an appropriate comparator group is a challenge because there are few U.S. companies of similar size in the luxury retail business with an integrated manufacturing function similar to the Company. Thus, as mentioned previously, the market data serve as reference points but the Committee does not benchmark to specific market pay levels.

In addition, for the retail market data, two retail groups are used. The first group is based on publicly available pay data from annual proxy statements, and the second group is based on pay data submitted to the Towers Perrin Retail Executive Compensation Survey. The second group includes privately-held companies and also provides compensation for positions that may not fall within the top five highest paid executives disclosed in the comparator companies proxy statements, but the composition of the group varies year-over-year due to survey participation. The analysis included data concerning compensation for senior positions provided by:

a survey of 16 public companies in the specialty retail industry with median revenues of \$3.1 billion (*see A below*);

a survey of 9 public and private companies in the retail industry with median revenues of \$3.4 billion (*see B below*); and

a survey of 244 companies in general industry with median revenues of \$2.6 billion.

Management consulted with Towers Watson on the selection of companies for comparison, but Towers Watson has maintained its own judgment in that regard.

\*\*\*

(A) Specialty Retail Companies: Abercrombie & Fitch; Ann Taylor Stores; Coach Inc.; Foot Locker Inc.; J. Crew Group Inc.; Limited Brands Inc.; Liz Claiborne Inc.; Movado Group Inc.; Nordstrom Inc.; Pier 1 Imports Inc.; Polo Ralph Lauren Corp.; Saks Inc.; Sotheby's; Talbot's Inc.; Williams Sonoma Inc.; and Zale Corporation.

(B) Retail Companies: Abercrombie & Fitch; GAP Inc.; Harry Winston Diamond Corp.; J. Crew Group Inc.; Limited Brands Inc.; L.L. Bean; Nordstrom Inc.; Williams-Sonoma Inc.; and Zale Corporation.

\*\*\*

For retail-specific positions, the analysis of competitive compensation was determined by reference only to surveys of the retail industry mentioned above.

Because the chief executive officer and the chief financial officer do not occupy retail-specific positions, the analysis of competitive compensation was determined by reference to surveys of the retail industry mentioned above and to the general industry survey mentioned above.

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Relative to the competitive market data, the Company's target total compensation is positioned as follows:  
the chief executive officer's target total compensation approximates the 50th percentile;

the target total compensation for the named executive officers in retail-specific positions (Mrs. Canavan, and Messrs. Quinn and King) approximates the 50th percentile;

the chief financial officer has significant operating responsibilities beyond those typically assigned to those with this title in the surveyed companies and, for that reason, Towers Watson compared his compensation to those in a chief financial officer position and to those in a chief operating officer position:

when compared to the chief financial officer position, his target total compensation is above the 75<sup>th</sup> percentile;

when compared to the chief operational officer data, his target total compensation approximates the 50<sup>th</sup> percentile.

*Relative Values of Key Compensation Components*

The Committee believes that the portion of an executive officer's compensation that is at risk (subject to adjustment for corporate performance factors) should vary proportionately to the amount of responsibility the executive officer bears for the Company's success. The Committee also believes that a minimum of 50% of the total compensation opportunity of the chief executive officer and 40% of the total compensation opportunity of the other executive officers should be comprised of long-term incentives. The Committee uses the following ratios to base salary as a means of awarding short- and long-term incentives. The Committee splits the estimated value of the long-term incentives evenly between the estimated value of performance-based restricted stock units and the estimated value of stock options.

Executive	Position	Target Short-term Incentive as a Percent of Salary	Maximum Short-term Incentive as a Percent of Salary	Long-term Incentive as a Percent of Salary
Michael J. Kowalski	Chairman & CEO	100%	200%	300%
James E. Quinn	President	70%	140%	162%
Beth O. Canavan	Executive Vice President	70%	140%	200%
James N. Fernandez	Executive Vice President & CFO	70%	140%	225%
Jon M. King	Executive Vice President	70%	140%	200%

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Under the equity ownership policy adopted by the Board and monitored by the Committee, executive officers and non-executive directors are required to accumulate shares (and options for shares) of the Company's common stock until they have ownership of shares or options having a total market value equal to the following multiples of their base salaries (minimum annual retainer in the case of directors):

Position/Level	Market Value of Company Stock Holdings as a Multiple of Base Salary (Minimum Annual Retainer in the case of Non-Executive Directors)
Chief Executive Officer	Five Times
Non-Executive Directors	Five Times
President	Four Times
Executive Vice President	Three Times
Senior Vice President	Two Times

Under the share ownership policy, so long as 25% of the required market value consists of shares of the Company's common stock owned by an executive officer or director, 50% of the positive current value of his or her vested (exercisable) stock options may also be counted towards compliance. For this purpose, the current value of a vested option is calculated as follows: current market value of the number of shares covered by the option less the total option exercise price.

Prior to satisfying this stock ownership requirement, an executive officer or director may not sell any shares except to: satisfy required withholding for income taxes due upon exercise of stock options or vesting of performance-based restricted stock units;

pay the exercise price upon exercise of stock options; and

dispose of no more than 50% of the remaining shares issued upon exercise of stock options or vesting of performance-based restricted share units (after paying the exercise price and tax withholding).

Executive officers and directors have until July 2011 to satisfy the stock ownership requirement.

The Committee reviewed progress toward compliance with the policy at meetings held in July 2009, November 2009 and January 2010. Progress was measured as of the previous month end. As of December 31, 2009, the chief executive officer had exceeded his goal by nearly four-fold and seven of the remaining ten executive officers had achieved their goal. Goal achievement is affected from period to period by fluctuations in the share price, through market transactions and by the vesting of stock options and restricted stock units.

As of December 31, 2009, seven of the eight non-management directors had met their share ownership requirements.

*Speculative Transactions*

The Board has directed executive officers not to engage in transactions of a speculative nature in Company securities, such as the purchase of calls or puts, selling short or speculative transactions as to any rights, options, warrants or convertible securities related to Company securities. This policy does not affect the right to exercise or hold a stock option issued to the executive by the Company.

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**Retention Agreements**

The Committee continues to believe that, during any times of possible or actual transition of corporate control, it would be important to keep the team of executive officers in place, free of distractions that might arise out of concern for personal financial advantage or job security. The Company has not had a single controlling stockholder for many years, and, depending upon the circumstances, executive officers could consider acquisition of a controlling interest as described in the retention agreements to be a prelude to a significant change in corporate policies and an incentive to leave. For these reasons, the Company has entered into retention agreements with each of the executive officers which provide financial incentives for them to remain in place during any such times. (For a description of the retention agreements see POTENTIAL PAYMENTS ON TERMINATION OR CHANGE IN CONTROL - Retention Agreements).

The Committee believes that the retention agreements serve the best interests of the Company's stockholders because such agreements:

- will increase the value of the Company to a potential acquirer that requires delivery of an intact management team;

- will help to keep management in place and focused should any situation arise in which a change of control looms but is not welcome or agreement has not yet been reached;

- are a prudent defense to the possibility that one or more senior executive officers might retire or take a competing job offer during a time of transition; and

- are not overly generous.

The Committee also believes that the independent directors are fully capable of weighing the merits of any proposed transaction and reaching a proper conclusion in the interests of the stockholders, even in the face of management's advocacy of a transaction that would provide change in control payments to the executive officers.

*Dual Triggers*

The retention agreements are dual-trigger arrangements in that they provide no benefits unless two events occur: (i) a change in control followed by (ii) a loss of employment.

*Definition of Change in Control*

In Fiscal 2008, the Committee changed the definition of Change in Control for use in the Company's arrangements with the executive officers. This change was made effective for equity grants made in January 2009 and thereafter. This change was also made for the retention agreements (see above) and all executive officers surrendered the old form of retention agreement and entered into a new form with the changed definition. Under the new definition, a

Change in Control will be deemed to occur only in the following four situations:

- a 35% share acquisition;

- incumbent directors (including those nominated by incumbent directors) cease to be a majority;

- a corporate transaction, such as a merger, in which the shareholders prior to the transaction do not own 51% of the Company's assets; and

- a sale of all or substantially all of the assets of the Company or Tiffany.

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*No Other Employment Agreements or Severance Plans for Executives*

Apart from the retention agreements, the Company:

is not party to any employment agreement with any executive officer that provides for severance benefits on termination of employment;

does not maintain any severance payment policy for executive officers; and

has the right to terminate the employment of any executive for any reason or no reason prior to the occurrence of a change of control.

*Equity Grant Change in Control Provisions*

For grants made prior to January 2009, the Company's stock option and performance-based restricted stock unit award agreements provide for accelerated vesting of all options and restricted stock units upon a change in control.

In 2009, the Committee adopted a more focused view of the change in control circumstances which should permit accelerated vesting of stock options and performance-based restricted stock units.

The Committee believes that:

where practicable, executives should be required to meet the service vesting provisions of equity grants following a change in control;

the definition of *Change in Control* (see above) includes circumstances where it is sensible to require the executive to remain employed in order to vest in his/her equity grant and other circumstances where it is not sensible;

following a change in control, an executive should have the benefit of his/her equity grants if terminated without cause or if he/she resigns with good reason;

performance-based equity grants should be treated separately from grants that are purely time-vested because a change in control may result in a change in business strategy making it difficult, if not impossible, for the Company to achieve the performance criteria; and

the independent directors are fully capable of weighing the merits of any proposed transaction and reaching a proper conclusion in the interests of the stockholders, even in the face of management's advocacy of a transaction that would provide change in control payments to the executive officers.

*Supplemental Plan Change in Control Provisions*

Consistent with its view that *Change in Control* ( *CIC* ) entitlements should be triggered, in most circumstances, only on a loss of employment (a *dual-trigger* ), the Committee's *CIC Review* also focused on the Supplemental Plan for executive retirement benefits. The Committee determined that the Plan, as previously structured, was inconsistent with that view.

*Termination for Cause*

Stock options granted under the 2005 Employee Incentive Plan may not be exercised after a termination for cause. Performance-based restricted stock units will not vest if termination for cause occurs before the conclusion of the three-year performance period.

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*Recoupment Provisions*

All executive officers have signed non-competition covenants that have a two-year post-employment term. For those who are age 60 or older at termination of employment or who attain age 60 within six months of termination, the term ends six months after termination. For all executive officers, the term ends in six months after termination if a change in control (as defined in the retention agreements) has occurred prior to termination of employment or during the six-month period. For all executive officers, once the six-month minimum period has passed, a change of control will result in an early end to the term.

Violation of the non-compete covenants will result in:

loss of benefits under the Excess Plan and the Supplemental Plan;

loss of all rights under stock options and performance-based restricted stock units; and

mandatory repayment of all proceeds from stock options exercised or restricted stock units vested during a period beginning six months before termination and throughout the duration of the non-competition covenant.

*Compensation Committee Process*

Tally sheets

The Committee reviews tally sheets in July, November and January so that the total compensation and equity position in Company stock for each executive officer can be compared. The tally sheets are prepared by the Company's Human Resources Department for each executive officer and provided to the Committee.

The tally sheets include historical compensation and wealth accumulation data concerning:

current salary and potential threshold, target and maximum annual incentive awards;

salary and annual incentive award grants in prior years;

total cash compensation (salary plus annual incentive award for the previous year);

potential threshold, target and maximum returns on performance-based restricted stock unit awards and estimated value of stock option awards;

performance-based restricted stock unit and stock option awards made in prior years;

potential threshold, target and maximum returns on unvested performance-based restricted stock unit awards and unrealized potential gains from outstanding stock options holdings, both under current conditions and under various hypothetical stock price and termination or change-in-control scenarios;

realized gains on stock options previously exercised;

shareholdings and progress towards compliance with stock ownership requirements;

retirement and life insurance benefits and perquisites;

comparison of one-year increase or decrease in total compensation and wealth accumulation to one-year total shareholder return; and

estimated value of salary, annual incentive or bonus, unvested restricted stock units and stock options, and retirement and health benefits upon a hypothetical change in control scenario.

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*Consultations with the Chief Executive Officer*

The Committee meets with the chief executive officer regularly and solicits his recommendations with respect to the compensation of the executive officers. In this context, his views as to the performance of the individual officers are provided to the Committee. Individual performance has not factored significantly in terms of incentive pay, although the Committee has reserved discretion in that regard, see DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS, Non-Equity Incentive Awards.

*Coordination with Financial Results and Annual and Strategic Planning Process*

In January, the Committee reviews a forecast of financial results for the fiscal year ending that month with the chief financial officer and calculates the tentative payouts for short- and long-term incentives on that basis. Revised calculations and adjustments are prepared at the March meeting, when fiscal year financial results are nearly final and ready for public release, and when the annual profit plan and the strategic plan are presented for approval by the Board. After the public release of the financial results, the final calculation is made and the Committee authorizes management to make payment on prior year annual incentive awards and performance-based restricted stock unit awards for which the three-year performance period ended in the prior year and to enter into agreements with respect to current year annual incentive awards.

The Committee has limited discretion under the 2005 Employee Incentive Plan to adjust incentive awards for certain events, unanticipated at the time that incentive award targets were set, that affect earnings or for special contributions to other business outcomes consistent with the strategic plan. (For a description of the Incentive Awards, including the incentive awards set and the conditions under which the Committee may exercise discretion, see DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS, Non-Equity Incentive Awards).

The Committee awards stock options to executive officers at the January meeting or when individual promotions are recognized. The Committee has never authorized management to make awards of stock options. Since 2005, awards of performance-based restricted stock units have also been made at the January meeting with reference to a preliminary draft of the Company's strategic plan, although the specific financial goals are not set until the March meeting when the strategic plan is adopted.

*Limitation under Section 162(m) of the Internal Revenue Code*

Section 162(m) of the Internal Revenue Code generally denies a federal income tax deduction to the Company for compensation in excess of \$1 million per year paid to any of the named executive officers. This denial of deduction is subject to an exception for performance-based compensation such as the performance-based restricted stock units, stock options and annual incentive awards discussed above. Although the Committee has designed the executive compensation program with tax considerations in mind, the Committee does not believe that it would be in the best interests of the Company to adopt a policy that would preclude compensation arrangements subject to deduction limitations.

The compensation paid to the executive officers is deductible by the Company except in the following respect: that portion of compensation paid to the chief executive officer labeled Salary and All Other Compensation in the Summary Compensation Table that, in the aggregate, exceeds \$1 million in any single year.

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**REPORT OF THE COMPENSATION COMMITTEE**

We have reviewed and discussed with the management of Tiffany & Co. the Compensation Discussion and Analysis section of this Proxy Statement. Based on our review and discussions, we recommend to the Board of Directors, to the chief executive officer and to the chief financial officer that the Compensation Discussion and Analysis be included in this Proxy Statement and the Annual Report on Form 10-K for the fiscal year ended January 31, 2010.

Compensation Committee and its Stock Option Subcommittee:

Gary E. Costley, Chair

Rose Marie Bravo

Abby F. Kohnstamm

Charles K. Marquis

Peter W. May

March 17, 2010

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**Table of Contents****SUMMARY COMPENSATION TABLE**  
**Fiscal 2009, Fiscal 2008 and Fiscal 2007**

Name and Principal Position	Year	Salary (\$ (a))	Bonus (\$ (b))	Stock Awards (\$ (c))	Option Awards (\$ (d))	Non- Equity Incentive Plan Compen- sation (\$ (e))	Change in Pension Value and Nonquali- fied Deferred Compen- sation Earnings (\$ (f))	All Other Compen- sation (\$)	Total (\$)
Michael J. Kowalski <i>Chairman and CEO</i>	2009	\$ 997,315	---	\$ 1,593,130	\$ 1,499,400	\$ 2,000,000	\$ 1,615,020	\$ 168,270 (g)	\$ 7,873,135
	2008	\$ 1,037,975	---	\$ 1,369,200	\$ 1,492,340	---	\$ 453,947	\$ 322,342 (h)	\$ 4,675,804
	2007	\$ 972,382	---	\$ 1,653,010	\$ 1,477,751	\$ 1,852,500	\$ 370,793	\$ 340,293 (i)	\$ 6,666,729
James E. Quinn <i>President</i>	2009	\$ 738,013	---	\$ 637,252	\$ 599,760	\$ 1,036,000	\$ 828,884	\$ 107,713 (j)	\$ 3,947,622
	2008	\$ 766,398	---	\$ 548,100	\$ 596,936	---	\$ 231,007	\$ 197,357 (k)	\$ 2,339,798
	2007	\$ 738,013	---	\$ 681,867	\$ 599,879	\$ 1,036,000	\$ 190,821	\$ 241,440 (l)	\$ 3,488,020
Beth O. Canavan <i>Executive Vice President</i>	2009	\$ 598,389	---	\$ 637,252	\$ 599,760	\$ 840,000	\$ 421,295	\$ 102,870 (m)	\$ 3,199,566
	2008	\$ 625,163	---	\$ 548,100	\$ 599,936	---	\$ 235,562	\$ 173,370 (n)	\$ 2,182,131
	2007	\$ 528,577	---	\$ 681,867	\$ 599,879	\$ 689,000	\$ 743,079	\$ 160,339 (o)	\$ 3,402,741
James N. Fernandez <i>Executive Vice President and</i>	2009	\$ 738,013	---	\$ 864,842	\$ 833,000	\$ 1,036,000	\$ 738,655	\$ 125,313 (p)	\$ 4,335,823

CFO

2008	\$	770,694	---	\$	760,200	\$	828,008	---	\$	185,802	\$	222,348 (q)	\$	2,767,052	
2007	\$	658,228	---	\$	929,818	\$	833,978	\$	858,000	\$	136,439	\$	214,437 (r)	\$	3,630,900

on M.

King

Executive

Vice

President

2009	\$	598,389	---	\$	637,252	\$	599,760	\$	840,000	\$	321,836	\$	98,300 (s)	\$	3,095,537
2008	\$	626,774	---	\$	548,100	\$	596,936	---	\$	181,745	\$	168,060 (t)	\$	2,121,615	
2007	\$	498,657	\$	650,000	\$	681,867	\$	599,879	---	\$	175,006	\$	149,904 (u)	\$	2,755,313

**Notes to Summary Compensation Table:**

- (a) Salary amounts include amounts deferred at the election of the executive under the Tiffany and Company Executive Deferral Plan (the Deferral Plan ) and under the 401(k) feature of the Company s Employee Profit Sharing and Retirement Savings Plan (the 401(k) ). Amounts deferred to the Deferral Plan are also shown in the Nonqualified Deferred Compensation Table. Salary amounts paid during Fiscal 2008 reflected 27 pay periods instead of the typical 26 pay periods.
- (b) Bonus amounts include amounts deferred at the election of the executive under the Deferral Plan and under the 401(k). Bonus amounts are earned in the fiscal year ended January 31, and paid in April.

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- (c) Amounts shown represent the dollar amount of the grant date fair value of the stock unit award calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation for the fiscal year in which the award was granted. The amounts shown are based on the assumption that the earnings target and return on assets target for the three-year performance period identified by the Committee for each respective grant will be met. The maximum value of each award, assuming the highest level of performance conditions are met for the applicable period, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, are as follows:

Executive	Position	2009	2008	2007
Michael J. Kowalski	Chairman & CEO	\$ 2,896,600	\$ 1,369,200	\$ 2,874,800
James E. Quinn	President	\$ 1,158,640	\$ 548,100	\$ 1,185,855
Beth O. Canavan	Executive Vice President	\$ 1,158,640	\$ 548,100	\$ 1,185,855
James N. Fernandez	Executive Vice President & CFO	\$ 1,572,440	\$ 760,200	\$ 1,617,075
Jon M. King	Executive Vice President	\$ 1,158,640	\$ 548,100	\$ 1,185,855

- (d) Amounts shown represent the dollar amount of the grant date fair value of the stock option award calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation for the fiscal year in which the award was granted.
- (e) This column reflects cash annual incentive awards under the 2005 Employee Incentive Plan. These awards are earned in the fiscal year ended January 31 and are paid on the basis of achieved Performance Goals after the release of the Company's financial statements for the fiscal year. (For a description of the Performance Goals, see DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS - Non-Equity Incentive Plan Awards). This column includes amounts deferred at the election of the executive under the Deferral Plan. Amounts so deferred are also shown in the Nonqualified Deferred Compensation Table.
- (f) This column represents the aggregate change, over the course of the fiscal year, in the actuarial present value of the executive's accumulated benefit under all defined benefit and actuarial plans. This column does not include earnings under the Deferral Plan because the Deferral Plan does not pay above-market or preferential earnings on compensation that is deferred.
- (g) Mr. Kowalski's Fiscal 2009 compensation included the following elements whose total incremental cost to the Company is shown in the column titled All Other Compensation: life insurance premium (\$147,072); disability insurance premium (\$14,298); and 401(k) matching contribution (\$6,900).
- (h)

Mr. Kowalski's Fiscal 2008 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life

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insurance premium (\$162,175); tax gross-up paid on the life insurance premium (\$136,560); disability insurance premium (\$14,207); 401(k) matching contribution (\$6,750); and medical exam (\$2,650).

- (i) Mr. Kowalski's Fiscal 2007 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$171,055); tax gross-up paid on the life insurance premium (\$144,286); disability insurance premium (\$15,952); 401(k) matching contribution (\$6,500); and medical exam (\$2,500).
- (j) Mr. Quinn's Fiscal 2009 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$84,756); disability insurance premium (\$16,057); and 401(k) matching contribution (\$6,900).
- (k) Mr. Quinn's Fiscal 2008 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$94,340); tax gross-up paid on the life insurance premium (\$77,925); disability insurance premium (\$15,967); medical exam (\$2,650); and 401(k) matching contribution (\$6,750).
- (l) Mr. Quinn's Fiscal 2007 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$108,311); tax gross-up paid on the life insurance premium (\$90,043); disability insurance premium (\$17,711); 401(k) matching contribution (\$6,500); tax accounting fees (\$14,680); and health club membership (\$4,195).
- (m) Mrs. Canavan's Fiscal 2009 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$82,180); disability insurance premium (\$13,790); and 401(k) matching contribution (\$6,900).
- (n) Mrs. Canavan's Fiscal 2008 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$79,048); tax gross-up paid on the life insurance premium (\$69,497); disability insurance premium (\$15,425); 401(k) matching contribution (\$6,750); and medical exam (\$2,650).
- (o) Mrs. Canavan's Fiscal 2007 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$71,796); tax gross-up paid on the life insurance premium (\$62,918); disability insurance premium (\$15,750); 401(k) matching contribution (\$6,500); medical exam (\$2,500); and health club membership (\$875).
- (p) Mr. Fernandez's Fiscal 2009 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$102,003); disability insurance premium (\$16,410); and 401(k) matching contribution (\$6,900).
- (q) Mr. Fernandez's Fiscal 2008 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$111,161); tax gross-up paid on the life insurance premium (\$88,105); disability insurance premium (\$16,332); and 401(k) matching contribution (\$6,750).

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- (r) Mr. Fernandez's Fiscal 2007 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$101,927); tax gross-up paid on the life insurance premium (\$84,520); disability insurance premium (\$17,740); 401(k) matching contribution (\$6,500); and tax accounting fees (\$3,750).
- (s) Mr. King's Fiscal 2009 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$78,050); disability insurance premium (\$13,350); and 401(k) matching contribution (\$6,900).
- (t) Mr. King's Fiscal 2008 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$84,188); tax gross-up paid on the life insurance premium (\$64,037); disability insurance premium (\$13,085); 401(k) matching contribution (\$6,750), and medical exam (\$2,650).
- (u) Mr. King's Fiscal 2007 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium (\$71,602); tax gross-up paid on the life insurance premium (\$54,261); disability insurance premium (\$13,410); 401(k) matching contribution (\$6,500); medical exam (\$2,500); and health club membership (\$1,631).

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**GRANTS OF PLAN-BASED AWARDS  
Fiscal 2009  
2005 Employee Incentive Plan**

Name	Grant Award Type	Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards (a)			Underlying Options (#)	All Other Option Awards: Exercise or Base Price	Grant Date Fair Value of Equity Awards (c) (d)
			Threshold (\$)	Target (\$)	Maximum (\$)	Target Number of Shares (assuming Earnings Target is met, and Return on Assets Target is not met)	Maximum Number of Shares (assuming Earnings Target is exceeded, with no adjustment for Return on Assets Target is met)	Maximum Number of Shares (assuming Earnings Target is exceeded, with no adjustment for Return on Assets Target is met)			
Michael J. Kowalski	Annual Incentive Award		\$0	\$ 1,000,000	\$ 2,000,000						
	Performance-Based RSU	1/20/10				8,750	35,000	70,000		\$ 1,593,130	

	Stock Option 1/20/10					90,000	\$ 43.37	\$ 1,499,400
James E. Quinn	Annual Incentive Award	\$0	\$ 518,000	\$ 1,036,000				
	Performance- Based RSU 1/20/10				3,500	14,000	28,000	\$ 637,252
	Stock Option 1/20/10					36,000	\$ 43.37	\$ 599,760
Beth O. Canavan	Annual Incentive Award	\$0	\$ 420,000	\$ 840,000				
	Performance- Based RSU 1/20/10				3,500	14,000	28,000	\$ 637,252
	Stock Option 1/20/10					36,000	\$ 43.37	\$ 599,760
James N. Fernandez	Annual Incentive Award	\$0	\$ 518,000	\$ 1,036,000				
	Performance-Based RSU 1/20/10				4,750	19,000	38,000	\$ 864,842
	Stock Option 1/20/10					50,000	\$ 43.37	\$ 833,000
	Annual Incentive Award	\$0	\$ 420,000	\$ 840,000				
Jon M. King	Performance- Based RSU 1/20/10				3,500	14,000	28,000	\$ 637,252
	Stock Option 1/20/10					36,000	\$ 43.37	\$ 599,760

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**Table of Contents****Notes to Grants of Plan-Based Awards Table**

- (a) No portion of these awards will pay out unless an Earnings Threshold is attained over the three-year Performance Period ending January 31, 2013. If the Earnings Threshold is attained, the Committee may vest the Maximum Number of Shares, but has the discretion to reduce the vested number of shares by any amount down to zero shares.

The Committee has communicated to the executive officers that it intends to exercise its discretion as indicated in the following chart (subject to interpolation):

<b>Earnings Performance</b>	<b>Percent of Target Shares Vesting for Earnings Performance</b>	<b>ROA Adjustment to Shares Vesting for Earnings Performance (percent of Target)</b>	<b>Percent of Target Shares Vesting After ROA Adjustment</b>	<b>Percent of Maximum Number of Shares Vesting</b>
<b>Earnings Threshold Not Reached</b>	0%	None	0%	None
<b>Earnings Threshold Reached</b>	25%	10% increase if ROA Target achieved	25% to 35%	12.5% to 17.5%
<b>Earnings Target Reached</b>	100%	10% increase if ROA Target achieved/10% decrease if ROA Target not achieved	90% to 110%	45% to 55%
<b>Earnings Target Exceeded by 34.2%</b>	190%	10% increase if ROA Target achieved/10% decrease if ROA Target not achieved	180% to 200%	90% to 100%

The Committee set the Earnings Threshold and the Earning Target in terms of the Company's aggregate consolidated net earnings per share on a diluted basis (subject to adjustments as permitted under the Plan) over the three-year Performance Period.

The Earnings Threshold is \$4.25 per diluted share.

The Earnings Target is \$9.10 per diluted share.

The Earnings Maximum is \$12.21 per diluted share.

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The Committee set the ROA Target in terms of the Company's consolidated return on average assets in each of the fiscal years in the Performance Period, expressed as a percentage, and then averaged over the entire Performance Period.

The ROA Target is 10.6%.

Amounts listed in the sub-column labeled "Target Number of Shares" reflect the Target Number of Shares, assuming Earnings Target is reached, with no adjustment for Return on Assets Target. If both the Earnings Target and Return on Assets Target are met, the Board intends to exercise its discretion to vest the following increased number of shares for each executive officer: Michael J. Kowalski, 38,500; James E. Quinn, 15,400; Beth O. Canavan, 15,400; James N. Fernandez, 20,900; and Jon M. King, 15,400.

- (b) The exercise price of all options was equal to or greater than the closing price of the underlying shares on the New York Stock Exchange on the grant date. The Committee adopted the following pricing convention on January 18, 2007: the higher of (i) the simple arithmetic mean of the high and low sales price of such stock on the New York Stock Exchange on the grant date or (ii) the closing price on such Exchange on the grant date. Options granted before that date were priced at the simple arithmetic mean of the high and low sales price of such stock on the New York Stock Exchange on the grant date.
- (c) The grant date fair value of each option award was computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718.
- (d) The grant date fair value of each performance-based award was computed assuming that the Target Number of Shares would vest due to earnings performance and would be increased by ten percent due to return-on-asset performance. For additional information regarding performance-based compensation, see the table titled "OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END" beginning on page PS-56.

**EQUITY COMPENSATION PLAN INFORMATION**  
(As of Fiscal Year 2009)

Plan category	Column A Number of securities to be issued upon exercise of outstanding options, warrants and rights	Column B Weighted average exercise price of outstanding options, warrants and rights	Column C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by security holders	6,199,436 <sup>a</sup>	\$ 34.09	4,229,847 <sup>b</sup>
Equity compensation plans not approved by security holders	0	0	0

Total	6,199,436 <sup>a</sup>	\$ 34.09	4,229,847 <sup>b</sup>
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(a) Shares indicated  
do not include  
2,213,580  
shares issuable  
under awards of  
stock units  
already made.

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(b) Shares indicated are the aggregate of those available for grant under the Company's 2005 Employee Incentive Plan (the Employee Plan) and the Company's 2008 Directors Equity Plan (the Directors Plan). All plans provide for the issuance of options and stock awards. However, under both plans the maximum number of shares that may be issued (13,500,000 under the Employee Plan and 1,000,000 under the Directors Plan) is subject to reduction by 1.58 shares for each share that is delivered on vesting of a stock award. Column C reflects this reduction assuming that all shares granted as stock awards will vest.

**DISCUSSION OF SUMMARY COMPENSATION TABLE  
AND GRANTS OF PLAN-BASED AWARDS**

**Non-Equity Incentive Plan Awards**

Each of the named executive officers was paid a cash (non-equity) annual incentive award for Fiscal 2009. At the beginning of Fiscal 2009 the Committee granted cash (non-equity) awards. The potential maximum pay out under these awards was to be determined on the basis of Fiscal 2009 earnings performance. When these awards were made the Committee retained discretion to reduce the maximum pay out. The Committee did not use that discretion to reduce the awards; accordingly, the awards paid out at the maximum.

The performance goal established for Fiscal 2009 was consolidated net earnings (subject to adjustment as permitted in the Plan) of \$116 million. Because that goal was reached, each of the named executive officers was tentatively eligible to receive a maximum incentive award of 200% of target, subject to the Committee's discretion to reduce the award.

When the Committee established the performance goal it also communicated to the named executive officers that it would reduce the maximum incentive award:

to zero, if Fiscal 2009 net earnings from continuing operations did not equal or exceed \$135,111,200;

to 80% of the target amount (100% of base salary for the chief executive officer and 70% of base salary for each of the other named executive officers), if net earnings from continuing operations equaled \$173,714,400;

to the target amount, if net earnings from continuing operations equal \$193,016,000; and

to 120% of the target amount if net earnings from continuing operations equal \$212,317,600.

The Committee has also communicated that the maximum award would only be made if net earnings from continuing operations equaled or exceeded \$250,920,800. If earnings fall between the markers indicated, the award will be interpolated accordingly.

The Committee also communicated that it reserves the right to consider other relevant factors in reducing an annual incentive award below the maximum allowable based on achievement of the 162(m) performance goal and the other earnings objectives set forth above.

The other relevant factors that the Committee indicated it would consider were:

annual progress towards strategic plan objectives;

business unit growth and/or profitability (where the executive officer has responsibility for such growth and/or profitability);

organizational development;

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contributions to the working environment of his/her team and/or development of a positive working environment for employees;

business process improvement; and

cost containment and/or cost reduction efforts.

In Fiscal 2008, 2007 and 2006, annual incentive awards were paid out as follows:

In Fiscal 2008, the Company did not meet its net earnings objectives and annual incentive awards and bonuses were not paid out.

In Fiscal 2007, the Company exceeded its net earnings objectives and annual incentive awards and bonuses were paid out at 200% of the target amount.

In Fiscal 2006, the Company exceeded its net earnings objectives and annual incentive awards and bonuses were paid out at 121.3% of the target amount.

Annual incentive awards paid to the five named executive officers differ from bonuses paid to other executive officers as follows:

Annual incentive awards are paid under the terms of the 2005 Employee Incentive Plan and will be paid only if the Company meets objective performance goals. This promise is set out in written agreements.

Bonuses are not subject to written agreements. The Compensation Committee has the discretion to increase, decrease or withhold such bonuses. It has been the Committee's practice to align bonuses with annual incentive awards.

Annual incentive awards are designed so that the amounts paid out will be deductible to the Company and not count against the one million dollar limitation under Section 162(m) of the Internal Revenue Code. Each of the named executive officers is subject to that limitation.

If a bonus is paid to an executive officer other than a named executive officer, and the total annual cash compensation paid to that executive in the year of bonus was to exceed the one million dollar limitation, the excess would not be deductible to the Company for federal income tax purposes.

**Equity Incentive Plan Awards Performance-Based Restricted Stock Units**

In January 2005, the Compensation Committee first awarded equity incentive awards Performance-Based Restricted Stock Units ( Units ) to the executive officers. Units were subsequently granted in January of 2006, 2007, 2008, 2009 and 2010. The 2010 award is reflected in the GRANTS OF PLAN-BASED AWARDS table under the column headed

Estimated Future Payouts Under Equity Incentive Plan Awards.

Units were granted in January 2007 and January 2008 under the 2005 Employee Incentive Plan on the following terms:

Units will be exchanged on a one-to-one basis for shares of the Company's common stock when and if the Units vest;

Vesting is determined at the end of a three-year performance period;

No Units will vest if the executive voluntarily resigns, retires or is terminated for cause during the three-year performance period, although partial vesting is provided for in cases of termination for death or disability;

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No Units will vest (other than for reasons of death, disability or on a change in control) if the Company fails to meet a three-year cumulative EPS performance threshold set by the Compensation Committee at the time the Units are granted;

Units will tentatively vest based on the following EPS performance hurdles:

30% at threshold;

50% at target; and

87.5% at maximum.

In the event of EPS performance above threshold and below target or above target and below maximum the number of Units that tentatively vest will be prorated. No Units will vest if threshold earnings performance is not achieved. After tentative vesting has been determined, a ROA test will be applied. If met, the tentatively vested number of Units will be increased by 15% (but not to over 100%); if not met, the tentatively vested number of Units will be reduced by 15%;

100% vesting will occur only if the Company meets both the EPS maximum and ROA goal; and

No dividends are paid, accrued or credited to Units until vesting.

Units were granted in January 2009 under the 2005 Employee Incentive Plan on the following terms:

Units will be exchanged on a one-to-one basis for shares of the Company's common stock when and if the Units vest;

Vesting is determined at the end of a three-year performance period;

No Units will vest if the executive voluntarily resigns, retires or is terminated for cause during the three-year performance period, although partial vesting is provided for in cases of termination for death or disability;

No Units will vest (other than for reasons of death, disability or on a change in control) if the Company fails to achieve consolidated earnings from continuing operations of \$300 million in any one of the three years within the performance period;

Units will vest 100% or not at all; and

No dividends are paid, accrued or credited to Units until vesting.

The grants of Units made in January 2006 were subject to satisfaction of the following performance tests over the performance period ending January 31, 2009:

Threshold: cumulative net EPS of \$5.67;

Target: cumulative net EPS of \$6.52;

Maximum: cumulative net EPS of \$6.98; and

Return on assets: 9.8%.

After earnings were adjusted for extraordinary transactions the Units vested at 36.4% of maximum (72.8% of target).

The grants of Units made in January 2007 were subject to satisfaction of the following performance tests over the performance period ending January 31, 2010:

Threshold: cumulative net EPS of \$6.72;

Target: cumulative net EPS of \$7.76;

Maximum: cumulative net EPS of \$8.31; and

Return on assets: 10.6%.

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The earnings threshold was not met and, therefore, no units vested.

*Note: The performance tests for Units granted in January 2006 and January 2007 have been appropriately restated to reflect the adoption of the average cost method for inventory accounting in the first quarter of Fiscal 2008.*

The grants of Units made in January 2008 are subject to satisfaction of the following performance tests over the performance period ending January 31, 2011:

Threshold: cumulative net EPS of \$8.54;

Target: cumulative net EPS of \$9.87;

Maximum: cumulative net EPS of \$10.62; and

Return on assets: 11.5%.

The grants of Units made in January 2009 are subject to satisfaction of the following performance test over the performance period ending January 31, 2012: consolidated earnings from continuing operations of \$300 million in any one of the three years within the performance period. The performance test was met in the period ending January 31, 2010 and, therefore, the Units will vest at 100% for those executives who remain employed through January 31, 2012. The Compensation Committee will properly adjust achieved performance so that executive officers will not be advantaged or disadvantaged in meeting the net EPS goals by extraordinary transactions.

**Options**

Options vest (become exercisable) in four equal annual installments:

Vesting of each installment is contingent on continued employment, except in the event of death, disability or change in control (see Explanation of Potential Payments on Termination or Change in Control).

The exercise price for each share subject to an option is its fair market value on the date of grant. (For an explanation of the method of determining the exercise price of options, see Note (b) to the GRANTS OF PLAN-BASED AWARDS table).

Options expire no later than the 10<sup>th</sup> anniversary of the grant date. Options expire earlier on:  
termination of employment (three months after termination); or

death, disability or retirement (two years after the event).

**Life Insurance Benefits**

The key features of the life insurance benefit that the Company provides to its executive officers are:  
executive officers own whole life policies on their own lives;

the death benefit is three times annual salary and target annual incentive award or bonus, as the case may be;

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the Company pays the premium on such policies in an amount sufficient to accumulate cash value;

premiums are calculated to accumulate a target cash value at age 65;

the target cash value will allow the policy to remain in force after age 65 without payment of further premiums with a death benefit equivalent to twice the executive officer's ending annual salary and target annual incentive or bonus amount;

the amount of the premiums paid by the Company is taxable income to the executive officer;

in 2008 and years prior thereto, the Company paid the additional amounts necessary in order to prevent the executive officer from being subjected to increased income taxes as a result of the taxable premium income; and

in 2009 and years thereafter, the Company will not pay any additional amounts to offset the income tax attributable to the premiums paid on behalf of the executives.

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**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END**  
**January 31, 2010**

Name	Option Awards				Stock Awards	
	Number Of Securities	Number of Securities	Option Exercise Price (\$)	Option Expiration Date (a)	Equity Incentive Plan Awards Number Of Unearned Shares, Units or Other Rights That Have Not Vested (b)	Equity Incentive Plan Awards Market or Payout Value Of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Michael J. Kowalski	100,000		\$ 32.4700	1/18/11		
	150,000		\$ 34.0200	1/16/12		
	195,000		\$ 25.8450	1/16/13		
	180,000		\$ 39.7500	1/15/14		
	115,000		\$ 31.4900	1/31/15		
	85,000		\$ 37.8350	1/31/16		
	57,750	19,250	\$ 40.1500	1/18/17		
	50,500	50,500	\$ 37.6450	1/17/18		
	38,750	116,250	\$ 23.0000	1/28/19		
	0	90,000	\$ 43.3700	1/20/20		
					0 / 74,000 (c)	\$ 0 (g)
					0 / 80,000 (d)	\$ 0 (h)
					65,200 / 65,200 (e)	\$ 2,647,772 (i)
					38,500 / 70,000 (f)	\$ 1,563,485 (j)
James E. Quinn	75,000		\$ 32.4700	1/18/11		
	110,000		\$ 34.0200	1/16/12		
	140,000		\$ 25.8450	1/16/13		
	115,000		\$ 39.7500	1/15/14		
	72,500		\$ 31.4900	1/31/15		
	51,000		\$ 37.8350	1/31/16		
	36,750	12,250	\$ 40.1500	1/18/17		
	20,500	20,500	\$ 37.6450	1/17/18		
	15,500	46,500	\$ 23.0000	1/28/19		
	0	36,000	\$ 43.3700	1/20/20		
					0 / 46,500 (c)	\$ 0 (g)
					0 / 33,000 (d)	\$ 0 (h)
					26,100 / 26,100 (e)	\$ 1,059,921 (i)
					15,400 / 28,000 (f)	\$ 625,394 (j)
Beth O. Canavan	55,000		\$ 39.7500	1/15/14		
	29,000		\$ 37.8350	1/31/16		
	21,000	7,000	\$ 40.1500	1/18/17		
	20,500	20,500	\$ 37.6450	1/17/18		

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15,500	46,500	\$ 23.0000	1/28/19		
0	36,000	\$ 43.3700	1/20/20		
				0 / 26,500 (c)	\$ 0 (g)
				0 / 33,000 (d)	\$ 0 (h)
				26,100 / 26,100 (e)	\$ 1,059,921 (i)
				15,400 / 28,000 (f)	\$ 625,394 (j)

(table continued on next page)  
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**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END (continued)**  
**January 31, 2010**

Name	Option Awards				Stock Awards	
	Number Of Securities	Number Of Securities	Option Exercise Price (\$)	Option Expiration Date (a)	Equity Incentive Plan Awards Number Of Unearned Shares, Units or Other Rights That Have Not Vested (b) (#)	Equity Incentive Plan Awards Market or Payout Value Of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
James N. Fernandez	85,000		\$ 39.7500	1/15/14		
	41,000		\$ 37.8350	1/31/16		
	29,250	9,750	\$ 40.1500	1/18/17		
	28,500	28,500	\$ 37.6450	1/17/18		
	21,500	64,500	\$ 23.0000	1/28/19		
	0	50,000	\$ 43.3700	1/20/20		
					0 / 37,500 (c)	\$ 0 (g)
					0 / 45,000 (d)	\$ 0 (h)
					36,200 / 36,200 (e)	\$ 1,470,082 (i)
					20,900 / 38,000 (f)	\$ 848,749 (j)
Jon M. King	5,000		\$ 32.4700	1/18/11		
	7,000		\$ 34.0200	1/16/12		
	3,000		\$ 35.9550	3/21/12		
	2,500		\$ 25.8450	1/16/13		
	15,000		\$ 25.9400	3/20/13		
	35,000		\$ 39.7500	1/15/14		
	30,000		\$ 31.4900	1/31/15		
	23,000		\$ 37.8350	1/31/16		
	7,500	2,500	\$ 33.7850	6/07/16		
	19,500	6,500	\$ 40.1500	1/18/17		
	20,500	20,500	\$ 37.6450	1/17/18		
	15,500	46,500	\$ 23.0000	1/28/19		
	0	36,000	\$ 43.3700	1/20/20		
					0 / 25,000 (c)	\$ 0 (g)
					0 / 33,000 (d)	\$ 0 (h)
					26,100 / 26,100 (e)	\$ 1,059,921 (i)
					15,400 / 28,000 (f)	\$ 625,394 (j)

**Notes to Outstanding Equity Awards at Fiscal Year-end Table**

- (a) For any option reported, the grant date was ten (10) years prior to the expiration date shown. All options vest 25% per year over the four-year period following a grant date.
  
- (b) In this column, the number to the left of the slash mark indicates the number of shares on which the payout value shown in the column to the right was computed. See Notes (g), (h), (i) and (j) below. The number to the right of the slash mark indicates the total number of shares that would vest upon attainment of all performance objectives over the three-year performance period.

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- (c) This grant will have vested three business days following the date on which the Company's financial results for Fiscal 2009 were publicly reported.
- (d) This grant will vest three business days following the date on which the Company's financial results for Fiscal 2010 are publicly reported.
- (e) This grant will vest three business days following the date on which the Company's financial results for Fiscal 2011 are publicly reported.
- (f) This grant will vest three business days following the date on which the Company's financial results for Fiscal 2012 are publicly reported.
- (g) This value has been computed based upon Company EPS and ROA performance in Fiscal 2009, 2008, and 2007. The earnings threshold was not met and, therefore, no units vested.
- (h) This value has been computed based upon Company EPS and ROA performance in Fiscal 2009 and 2008. The computation assumes that 0% of the units will vest based on EPS performance. The resulting value was computed on the basis of the stock closing price on January 29, 2010, \$40.61.
- (i) This value has been computed on the assumption that Earnings from Continuing Operations Target will be met in any of Fiscal 2009, 2010, or 2011. The performance test was met in the period ending January 31, 2010 and, therefore, the Units will vest at 100%. The resulting value was computed on the basis of the stock closing price on January 29, 2010, \$40.61.
- (j) This value has been computed at Earnings Per Share target and on the assumption that the Return on Asset performance goal will have been achieved. The resulting value was computed on the basis of the stock closing price on January 29, 2010, \$40.61.

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**Table of Contents****OPTION EXERCISES AND STOCK VESTED  
Fiscal 2009**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Michael J. Kowalski	150,000 (a)	\$ 539,295	28,756	\$ 651,898
James E. Quinn	100,000 (b)	\$ 167,180	17,472	\$ 396,090
Beth O. Canavan	215,000 (c)	\$ 1,911,668	9,828	\$ 222,800
James N. Fernandez	340,000 (d)	\$ 3,987,528	14,196	\$ 321,823
Jon M. King	6,000 (e)	\$ 16,271	7,644	\$ 173,289

**Notes to Option Exercises and Stock Vested Table**

- (a) Weighted-average holding period for options exercised: 10.0 years.
- (b) Weighted-average holding period for options exercised: 9.9 years.
- (c) Weighted-average holding period for options exercised: 8.1 years.
- (d) Weighted-average holding period for options exercised: 8.0 years.
- (e) Weighted-average holding period for options exercised: 10.0 years.

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**Table of Contents****PENSION BENEFITS TABLE**

Name	Plan Name (a)	Number of Years Credited Service	Actuarial Present Value of Accumulated Benefits (\$)	Payments During Last Fiscal Year (\$)
Michael J. Kowalski	Pension Plan	31(b)(d)	\$ 623,378	\$ 0
	Excess Plan	31(b)(d)	\$ 6,472,351	\$ 0
	Supplemental Plan	31(b)(d)	\$ 1,701,948	\$ 0
James E. Quinn	Pension Plan	23 (d)	\$ 465,471	\$ 0
	Excess Plan	23 (d)	\$ 2,841,488	\$ 0
	Supplemental Plan	23 (d)	\$ 1,207,491	\$ 0
Beth O. Canavan	Pension Plan	22	\$ 398,424	\$ 0
	Excess Plan	22	\$ 1,454,388	\$ 0
	Supplemental Plan	22	\$ 702,663	\$ 0
James N. Fernandez	Pension Plan	31 (c)	\$ 489,911	\$ 0
	Excess Plan	31 (c)	\$ 2,472,564	\$ 0
	Supplemental Plan	31 (c)	\$ 649,225	\$ 0
Jon M. King	Pension Plan	19	\$ 291,174	\$ 0
	Excess Plan	19	\$ 919,753	\$ 0
	Supplemental Plan	19	\$ 64,373	\$ 0

**Notes to Pension Benefits Table**

- (a) The formal names of the plans are: the Tiffany and Company Pension Plan ( Pension Plan ), the Tiffany and Company Un-funded Retirement Plan to Recognize Compensation in Excess of Internal Revenue Code Limits ( Excess Plan ) and the Tiffany and Company Supplemental Retirement Income Plan ( Supplemental Plan ).
- (b) Mr. Kowalski has been credited with 6.4 years of service for his period of employment prior to October 15, 1984 with the corporation that was, immediately before that date, Tiffany's parent corporation. Under the Supplemental Plan, the combined benefit available under the retirement plans and Social Security is 60% of average final compensation for a participant with 25 or more years of service (see *Supplemental Plan*). Because Mr. Kowalski attained 25 years of service with Tiffany as of October 14, 2009, the total retirement benefit available to him will not increase as a result of the credited 6.4 years of service described above. Rather, the effect of this credited service has been to augment the present value of his accumulated benefit under the Pension Plan and Excess Plan only as follows, resulting in a reduced obligation under the Supplemental Plan:

Pension Plan	\$ 125,985
Excess Plan	\$ 1,308,060
Supplemental Plan	\$ (1,434,045)

- (c) Mr. Fernandez has been credited with 6.3 years of service for his period of employment prior to October 15, 1984 with the corporation that was, immediately before that date, Tiffany's parent corporation. Under the Supplemental



Plan, the combined benefit available under the retirement plans and Social Security is 60% of average final compensation for a participant with 25 or more years of service (see *Supplemental Plan*). Because Mr. Fernandez attained 25 years of service with Tiffany as of October 14, 2009, the total

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retirement benefit available to him will not increase as a result of the credited 6.3 years of service described above. Rather, the effect of this credited service has been to augment the present value of his accumulated benefit under the Pension Plan and Excess Plan only as follows, resulting in a reduced obligation under the Supplemental Plan:

Pension Plan	\$ 97,982
Excess Plan	\$ 494,513
Supplemental Plan	\$ (592,495)

(d) Mr. Kowalski, Mr. Quinn and Mrs. Canavan are currently eligible for early retirement under each of the Pension, Excess and Supplemental Plan. see *Early Retirement* on PS-69. They are each eligible for early retirement because they have reached age 55 and have accumulated at least ten years of credited service. The normal retirement age under each of the plans is 65. However those eligible for early retirement may retire with a reduced benefit. For retirement at age 55, the reduction in benefit would be 40%, as compared to the benefit at age 65. The benefit reduction for early retirement is computed as follows:

For retirement between age 60 and age 65, the executive's age at early retirement is subtracted from 65; for each year in the remainder the benefit is reduced by five percent;

Thus, for retirement at age 60 the reduction is 25%;

For retirement between age 55 and age 60, the reduction is 25% plus an additional three percent for each year by which retirement age precedes age 60.

**Assumptions Used in Calculating the Present Value of the Accumulated Benefits**

The assumptions used in the Pension Benefit Table are that the executive would retire at age 65; mortality based upon the RP2000 Male/Female Mortality Table Projected to 2010; a discount rate of 6.50%. All assumptions were consistent with those used to prepare the financial statements for Fiscal 2009, with one exception. In preparing the financial statements for Fiscal 2009, a discount rate of 6.75% was used for the Excess Plan and Supplemental Plan.

**Features of the Retirement Plans**

Tiffany has established three retirement plans for eligible employees: the Pension Plan, the Excess Plan and the Supplemental Plan. The executive officers of the Company are eligible to participate in all three.

*Average Final Compensation*

Average final compensation is used in each plan to calculate benefits. A participant's average final compensation is the average of the highest five years of compensation received in the last 10 years of creditable service.

In general, compensation reported in the SUMMARY COMPENSATION TABLE above as Salary, Bonus or Non-Equity Incentive Plan Compensation is compensation for purposes of the Plans; amounts attributable to the exercise of stock options or to the vesting of restricted stock are not included. However, Internal Revenue Code requirements limit the amount of compensation that may be included in calculating the benefit under the Pension Plan.

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### *Pension Plan*

These are the key features of the Pension Plan:

it is a tax-qualified plan, that is, it is designed to comply with those provisions of the Internal Revenue Code applicable to retirement plans;

it is a funded plan (money has been deposited into a trust that is insulated from the claims of the Company's creditors);

it is available at no cost to regular full-time employees of Tiffany hired on or before December 31, 2005;

all executive officers are participants;

benefits vest after five years of service;

benefits are based on the participant's average final compensation and years of service;

benefits are subject to Internal Revenue Code limitations on the total benefit and the amount that may be included in average final compensation; and

benefits are not offset by Social Security.

The benefit formula under the Pension Plan first calculates an annual amount based on average final compensation and then multiplies it by years of service. This is the formula:  $[(\text{average final compensation less covered compensation}) \times 0.015] \text{ plus } [(\text{average final compensation up to covered compensation}) \times 0.01] \times \text{years of service}$ .

Covered compensation varies by the participant's birth date and it is an average of taxable wage bases calculated for Social Security purposes.

**Example:** covered compensation for a person born in 1952 is \$72,600. This person has average final compensation of \$100,000 and 25 years of service. The Pension benefit at age 65 would be calculated as follows:  $[(\$100,000 - \$72,600) \times 0.015] \text{ plus } [(\$72,600) \times 0.01] \times 25 = \$28,425$  annual benefit for a single life annuity.

The form of benefit elected can reduce the amount of benefit. The highest benefit is available for an unmarried participant who elects to take the benefit over the course of his or her own life. A person who elects to take the benefit over the course of two lives, such as a 100% annuity over the lives of the participant and his or her spouse, will experience an actuarial reduction in the amount of his or her benefit.

### *Excess Plan*

These are the key features of the Excess Plan:

it is not a qualified plan and is not subject to Internal Revenue Code limitations;

it is not funded (benefits are paid out of the Company's general assets, which are subject to the claims of the Company's creditors);

it is available only to officers and other select management employees whose benefits under the Pension Plan are affected by Internal Revenue Code limitations, including all executive officers;

it uses the same retirement benefit formula as is set forth in the Pension Plan, but includes in average final compensation earnings that are excluded under the Pension Plan due to Internal Revenue Code Limitations;

benefits are offset by benefits payable under the Pension Plan;

benefits are not offset by benefits payable under Social Security;

benefits vest after five years of service;

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benefits are subject to forfeiture if employment is terminated for cause;

for those who leave Tiffany prior to age 65, benefits are subject to forfeiture for failure to execute and adhere to non-competition and confidentiality covenants;

benefits are payable upon the later of the participant's separation from service, as defined under the plan, or attainment of age 55; and

participants will not receive any distribution from the plan until six months following separation from service.

*Supplemental Plan*

These are the key features of the Supplemental Plan:

it is not a qualified plan and is not subject to Internal Revenue Code limitations;

it is not funded (benefits are paid out of the Company's general assets, which are subject to the claims of the Company's creditors);

it is available only to executive officers;

it uses a different benefit formula than that used by the Pension Plan and the Excess Plan;

benefits are offset by benefits payable under the Pension Plan and the Excess Plan;

benefits are offset by benefits payable under Social Security;

benefits do not vest until the executive attains, while employed by Tiffany, age 65, or age 55 if he or she has provided 10 years of service (benefits will vest earlier on a termination from employment following a change in control (See Definition of a Change in Control below));

benefits are subject to forfeiture if employment is terminated for cause;

for those who leave Tiffany prior to age 65, benefits are subject to forfeiture for failure to execute and adhere to non-competition and confidentiality covenants; and

participants will not receive any distribution from the plan until six months following separation from service as defined under the plan.

As its name implies, the Supplemental Plan supplements payments under the Pension Plan, the Excess Plan and from Social Security so that total benefits equal a variable percentage of the participant's average final compensation. Depending upon the participant's years of service with Tiffany, the combined benefit under the Pension Plan, the Excess Plan, the Supplemental Plan and from Social Security would be as follows:

Years of Service	Combined Annual Benefit As a Percentage of Average Final Compensation
less than 10	(a)
10-14	20%
15-19	35%
20-24	50%
25 or more	60%

- (a) The formula for benefits under the Pension and Excess Plans is a function of years of service and covered compensation (subject to Internal Revenue Code limitations in the case of the Pension Plan) and not any specific percentage of the participant's average final compensation (see above). A retiree with less than ten years of service would not receive

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any benefit under the Supplemental Plan but could expect to receive a benefit of approximately 13% of average final compensation under the Pension and Excess Plans.

*Early Retirement and Extra Service Credit*

Please refer to Note (d) on PS-61 for a discussion of the early retirement features of the Plans.

Tiffany does not have a policy for or practice of granting extra years of credited service under the Plans. Mr. Kowalski and Mr. Fernandez have credit for service with Tiffany's former parent corporation. This credit was arranged in 1984 when the Company purchased Tiffany.

**NONQUALIFIED DEFERRED COMPENSATION TABLE**

(Fiscal 2009)

Name	Executive Contribution	Registrant Contribution	Aggregate Earnings In Last Fiscal Year	Aggregate Withdrawals/ Distributions	Aggregate Balance At Last Fiscal Year End
	In Last Fiscal Year (a) (\$)	In Last Fiscal Year (\$)	(b) (\$)	(\$)	(c) (\$)
Michael J. Kowalski	\$ 95,896	\$ 0	\$ 63,554	\$ 53,144	\$ 406,446
James E. Quinn	\$ 0	\$ 0	\$ 304,820	\$ 0	\$ 1,126,511
Beth O. Canavan	\$ 115,075	\$ 0	\$ 142,688	\$ 58,928	\$ 543,634
James N. Fernandez	\$ 35,482	\$ 0	\$ 270,761	\$ 0	\$ 1,067,819
Jon M. King	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**Note to Nonqualified Deferred Compensation Table**

(a) This column includes amounts that are also included in the amounts shown in the columns headed Salary or Non-Equity Incentive Plan Compensation in the Summary Compensation Table.

- (b) Amounts shown in this column are not reported as compensation in the Summary Compensation Table because the Company's Executive Deferral Plan does not pay above-market or preferential earnings on compensation that is deferred.
- (c) Amounts shown in this column include amounts that were reported as compensation in the Summary Compensation Table for Fiscal 2009 and for prior fiscal years to the extent that such amounts were contributed by the executive but not to the extent that such amounts represent earnings. See Note (b) above.

**Features of the Executive Deferral Plan**

These are the key features of the Company's Executive Deferral Plan:

Participation is open to directors and executive officers of the Company as well as other vice presidents and director-level employees of Tiffany;

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Directors of the Company may defer all of their cash compensation;

Employees may defer up to 50% of their salary and up to 90% of their cash annual incentive or bonus compensation;

The Company makes no contribution and guarantees no specific return on money deferred;

Deferrals are placed in a trust that is subject to the claims of Tiffany's creditors;

Deferred compensation is invested by the trustee in various mutual funds as directed by Tiffany, which follows the directions of participants;

The value in the participant's account (and Tiffany's responsibility for payment) is measured by the return on the investments selected by the participant;

Deferrals may be made to a Retirement Account and to accounts which will pay out on specified in-service dates;

Participants must elect to make deferrals in advance of the period during which the deferred compensation is earned;

Retirement Accounts pay out in 5, 10, 15 or 20 annual installments after retirement as elected in advance by the participant;

Except in the case of previously elected in-service payout dates, participants are not allowed to withdraw funds while they remain employed other than for unforeseeable emergencies and then only with the permission of Tiffany's Board;

Termination of services generally triggers a distribution of all account balances other than, in the case of retirement or disability, retirement balances; and

Most participants, including all executive officers, will not receive any distribution from the plan until six months following termination of services.

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**Table of Contents****POTENTIAL PAYMENTS ON TERMINATION OR CHANGE IN CONTROL**

The following table shows payments, the value of accelerated vesting of equity compensation and the value of benefits that would have been provided or that would have accrued, to the named executive officers in the event that a change in control of the Company had occurred on January 31, 2010 (first two columns to the right of the executive's name) and on the further assumption that the employment of the executive officer was involuntarily terminated without cause at that time (the other five columns):

Name	Vesting On Change in Control With or Without Termination of Employment		Payable or Vesting On Termination of Employment Following Change in Control			Subsequent Termination of Employment		Total Potential Payments Assuming Both a Change in Control and a
	Early Vesting of Stock Options Granted Prior to January 2009 (a)	Early Vesting of Restricted Stock Units Granted Prior to January 2009 (b)	Early Vesting of Supplemen tal Plan (c)	Cash Severance Payment (d)	Welfare Benefits (e)	Early Vesting of Stock Options Granted January 2009 or Later (f)	Early Vesting Restrtd Stock Units Granted January 2009 or Later (g)	Total (h)
Michael J. Kowalski	\$ 158,840	\$ 6,253,940	\$ 0	\$ 4,000,000	\$ 35,852	\$ 2,047,163	\$ 794,332	\$ 13,290,127
James E. Quinn	\$ 66,520	\$ 3,228,495	\$ 0	\$ 2,516,000	\$ 35,852	\$ 818,865	\$ 317,976	\$ 6,983,708
Beth O. Canavan	\$ 64,105	\$ 2,416,295	\$ 0	\$ 2,040,000	\$ 35,852	\$ 818,865	\$ 317,976	\$ 5,693,093
James N. Fernandez	\$ 89,130	\$ 3,350,325	\$ 889,140	\$ 2,516,000	\$ 35,852	\$ 1,135,845	\$ 441,025	\$ 8,457,317
Jon M. King	\$ 80,950	\$ 2,355,380	\$ 88,161	\$ 2,040,000	\$ 12,820	\$ 818,865	\$ 317,976	\$ 5,714,152

**Notes to Potential Payments on Termination or Change in Control Table**

- (a) The value of early vesting of stock options granted prior to January 2009 was determined using \$40.61, the closing value of the Company's common stock on January 29, 2010. In the event of a change in control the unvested portion of such options vests in full.
  
- (b) The value of early vesting of performance-based restricted stock units granted in January 2008 and January 2007 was determined using \$40.61, the closing value of the Company's common stock on January 29, 2010. In the event of a change in control such units vest at the maximum number of shares.
  
- (c) Absent a change in control followed by termination of employment, the Supplemental Plan will vest only when the participant attains the in-service age of 55 years with ten years of service, or in-service age of 65 years.

- (d) Cash severance payments were determined by multiplying the sum of (i) actual salary and (ii) the target annual incentive award or bonus, by two.
  
- (e) The amounts shown in this column represent two years of health-care coverage determined on the basis of the Company's COBRA rates for post-employment continuation coverage. Such rates are available to all participating employees who

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terminate from employment and were determined on the basis of the coverage elections made by the executive officer.

- (f) The value of early vesting of stock options granted in January 2009 and January 2010 was determined using \$40.61, the closing value of the Company's common stock on January 29, 2010. In the event of a change in control that is not a Terminating Transaction the unvested portion of such options will vest only upon the executive's involuntary termination from employment. For the purposes of this table it is assumed that the change in control was a 35% share acquisition and not a Terminating Transaction.
- (g) The value of early vesting of performance-based restricted stock units granted in January 2009 was determined using \$40.61, the closing value of the

Company's common stock on January 29, 2010. In the event of a change in control that is not a Terminating Transaction, only a portion of unvested performance-based restricted stock units will vest, pursuant to a schedule based on the applicable three-year performance period. For the purposes of this table it is assumed that the change in control was a 35% share acquisition and not a Terminating Transaction. Accordingly this column assumes a 30% early vesting of the restricted stock units. In the event of a Terminating Transaction, all unvested performance-based restricted stock units granted in January 2009 will vest, and the value to each of the executives would have been as follows:

Michael J. Kowalski	\$ 2,647,772
James E. Quinn	\$ 1,059,921
Beth O. Canavan	\$ 1,059,921
James N. Fernandez	\$ 1,470,082

Jon M. King

\$ 1,059,921

- (h) This column is the total of columns (a) through (g) in the table above. It assumes that two events have occurred: a change in control and a termination of employment following such change in control.

### **Explanation of Potential Payments on Termination or Change in Control**

#### *Retention Agreements*

The Company and Tiffany have entered into retention agreements with each of the executive officers. These agreements would provide a covered executive with compensation if he or she should incur an involuntary termination after a change in control. An involuntary termination does not include a termination for cause, but does include a resignation for good reason.

When, if ever, a change in control occurs, the covered executives would have fixed terms of employment under their retention agreements for two years.

If the executive incurs an involuntary termination during his or her fixed term of employment under a retention agreement, compensation would be payable to the executive as follows:

Two times the sum of the executive's salary and target annual incentive award or bonus, as severance; and

Two years of benefits continuation under Tiffany's health and welfare plans.

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*Vesting of Options, Restricted Stock Units on a Change in Control*

Pre-2009 Equity Grants

For stock option and restricted stock unit grants awarded prior to 2009, in the event of a change in control of the Company, all options granted to employees (including executive officers) become exercisable in full and all restricted stock units vest and convert to shares.

Post-2009 Equity Grants

Stock Option Grants

For grants awarded in 2009 or later, outstanding stock options will vest in full and become exercisable in the event of a change in control if it results in the dissolution of the Company, or the Company goes out of existence or comes under the substantial ownership (80%) of another person, and the acquiring party does not arrange to assume or replace the grant. These types of change in control events are referred to as terminating transactions. (See Definition of a Change in Control below).

For all other change in control events (see Definition of a Change in Control below), early vesting will occur in full but only if the named executive officer is involuntarily terminated from employment following the change in control.

Involuntary termination does not include a termination for cause, but does include a resignation for good reason.

Performance-Based Restricted Stock Unit Grants

For grants awarded in 2009 or later, outstanding performance-based restricted stock units will vest in full and convert to shares in the event of a terminating transaction.

For all other change in control events (see Definition of a Change in Control below), performance-based restricted stock units will vest in full if the change in control event occurs in the last fiscal year of a three-year performance period, 70% if it occurs in the second fiscal year of a three-year performance period; and 30% if it occurs in the first fiscal year of a three-year performance period. In the event of the first type of change in control event described in the definition below (a 35% share acquisition), such proportionate vesting will occur only if the named executive officer is involuntarily terminated following the change in control event.

*Supplemental Retirement Benefits Vest on a Change in Control*

Benefits under the Pension Plan and the Excess Plan are vested for all named executive officers. Benefits under the Supplemental Plan are vested for Mr. Kowalski, Mr. Quinn and Mrs. Canavan. In the event of a change in control benefits under the Supplemental Plan would early vest for Mr. Fernandez and Mr. King, should they be terminated from employment without cause, or resign from employment with good reason. Such vesting would not necessarily result in any payment at the time of such change in control.

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*Definition of a Change in Control*

For purposes of the Supplemental Plan, equity awards made in 2009, and the retention agreements, the term "change in control" means that one of the following events has occurred:

Any person or group of persons acting in concert (a "person" being an individual or organization) acquires 35% or more in voting power or stock of the Company, or the right to obtain such voting power;

A majority of the Board is, for any reason, not made up of individuals who were either on the Board on January 15, 2009, or, if they became members of the Board after that date, were approved by the directors;

As a result of a corporate transaction such as a merger, the stockholders of Tiffany immediately prior to such transaction do not own 51% of Tiffany's outstanding shares; or

All or substantially all assets of the Company or Tiffany are sold or disposed of to an unrelated party.

Certain change in control events will be considered "terminating transactions", provided the acquirer does not arrange to assume or replace the grant. Terminating transactions include (i) the dissolution of the Company, or (ii) if the Company comes under the substantial ownership (80%) of another person. The definition of "change in control" for equity awards made prior to 2009 is somewhat, but not substantially, different.

*Non-Competition Covenants Affected by Change in Control*

In the event of a change in control, the duration of certain non-competition covenants could be cut back from as long as two years following termination of employment to as little as six months in the event a change in control were to occur. In the table above, we have not assigned any value to a potential cutback.

*Early Retirement*

Mr. Kowalski was eligible to take early retirement on January 31, 2010. His early retirement benefit under the Pension Plan, the Excess Plan and the Supplemental Plan would have been approximately \$946,225 per year had he retired effective January 31, 2010, subject to applicable offsets by benefits payable under Social Security.

Mr. Quinn was eligible to take early retirement on January 31, 2010. His early retirement benefit under the Pension Plan, the Excess Plan and the Supplemental Plan would have been approximately \$499,125 per year had he retired effective January 31, 2010, subject to applicable offsets by benefits payable under Social Security.

Mrs. Canavan was eligible to take early retirement on January 31, 2010. Her early retirement benefit under the Pension Plan, the Excess Plan and the Supplemental Plan would have been approximately \$288,938 per year had she retired effective January 31, 2010, subject to applicable offsets by benefits payable under Social Security.

*Death or Disability*

If any of the named executive officers had died or become disabled on January 31, 2010, stock options then unvested would have early vested. The value of such early vesting is shown in the columns labeled "Early Vesting of Stock Options Granted Prior to 2009" in the table on page PS-66. If any of the named executive officers had died or become disabled on January 31, 2010, certain performance-based restricted stock units would have early vested. The value of such early

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vesting would have been as follows for each of the named executive officers on January 31, 2010: Mr. Kowalski, \$2,743,612; Mr. Quinn, \$1,122,054; Mrs. Canavan, \$1,122,054; Mr. Fernandez, \$1,537,495; and Mr. King, \$1,122,054.

**DIRECTOR COMPENSATION TABLE**  
**Fiscal 2009**

Name	Fees Earned or Paid in Cash (\$)(a)	Option Awards (\$)(b)(c)	Stock Awards (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (d)	All Other Compensation (\$)	Total (\$)
Rose Marie Bravo	\$ 72,583	\$ 47,133	\$ 44,139	\$ 34,781	\$ 0	\$ 198,636
Gary E. Costley	\$ 88,583	\$ 47,133	\$ 44,139	N/A	\$ 0	\$ 179,855
Lawrence K. Fish	\$ 103,833	\$ 47,133	\$ 44,139	N/A	\$ 0	\$ 195,105
Abby F. Kohnstamm	\$ 75,583	\$ 47,133	\$ 44,139	N/A	\$ 0	\$ 166,855
Charles K. Marquis	\$ 90,583	\$ 47,133	\$ 44,139	\$ 21,550	\$ 0	\$ 203,405
Peter W. May	\$ 72,583	\$ 47,133	\$ 44,139	N/A	\$ 0	\$ 163,855
J. Thomas Presby	\$ 92,583	\$ 47,133	\$ 44,139	N/A	\$ 0	\$ 183,855
William A. Shutzer	\$ 84,583	\$ 47,133	\$ 44,139	\$ 56,796	\$ 0	\$ 232,651

**Notes to Director Compensation Table**

- (a) Includes amounts deferred under the Executive Deferral Plan.
- (b) Amounts shown represent the grant-date fair value for stock options granted for Fiscal 2009. In valuing option awards the Company made certain assumptions. For a discussion of those assumptions, please refer to Part II of the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2010. See Note O. STOCK

COMPENSATION  
PLANS , in Notes to  
Consolidated  
Financial  
Statements, under  
Item 8. Financial  
Statements and  
Supplementary  
Data.

- (c) Supplementary  
Table: Outstanding  
Director Option  
Awards at Fiscal  
Year End

Name	Aggregate Number of Option Awards Outstanding at Fiscal Year End (number of underlying shares)
Rose Marie Bravo	52,217
Gary E. Costley	24,717
Lawrence K. Fish	24,717
Abby F. Kohnstamm	74,717
Charles K. Marquis	97,593
Peter W. May	24,717
J. Thomas Presby	49,717
William A. Shutzer	74,717

- (d) The actuarial  
valuation shown  
takes into  
account the  
current age of  
the director and  
is based on the  
following  
assumptions  
consistent with  
those used in  
preparing the  
financial  
statements: RP  
2000  
Male/Female  
Mortality Table  
Projected to  
2010; discount  
rate of 6.5% and

retirement age  
of 65 (if the  
director is over  
age 65, the  
director is  
assumed to  
retire on  
January 31,  
2010). This  
column does not  
include earnings  
under the  
Deferral Plan

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because the Deferral Plan does not pay above-market or preferential earnings on compensation that is deferred. Where an N/A appears, the director is not eligible for this benefit.

**Discussion of Director Compensation Table**

Directors who are not employees of the Company or its subsidiaries are paid or provided with the following for their service on the Board:

An annual retainer of \$75,000 (this was increased from \$50,000 effective June 1, 2009, at which time per-meeting-attended fees were eliminated. Under the prior practice a \$2,000 per meeting fee was paid);

An additional annual retainer of \$20,000 to the chairperson of the Audit Committee, and or \$15,000 to the chairperson of the Compensation, Finance, and Nominating/Corporate Governance Committee each;

Telephonic meeting fees were eliminated effective June 1, 2009. Under the prior practice a \$1,000 per telephonic meeting was paid;

Equity compensation, as discussed below; and

A retirement benefit, also discussed below.

Under Tiffany's Amended and Restated Executive Deferral Plan, directors may defer up to one hundred percent (100%) of their cash compensation and invest the amounts they defer in various accounts and funds established under the plan. However, the Company does not guarantee any return on said investments. The following table provides data concerning director participation in this plan:

Name	Director Contribution	Registrant Contribution	Aggregate Earnings	Aggregate	Aggregate Balance
	In Last Fiscal Year	In Last Fiscal Year	In Last Fiscal Year	Withdrawals/Distributions	At Last Fiscal Year End
	(\$)	(\$)	(\$)	(\$)	(\$)
Gary E. Costley	\$ 0	\$ 0	\$ 31,431	\$ 0	\$ 124,932
Charles K. Marquis	\$ 0	\$ 0	\$ 99,451	\$ 0	\$ 384,628
William A. Shutzer	\$ 84,583	\$ 0	\$ 191,216	\$ 0	\$ 723,467

Tiffany also reimburses directors for expenses they incur in attending Board and committee meetings, including expenses for travel, food and lodging.

Historically, non-employee directors have been granted options with a strike price equal to fair market value on the grant date. Options for 10,000 shares were granted on appointment and annually thereafter. All options expire no later than ten years, although some grants expire earlier.

Effective with the election of directors in May 2009 equity compensation practices were changed. Each director now receives annual equity compensation with a value of \$100,000 on grant, half in the form of a 10-year term stock option (vested immediately) and half in the form of restricted stock units (payable after one-year of service or on retirement, at the prior election of the director). All options have a strike price equal to fair market value on the date of grant. The practice of

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making grants to directors on appointment will be discontinued, although directors joining the board between annual meetings will receive a pro-rated annual grant.

Directors first elected prior to January 1, 1999 who retire as non-employee directors with five or more years of Board service are also entitled to receive an annual retirement benefit equal to \$38,000, payable at the later of age 65 or the retirement date. This benefit is payable quarterly and continues for a period of time equal to the director's length of service on the Board, including periods served as an employee director, or until death, if earlier. Directors Bravo, Marquis and Shutzer are the only directors entitled to participate in this benefit plan.

Mr. Kowalski is an employee of Tiffany. He therefore receives no separate compensation for his service as director.

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**PERFORMANCE OF COMPANY STOCK**

The following graph compares changes in the cumulative total shareholder return on Tiffany & Co. 's stock for the previous five fiscal years to returns for the same five-year period on (i) the Standard & Poor 's 500 Stock Index and (ii) the Standard & Poor 's 500 Consumer Discretionary Index. Cumulative shareholder return is defined as changes in the closing price of our stock on the New York Stock Exchange, plus the reinvestment of any dividends paid on our stock.

ASSUMES AN INVESTMENT OF \$100 ON JANUARY 31, 2005 IN COMPANY STOCK AND IN EACH OF THE TWO INDICES. THE REINVESTMENT OF ANY SUBSEQUENT DIVIDENDS IS ALSO ASSUMED. TOTAL RETURNS ARE BASED ON MARKET CAPITALIZATION; INDICES ARE WEIGHTED AT THE BEGINNING OF EACH PERIOD FOR WHICH A RETURN IS INDICATED.

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**Table of Contents****DISCUSSION OF PROPOSALS PRESENTED BY THE BOARD****Item 1. Election of Directors**

Each year, we elect directors at an Annual Meeting of Stockholders. At the 2010 Annual Meeting, nine directors will be elected. Each of them will serve until he or she is succeeded by another qualified director or until his or her earlier resignation or removal from office.

It is not anticipated that any of this year's nominees will be unable to serve as a director but, if that should occur before the Annual Meeting, the Board may either propose another nominee or reduce the number of directors to be elected. If another nominee is proposed, you or your proxy will have the right to vote for that person at the Annual Meeting.

*Why the Nominees were Chosen to Serve.* Each of the nine nominees for director was recommended for nomination by the Nominating/Corporate Governance Committee and nominated by the full Board to stand for election by the stockholders. The specific experience and qualifications that led the Nominating/Corporate Governance Committee to recommend each nominee is set forth in the brief biographies that follow, and all of the nominees have demonstrated, through their service on the Board, their skills as insightful questioners and collaborative decision-makers and their ability to express differing viewpoints in a collegial and constructive fashion. Each of the nominees has many and diverse skill sets, but those skills that most stand out are identified below at the end of each biography as Key Skills. Information concerning each of the nominees of the Board is set forth below:

**Michael J. Kowalski** Mr. Kowalski, 58, is Chairman of the Board and Chief Executive Officer of Tiffany & Co. He succeeded William R. Chaney as Chairman at the end of Fiscal 2002 and as Chief Executive Officer in February 1999. Prior to his appointment as President in January 1996, he was an Executive Vice President of Tiffany & Co., a position he had held since March 1992. Mr. Kowalski also served as Tiffany & Co.'s Chief Operating Officer from January 1997 until his appointment as Chief Executive Officer. He became a director of Tiffany & Co. in January 1995. Mr. Kowalski also serves on the Board of The Bank of New York Mellon. The Bank of New York Mellon is Tiffany's principal banking relationship, serving as Administrative Agent and a lender under a Revolving Credit Facility, and as the trustee and an investment manager for Tiffany's employee pension plan; and BNY Mellon Shareowner Services serves as the Company's transfer agent and registrar. Mr. Kowalski holds a B.S. from the University of Pennsylvania's Wharton School and an M.B.A. from the Harvard Business School. He has been a director of the following public companies during the past five years: Fairmont Hotels. Key Skills: merchandising, management, strategic planning, and motivation.

**Rose Marie Bravo** Rose Marie Bravo, CBE, 59, became a director of Tiffany & Co. in October 1997 when she was selected by the Board to fill a newly created directorship. Ms. Bravo previously served as Chief Executive Officer of Burberry Limited from 1997 until 2006 and as President of Saks Fifth Avenue from 1992 to 1997. Prior to Saks, Ms. Bravo held a series of merchandising jobs at Macy's culminating in the Chairman & Chief Executive Officer role at I. Magnin which was a division of R. H. Macy & Co. Ms. Bravo serves on the Board of Directors of Estee Lauder Companies Inc. and on the Compensation Committee of that Board. She has been a director of the following public

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companies during the past five years: Burberry Limited. Key Skills: brand management, merchandising, and product development.

**Gary E. Costley** Dr. Costley, 66, was first elected to the Board in May 2007. He is a co-founder and managing director of C&G Capital and Management, LLC, which provides capital and management to health, medical and nutritional products and services companies. He was Chairman and Chief Executive Officer of International Multifoods Corporation, a manufacturer and marketer of branded consumer food and food service products from November 1997 until June 2004. Dr. Costley was Dean of the Graduate School of Management at Wake Forest University from 1995 until 1997. Dr. Costley held numerous positions at the Kellogg Company from 1970 until June 1994. His most recent position was President of Kellogg North America. He is a director of three other public companies: The Principal Financial Group, Covance Inc. and Prestige Brands Holdings, Inc. He has been a director of the following public companies during the past five years: Pharmacoepia and Accelysis. Key Skills: multi-divisional operations, global management, and manufacturing.

**Lawrence K. Fish** Mr. Fish, 65, retired as Chairman and Chief Executive Officer of Citizens Financial Group, Inc. ( Citizens ) in 2007. He served in that role since 2005, and before that as Chairman, President and Chief Executive Officer, from 1992, of Citizens. Mr. Fish is a member of the Board of Trustees of Massachusetts Institute of Technology and an Overseer of the Boston Symphony Orchestra. He serves on the board of Textron and as Chairman of its Nominating and Corporate Governance Committee. He also serves as a director of The Brookings Institution. Mr. Fish was first elected a director of the Company in May 2008. In early 2010 Mr. Fish agreed to serve, on an interim basis, as Chief Executive Officer and on the board of NBH Holdings Corp., a Boston-based company that invests in bank acquisitions and recapitalizations. He has been a director of the following public companies during the past five years: Royal Bank of Scotland. Key Skills: risk analysis, finance, brand management, and community banking.

**Abby F. Kohnstamm** Ms. Kohnstamm, 56, is the President and founder of Abby F. Kohnstamm & Associates, Inc., a marketing and consulting firm. Prior to establishing her company in January 2006, Ms. Kohnstamm served as Senior Vice President, Marketing (Chief Marketing Officer) of IBM Corporation from 1993 through 2005. In that capacity, she had overall responsibility for all aspects of marketing across IBM on a global basis. She was also a member of the Corporate Executive Committee, which advised the Chairman and CEO on policy issues and the management of IBM and a member of the Strategy Team, which focused on IBM's strategic direction and emerging business opportunities. A few of Ms. Kohnstamm's major accomplishments at IBM included developing IBM's first professional marketing function and key marketing processes, as well as repositioning and relaunching the IBM brand from a weakened position to one of today's top global brands. Before joining IBM, Ms. Kohnstamm held a number of senior marketing positions at American Express from 1979 through 1993. Ms. Kohnstamm also serves on the Board of Directors of the Progressive Corporation and is a member of the Board of Directors of the Roundabout Theatre Company. She served on the Board of Trustees of Tufts University for ten years and is currently a Trustee Emeritus. She became a director of Tiffany & Co. in July 2001, when she was selected by the Board to replace a retiring director. She holds a B.A. from

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Tufts University, an M.A. in Education from New York University and an M.B.A. from New York University. Key Skills: brand management, global management, media management, and strategic planning.

**Charles K. Marquis** Mr. Marquis, 67, is a Senior Advisor to Investcorp International, Inc. From 1974 through 1998, he was a partner in the law firm of Gibson, Dunn & Crutcher L.L.P. where he practiced securities and mergers and acquisitions law. He was elected a director of Tiffany & Co. in 1984. He has been a director of the following public companies during the past five years: CSK Auto. Key Skills: finance, risk analysis, crisis management, and investor relations.

**Peter W. May** Mr. May, 67, is President and founding partner of Trian Fund Management, L.P., a New York-based asset management firm launched in November 2005. Mr. May also serves as non-executive Vice Chairman and a director of Wendy's/Arby's Group, Inc. (formerly Triarc Companies, Inc. (Triarc)) (WEN), which is the third largest quick service restaurant company in the United States and is the franchisor of the Wendy's and Arby's restaurant systems. In addition, Mr. May serves as a director, and chairman of the compensation committee, of Deerfield Capitol Corp. (NASDAQ:DFR). Mr. May served as President and Chief Operating Officer of Triarc from April 1993 through June 2007. Prior to joining Triarc, Mr. May was President and Chief Operating Officer of Trian Group, Limited Partnership, which provided investment banking and management services for entities controlled by him and Nelson Peltz. From 1983 to December 1988, Mr. May served as President and Chief Operating Officer and a director of Triangle Industries, Inc., which, through wholly-owned subsidiaries, was, at the time, a manufacturer of packaging products (through American National Can Company), copper electrical wire and cable and steel conduit and currency and coin handling products. Mr. May is the Chairman of the Board of Trustees of The Mount Sinai Medical Center in New York, where he led the turnaround of this major academic health center from serious financial difficulties to what is today one of the most profitable and fastest growing academic medical centers in the United States. In addition, Mr. May is a Trustee of the University of Chicago, a member of its Executive Committee, and a member of the Advisory Council on the Graduate School of Business at The University of Chicago. Mr. May is also a Trustee of Carnegie Hall and a Trustee of the New York Philharmonic and a partner of the Partnership for New York City, as well as the past Chairman of the UJA Federation's Operation Exodus campaign and an honorary member of the Board of Trustees of The 92<sup>nd</sup> Street Y. He is Chairman of the Board of The Leni and Peter May Family Foundation. He was first elected a director of the Company in May 2008. Key Skills: multi-divisional operations, brand management, investor relations, and finance.

**J. Thomas Presby** Mr. Presby, 70, retired in 2002 as a partner in Deloitte Touche Tohmatsu. At Deloitte he held numerous positions in the United States and abroad, including the posts of Deputy Chairman and Chief Operating Officer. He was selected to be a director of the Company in November 2003 by the Board to fill a newly created position. He now serves as a director and audit committee chair for the Company and American Eagle Outfitters, Invesco Ltd, First Solar, Inc., and World Fuel Services, Inc. As Mr. Presby has no significant business activities other than board service, he is available full time to fulfill his board responsibilities. He is a Certified Public Accountant and a holder of the NACD Certificate of Director Education. He has been a director of the following

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public companies during the past five years: Turbochef Technologies (2003-2009). Key Skills: accounting, risk analysis, management processes, and global management.

**William A. Shutzer** Mr. Shutzer, 63, is a Senior Managing Director of Evercore Partners, a financial advisory and private equity firm. He previously served as a Managing Director of Lehman Brothers from 2000 through 2003, a Partner in Thomas Weisel Partners LLC, a merchant banking firm, from 1999 through 2000, as Executive Vice President of ING Baring Furman Selz LLC from 1998 through 1999, President of Furman Selz Inc. from 1995 through 1997 and as a Managing Director of Lehman Brothers and its predecessors from 1978 through 1994. He was elected a director of the Company in 1984. Mr. Shutzer is also a member of the Board of Directors of WebMedia Brands Inc. (formerly known as Jupiter Media Corp.). He has been a director of the following public companies during the past five years: American Financial Group (2003-2006); CSK Auto (2002-2008); and Turbochef Technologies (2003-2009). Key Skills: finance, investor relations, and strategic development.

In the event that any of the current directors standing for reelection does not receive a majority of for votes of the votes cast for or against his or her candidacy, such person would continue to serve as a director until he or she is succeeded by another qualified director or until his or her earlier resignation or removal from office. Each of the nominees for director has agreed to tender his or her resignation in the event that he or she does not receive such a majority. Under the Corporate Governance Principles adopted by the Board, the Nominating/Corporate Governance Committee will make a recommendation to the Board on whether to accept or reject the resignation or whether other action should be taken. Please refer to Section 1.i of the Corporate Governance Principles, which are attached as Appendix I hereto for further information about the procedure that would be followed in the event of such an election result.

**THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF ALL NINE NOMINEES FOR DIRECTOR**

**Item 2. Appointment of the Independent Registered Public Accounting Firm**

The Audit Committee has appointed and the Board has ratified the appointment of PricewaterhouseCoopers LLP ( PwC ) as the independent registered public accounting firm to audit the Company s consolidated financial statements for Fiscal 2010. As a matter of good corporate governance, we are asking you to ratify this selection.

PwC has served as the Company s independent registered public accounting firm since 1984.

A representative of PwC will be in attendance at the Annual Meeting to respond to appropriate questions raised by stockholders and will be afforded the opportunity to make a statement at the meeting, if he or she desires to do so.

The Board may review this matter if this appointment is not approved by the stockholders.

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**THE BOARD RECOMMENDS A VOTE FOR RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2010.**

**OTHER MATTERS**

**Stockholder Proposals for Inclusion in the Proxy Statement for the 2011 Annual Meeting**

If you wish to submit a proposal to be included in the Proxy Statement for our 2011 Annual Meeting, we must receive it no later than December 10, 2010. Proposals should be sent to the Company at 600 Madison Avenue, New York, New York, 10022, addressed to the attention of Patrick B. Dorsey, Corporate Secretary (Legal Department).

**Other Proposals**

Our By-laws set forth certain procedures for stockholders of record who wish to nominate directors or propose other business to be considered at an annual meeting. In addition, we will have discretionary voting authority with respect to any such proposals to be considered at the 2011 Annual Meeting unless the proposal is submitted to us no earlier than January 20, 2011 and no later than February 19, 2011 and the stockholder otherwise satisfies the requirement of SEC Rule 14a-4.

**Householding**

The SEC allows us to deliver a single proxy statement and annual report to an address shared by two or more of our stockholders. This delivery method, referred to as householding, can result in significant cost savings for us. In order to take advantage of this opportunity, the Company and banks and brokerage firms that hold your shares have delivered only one proxy statement and annual report to multiple stockholders who share an address unless one or more of the stockholders has provided contrary instructions. The Company will deliver promptly, upon written or oral request, a separate copy of the proxy statement and annual report to a stockholder at a shared address to which a single copy of the documents was delivered. A stockholder who wishes to receive a separate copy of the proxy statement and annual report, now or in the future, may obtain one, without charge, by addressing a request to Annual Report Administrator, Tiffany & Co., 600 Madison Avenue, 8<sup>th</sup> Floor, New York, New York 10022 or by calling 212-230-5302. You may also obtain a copy of the proxy statement and annual report from the Company's website [www.tiffany.com](http://www.tiffany.com), by clicking Investors at the bottom of the page, and selecting Financial Information from the left-hand column. Stockholders of record sharing an address who are receiving multiple copies of proxy materials and annual reports and wish to receive a single copy of such materials in the future should submit their request by contacting us in the same manner. If you are the beneficial owner, but not the record holder, of the Company's shares and wish to receive only one copy of the proxy statement and annual report in the future, you will need to contact your broker, bank or other nominee to request that only a single copy of each document be mailed to all stockholders at the shared address in the future.

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**Reminder to Vote**

Please be sure to either complete, sign and mail the enclosed proxy card in the return envelope provided or call in your instructions or vote by Internet as soon as you can so that your vote may be recorded and counted.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Patrick B. Dorsey

Patrick B. Dorsey

Secretary

New York, New York

April 9, 2010

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**Appendix I**

**Tiffany & Co.**  
**(a Delaware corporation)**

**Corporate Governance Principles**

(as adopted by the full Board of Directors on January 15, 2004  
and amended and restated March 15, 2007)

1. *Director Qualification Standards; Size of the Board; Audit Committee Service.*

a. A majority of the directors shall meet the independence requirements set forth in Section 303A.01 and .02 of the New York Stock Exchange Corporate Governance Rules. A director shall not be deemed to have met such independence requirements unless the Board has affirmatively determined that it be so. In making its determination of independence, the Board shall broadly consider all relevant facts and circumstances and assess the materiality of each director's relationship(s) with the Corporation and/or its subsidiaries. If a director is determined by the Board to be independent, all relationships, if any, that such director has with the Corporation and/or its subsidiaries which were determined by the Board to be immaterial to independence shall be disclosed in the Corporation's annual proxy statement.

b. A director shall be younger than age 72 when elected or appointed and a director shall not be recommended for re-election by the stockholders if such director will be age 72 or older on the date of the annual meeting or other election in question, provided that the Board of Directors may, by specific resolution, waive the provisions of this sentence with respect to an individual director whose continued service is deemed uniquely important to the Corporation.

c. A director need not be a stockholder to qualify as a director, but shall be encouraged to become a stockholder by virtue of the Corporation's policies and plans with respect to stock options and stock ownership for directors and otherwise.

d. Consistent with 1.a. above, candidates for director shall be selected on the basis of their business experience and expertise, with a view to supplementing the business experience and expertise of management and adding further substance and insight into board discussions and oversight of management. The Nominating/Corporate Governance Committee is responsible for identifying individuals qualified to become directors, and for recommending to the Board director nominees for the next annual meeting of the stockholders.

e. From time to time, the Nominating/Corporate Governance Committee will recommend to the Board the number of directors constituting the entire Board. Based upon that recommendation, the current nature of the Corporation's business, and the talents and business experience of the existing roster of directors, the Board believes that nine directors is an appropriate number at this time.

f. The Board shall be responsible for determining the qualification of an individual to serve on the Audit Committee as a designated audit committee financial expert, as required by applicable rules of the SEC under Section 407 of the Sarbanes-Oxley Act. In addition, to serve on the Audit Committee, a director must meet the standards for independence set forth in Section 301 of the Sarbanes-Oxley Act. To those ends, the Nominating/Corporate Governance Committee will coordinate with the Board in screening any new candidate for audit committee financial expert or who will serve on the Audit Committee and in evaluating whether to re-nominate any existing director who may serve in the capacity of audit committee financial expert or who may serve on the Audit Committee. If an Audit Committee member simultaneously serves on the audit

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committees of more than three public companies, then, in the case of each such Audit Committee member, the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Corporation's Audit Committee and disclose such determination in the Corporation's annual proxy statement.

g. Any director who changes his or her employer or otherwise has a significant change in job responsibilities, or who accepts or intends to accept a directorship with another public company (or with any other organization that would require a significant time commitment) that he or she did not hold when such director was most recently elected to the Board, shall (1) advise the secretary of the Corporation of such change or directorship and (2) submit to the Nominating/Corporate Governance Committee, in care of the secretary, a signed letter, addressed to such Committee, resigning as a director of the Corporation effective upon acceptance of such resignation by such Committee but void *ab initio* if not accepted by such Committee within ten (10) days of receipt by the secretary. The secretary of the Corporation shall promptly advise the members of the Nominating/Corporate Governance Committee of such advice and receipt of such letter. The Nominating/Corporate Governance Committee shall promptly meet and consider, in light of the circumstances, the continued appropriateness of such director's membership on the Board and each committee of the Board on which such director participates. In some instances, taking into account all relevant factors and circumstances, it may be appropriate for the Nominating/Corporate Governance Committee to accept such resignation, to recommend to the Board that the director cease participation on one or more committees, or to recommend to the Board that such director not be re-nominated to the Board.

h. Subject to 1.b. above, directors of the Corporation are not subject to term limits. However, the Nominating/Corporate Governance Committee will consider each director's continued service on the Board each year and recommend whether each director should be re-nominated to the Board. Each director will be given an opportunity to confirm his or her desire to continue as a member of the Board.

i. The Corporation has amended its By-Laws to provide for majority voting in the election of directors. In uncontested elections, directors are elected by a majority of the votes cast, which means that the number of shares voted for a director must exceed the number of shares voted against that director. The Nominating/Corporate Governance Committee (or comparable committee of the Board) shall establish procedures for any director who is not elected to tender his or her resignation. The Nominating/Corporate Governance Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Nominating/Corporate Governance Committee's recommendation within 90 days following certification of the election results. In determining whether or not to recommend that the Board of Directors accept any resignation offer, the Nominating/Corporate Governance Committee shall be entitled to consider all factors believed relevant by such Committee's members. Unless applicable to all directors, the director(s) whose resignation is under consideration is expected to recuse himself or herself from the Board vote. Thereafter, the Board will promptly disclose its decision regarding the director's resignation offer (including the reason(s) for rejecting the resignation offer, if applicable) in a Form 8-K furnished to the Securities and Exchange Commission. If the Board accepts a director's resignation pursuant to this process, the Nominating/Corporate Governance Committee shall recommend to the Board whether to fill such vacancy or reduce the size of the Board. If, for any reason, the Board of Directors is not elected at an annual meeting, they may be elected thereafter at a special meeting of the stockholders called for that purpose in the manner provided in the By-laws.

j. Including service on the Board of Directors of the Corporation, no director shall serve on the board of directors (or any similar governing body) of more than six public companies.

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2. *Attendance and Participation at Board and Committee Meetings.*

a. Directors shall be expected to attend six regularly scheduled board meetings in person, if practicable, or by telephone, if attendance in person is impractical. Directors should attempt to organize their schedules in advance so that attendance at all regularly scheduled board meetings will be practicable.

b. For committees on which they serve, directors shall be expected to attend regularly scheduled meetings in person, if practicable, or by telephone, if attendance in person is impractical or if telephone participation is the expected means of participation. For committees on which they serve, directors should attempt to organize their schedules in advance so that attendance at all regularly scheduled committee meetings will be practicable.

c. Directors shall attempt to make time to attend, in person or by telephone, specially scheduled meetings of the Board or those committees on which they serve.

d. Directors shall, if practicable, review in advance all meeting materials provided by management, the other directors or consultants to the Board.

e. Directors shall familiarize themselves with the policies and procedures of the Board with respect to business conduct, ethics, confidential information and trading in the Corporation's securities.

f. Nothing stated herein shall be deemed to limit the duties of directors under applicable law.

3. *Director Access to Management and Independent Advisors.*

a. Executive officers of the Corporation and its subsidiaries shall make themselves available, and shall arrange for the availability of other members of management, employees and consultants, so that each director shall have full and complete access with respect to the business, finances and accounting of the Corporation and its subsidiaries.

b. The chief financial officer and the chief legal officer of the Corporation will regularly attend Board meetings (other than those portions of Board meetings that are reserved for independent or non-management directors or those portions in which the independent or non-management directors meet privately with the chief executive officer) and the Board encourages the chief executive officer to invite other executive officers and non-executive officers to Board meetings from time to time in order to provide additional insight into items being discussed and so that the Board may meet and evaluate persons with potential for advancement.

c. If the charter of any Board committee on which a director serves provides for access to independent advisors, any executive officer of the Corporation is authorized to arrange for the payment of the reasonable fees of such advisors at the request of such a committee acting by resolution or unanimous written consent.

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4. *Director Compensation.*

a. Directors shall be compensated in a manner and at a level sufficient to encourage exceptionally well-qualified candidates to accept service upon the Board and to retain existing directors. The Board believes that a meaningful portion of a director's compensation should be provided in, or otherwise based upon appreciation in the market value of, the Corporation's Common Stock.

b. To help determine the form and amount of director compensation, the staff of the Corporation shall, if requested by the Board, provide the Board with data drawn from public company filings with respect to the fees and emoluments paid to outside directors by comparable public companies.

c. Contributions to charities with which an independent or non-management director is affiliated will not be used as compensation to such a director and management will use special efforts to avoid any appearance of impropriety in connection with such contributions, if any.

d. Management will advise the Board should the Corporation or any subsidiary wish to enter into any direct financial arrangement with any director for consulting or advisory services, or into any arrangement with any entity affiliated with such director by which the director may be indirectly benefited, and no such arrangement shall be consummated without specific authorization from the Board.

5. *Director Orientation and Continuing Education.*

a. Each executive officer of the Corporation shall meet with each new director and provide an orientation into the business, finance and accounting of the Corporation.

b. Each director shall be reimbursed for reasonable expenses incurred in pursuing continuing education with respect to his/her role and responsibilities to the stockholders and under law as a director.

6. *Management Succession.*

a. The Board, assisted by the Corporate Nominating/Corporate Governance Committee and the Compensation Committee, shall select, evaluate the performance of, retain or replace the chief executive officer. Such actions will be taken with (i) a view to the effectiveness and execution of strategies propounded by and decisions taken by the chief executive officer with respect to the Corporation's long-term strategic plan and long-term financial returns and (ii) applicable legal and ethical considerations.

b. In furtherance of the foregoing responsibilities, and in contemplation of the retirement, or an exigency that requires the replacement, of the chief executive officer, the Board shall, in conjunction with the chief executive officer, oversee the selection and evaluate the performance of the other executive officers.

7. *Annual Performance Evaluation of the Board.*

a. The Nominating/Corporate Governance Committee is responsible to assist the Board in the Board's oversight of the Board's own performance in the area of corporate governance.

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- b. Annually, each director will participate in an assessment of the Board's performance in the area of corporate governance. The results of such self-assessment will be provided to each director.
8. *Matters for Board Review, Evaluation and/or Approval.*
- a. The Board is responsible under the law of the State of Delaware to review and approve significant actions by the Corporation including major transactions (such as acquisitions and financings), declaration of dividends, issuance of securities and appointment of officers of the Corporation.
- b. The Board is responsible, either through its committees, or as guided by its committees, for those matters which are set forth in the respective charters of the Audit, Nominating/Corporate Governance and Compensation Committees or as otherwise set forth in the corporate governance rules of the New York Stock Exchange.
- c. The following matters, among others, will be the subject of Board deliberation:
- i. annually, the Board will review and if acceptable approve the Corporation's operating plan for the fiscal year, as developed and recommended by management;
  - ii. at each regularly scheduled meeting of the Board, the directors will review actual performance against the operating plan;
  - iii. annually, the Board will review and if acceptable approve the Corporation's five-year strategic plan, as developed and recommended by management;
  - iv. from time to time, the Board will review topics of relevance to the approved or evolving strategic plan, including such topics identified by the Board and those identified by management;
  - v. annually, the charters of the Audit, Nominating/Corporate Governance and Compensation Committees will be reviewed and, if necessary, modified, by the Board;
  - vi. annually, the delegation of authority to officers and employees for day-to-day operating matters of the Corporation and its subsidiaries will be reviewed and if acceptable approved by the Board;
  - vii. annually, the Corporation's investor relations program will be reviewed by the Board;
  - viii. annually, the schedule of insurance coverage for the Corporation and its subsidiaries will be reviewed by the Board;
  - ix. annually, the status of various litigation matters in which the Corporation and its subsidiaries are involved will be presented to and discussed with the Board;
  - x. annually, the Corporation's policy with respect to the payment of dividends will be reviewed and if acceptable approved by the Board;
  - xi. annually, the Corporation's program for use of foreign currency hedges and forward contracts will be reviewed and if acceptable approved by the Board; and

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xii. from time to time, the Corporation's use of any stock re-purchase program approved by the Board will be reviewed by the Board.

9. *Management's Responsibilities.*

Management is responsible to operate the Corporation with the objective of achieving the Corporation's operating and strategic plans and building value for stockholders on a long-term basis. In executing those responsibilities management is expected to act in accordance with the policies and standards established by the Board (including these principles), as well as in accordance with applicable law and for the purpose of maintaining the value of the trademarks and business reputation of the Corporation's subsidiaries. Specifically, the chief executive officer and the other executive officers are responsible for:

a. producing, under the oversight of the Board and the Audit Committee, financial statements for the Corporation and its consolidated subsidiaries that fairly present the financial condition, results of operation, cash flows and related risks in accordance with generally accepted accounting principles, for making timely and complete disclosure to investors, and for keeping the Board and the appropriate committees of the Board informed on a timely basis as to all matters of significance;

b. developing and presenting the strategic plan, proposing amendments to the plan as conditions and opportunities dictate and for implementing the plan as approved by the Board;

c. developing and presenting the annual operating plans and budgets and for implementing those plans and budgets as approved by the Board;

d. creating an organizational structure appropriate to the achievement of the strategic and operating plans and recruiting, selecting and developing the necessary managerial talent;

e. creating a working environment conducive to integrity, business ethics and compliance with applicable legal and Corporate policy requirements;

f. developing, implementing and monitoring an effective system of internal controls and procedures to provide reasonable assurance that: the Corporation's transactions are properly authorized; the Corporation's assets are safeguarded against unauthorized or improper use; and the Corporation's transactions are properly recorded and reported. Such internal controls and procedures also shall be designed to permit preparation of financial statements for the Corporation and its consolidated subsidiaries in conformity with generally accepted accounting principles and any other legally required criteria applicable to such statements; and

g. establishing, maintaining and evaluating the Corporation's disclosure controls and procedures. The term disclosure controls and procedures means controls and other procedures of the Corporation that are designed to ensure that information required to be disclosed by the Corporation in the reports filed by it under the Securities Exchange Act of 1934 (the Act) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Corporation in the reports it files under the Act is accumulated and communicated to the Corporation's management, including its principal executive and financial officers, to allow timely decisions regarding required disclosure. To assist in carrying out this responsibility, management has established a Disclosure Control Committee, whose membership is responsible to the Audit Committee, to the chief executive officer and to the chief financial officer, and includes the following officers or employees of the Corporation: the president, the chief legal officer, the head of finance, the chief information

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officer, the controller, the head of internal audit & financial controls, the investor relations officer and the treasurer.

10. *Meeting Procedures.*

a. The Board shall determine whether the offices of chairman of the board and chief executive officer shall be held by one person or by separate persons, and whether the person holding the office of chairman of the board shall be independent or not. An independent director meets the requirements for independence as referenced in item 1.a above. Non-management directors include those who are independent and those who, while not independent, are not currently employees of the Corporation or one of its subsidiaries.

b. The chairman of the board will establish the agenda for each Board meeting but the chairman of the board will include in such agenda any item submitted by the presiding independent director (see item 11.c below). Each Board member is free to suggest the inclusion of items on the agenda for any meeting and the chairman of the board will consider them for inclusion.

c. Management shall be responsible to distribute information and data necessary to the Board's understanding of all matters to be considered and acted upon by the Board; such materials shall be distributed in writing to the Board sufficiently in advance so as to provide reasonably sufficient time for review and evaluation. To that end, management has provided each director with access to a secure website where confidential and sensitive materials may be viewed. In circumstances where practical considerations do not permit advance circulation of written materials, reasonable steps shall be taken to allow more time for discussion and consideration, such as extending the duration of a meeting or circulating unanimous written consent forms, which may be considered and returned at a later time.

d. The chairman of the board shall preside over meetings of the Board.

e. If the chairman of the board is not independent, the independent directors may select from among themselves a presiding independent director; failing such selection, the chairman of the Nominating/Corporate Governance Committee shall be the presiding independent director. The presiding independent director shall be identified as such in the Corporation's annual proxy statement to facilitate communications by stockholders and employees with the non-management directors.

f. The non-management directors shall meet separately from the other directors in regularly scheduled executive session, without the presence of management directors and executive officers of the Corporation. The presiding independent director shall preside over such meetings.

g. At least once per year the independent directors shall meet separately from the other directors in a scheduled executive session, without the presence of management directors, non-management directors who are not independent and executive officers of the Corporation. The presiding independent director shall preside over such meetings.

11. *Committees.*

a. The Board shall have an Audit Committee, a Compensation Committee and a Nominating/Corporate Governance Committee which shall have the respective responsibilities described in the charters of each committee. The membership of each such committee shall consist only of independent directors.

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- b. The Board may, from time to time, appoint one or more additional committees, such as a Dividend Committee.
- c. The chairman of each Board committee, in consultation with the appropriate members of management and staff, will develop the committee's agenda. Management will assure that, as a general rule, information and data necessary to the committee's understanding of the matters within the committee's authority and the matters to be considered and acted upon by a committee are distributed to each member of such committee sufficiently in advance of each such meeting or action taken by written consent to provide a reasonable time for review and evaluation.
- d. At each regularly scheduled Board meeting, the chairman of each committee or his or her delegate shall report the matters considered and acted upon by such committee at each meeting or by written consent since the preceding regularly scheduled Board meeting.
- e. The secretary of the Corporation, or any assistant secretary of the Corporation, shall be available to act as secretary of any committee and shall, if invited, attend meetings of the committee and prepare minutes of the meeting for approval and adoption by the committee.

12. *Reliance.*

Any director of the Corporation shall, in the performance of such person's duties as a member of the Board or any committee of the Board, be fully protected in relying in good faith upon the records of the Corporation or upon such information, opinions, reports or statements presented by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence.

13. *Reference to Corporation's Subsidiaries.*

Where the context so requires, reference herein to the Corporation includes reference to the Corporation and/or any direct or indirect subsidiary of the Corporation whose financial results are consolidated with those of the Corporation for financial reporting purposes and reference to a subsidiary of the Corporation shall be reference to such a subsidiary.



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**YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.**  
**We encourage you to take advantage of Internet or telephone voting.**  
**Both are available 24 hours a day, 7 days a week.**

Internet and telephone voting is available through 11:59 PM Eastern Time the day prior to annual meeting day.  
**Tiffany & Co.**

**INTERNET**

**<http://www.proxyvoting.com/tif>**

Use the Internet to vote your proxy. Have your proxy card in hand when you access the web site.

**OR**

**TELEPHONE**

**1-866-540-5760**

Use any touch-tone telephone to vote your proxy. Have your proxy card in hand when you call.

If you vote your proxy by Internet or by telephone, you do NOT need to mail back your proxy card.

To vote by mail, mark, sign and date your proxy card and return it in the enclosed postage-paid envelope.

**Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.**

WO#      Fulfillment#  
 71073      71079

**FOLD AND DETACH HERE**

**The Board of Directors recommends a vote FOR all nominees and FOR proposal 2. Shares represented by this proxy will be so voted unless otherwise indicated, in which case they will be voted as marked.**

Please mark your votes as indicated in this example

**THIS PROXY IS CONTINUED ON THE REVERSE SIDE.**

Item 1: Election of the following nominees as directors:

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>		<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
1.1 Michael J. Kowalski	<b>c</b>	<b>c</b>	<b>c</b>	1.6 Charles K. Marquis	<b>c</b>	<b>c</b>	<b>c</b>
1.2 Rose Marie Bravo	<b>c</b>	<b>c</b>	<b>c</b>	1.7 Peter W. May	<b>c</b>	<b>c</b>	<b>c</b>
1.3 Gary E. Costley	<b>c</b>	<b>c</b>	<b>c</b>	1.8 J. Thomas Presby	<b>c</b>	<b>c</b>	<b>c</b>
1.4 Lawrence K. Fish	<b>c</b>	<b>c</b>	<b>c</b>	1.9 William A. Shutzer	<b>c</b>	<b>c</b>	<b>c</b>
1.5 Abby F. Kohnstamm	<b>c</b>	<b>c</b>	<b>c</b>				

**FOR    AGAINST    ABSTAIN**

Item 2: Ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting

**c                    c                    c**

firm for fiscal year 2010.

I PLAN TO ATTEND THE ANNUAL MEETING

Mark Here for  
Address Change  
or Comments  
**SEE REVERSE**

**Signature**

**Signature**

**Date**

**NOTE: Please sign as your name appears printed on this card. When shares are held by joint owners, all should sign. When signing as attorney, executor, administrator, conservator, trustee or guardian, please give full title. If a corporation or partnership, please sign in corporate or partnership name by an authorized person.**

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**Tiffany & Co.**

727 Fifth Avenue  
New York, N.Y. 10022

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS to be held  
THURSDAY, MAY 20, 2010**

The Annual Meeting of Stockholders of Tiffany & Co. (the Company) will be held in the Cosmopolitan Suite of the Four Seasons Hotel, 57 East 57th Street, New York, New York on Thursday, May 20, 2010, at 9:00 a.m. New York time to consider and take action on the following:

1. Election of nine (9) directors to hold office until the next annual meeting of stockholders and until their respective successors have been elected and qualified; and
2. Ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2010.

All stockholders are cordially invited to attend, although only those stockholders of record as of the close of business on March 23, 2010 will be entitled to notice of and to vote at the meeting or any adjournments thereof. The transfer books will not be closed.

A list of stockholders entitled to vote will be available for inspection by interested stockholders at the offices of the Company, 727 Fifth Avenue, New York, New York commencing on May 3, 2010 during ordinary business hours.

**BY ORDER OF THE BOARD OF DIRECTORS**

Patrick B. Dorsey  
Secretary  
New York, New York  
April 9, 2010

**YOUR VOTE IS IMPORTANT. EVEN IF IT IS YOUR DESIRE TO ATTEND THE ANNUAL MEETING, PLEASE SIGN AND RETURN THE ENCLOSED PROXY IN THE ACCOMPANYING POSTAGE PAID ENVELOPE, VOTE BY INTERNET OR CALL IN YOUR VOTE.**

**Important notice regarding the Internet availability of proxy materials for the Annual Meeting of Stockholders.** The Proxy Statement and the Annual Report to Stockholders for the year ended January 31, 2010 are available at: <http://www.proxyvoting.com/tif>

**6 FOLD AND DETACH HERE 6  
TIFFANY & CO.**

**PROXY FOR ANNUAL MEETING**

SOLICITED BY THE BOARD OF DIRECTORS FOR USE AT THE ANNUAL MEETING OF STOCKHOLDERS OF TIFFANY & CO. (THE COMPANY) TO BE HELD MAY 20, 2010, AT 9:00 A.M. NEW YORK TIME IN THE COSMOPOLITAN SUITE OF THE FOUR SEASONS HOTEL, 57 EAST 57TH STREET, NEW YORK, NEW YORK. THE BOARD OF DIRECTORS RECOMMENDS: A VOTE FOR ALL NOMINEES FOR DIRECTOR IN ITEM 1; FOR RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2010 IN ITEM 2.

SHARES REPRESENTED BY THIS PROXY WILL BE SO VOTED UNLESS OTHERWISE INDICATED, IN WHICH CASE THEY WILL BE VOTED AS MARKED. IF NO DIRECTION IS GIVEN, SUCH SHARES WILL BE VOTED FOR ALL NOMINEES FOR DIRECTOR IN ITEM 1 AND FOR ITEM 2. IF ANY NOMINEE NAMED ON THE REVERSE SIDE OF THIS CARD IS UNABLE TO SERVE AS A DIRECTOR, THE BOARD OF DIRECTORS MAY NOMINATE ANOTHER PERSON OR PERSONS IN SUBSTITUTION FOR SUCH NOMINEE AND THE PROXIES NAMED BELOW WILL VOTE FOR THE PERSON OR PERSONS SO NOMINATED.

The undersigned hereby appoints M.J. KOWALSKI, J.N. FERNANDEZ, and P.B. DORSEY, and each of them, proxies, with full power of substitution, to act for the undersigned, and to vote all shares of common stock represented by this proxy which the undersigned may be entitled to vote at the 2010 Annual Meeting of Stockholders (and any

adjournment thereof) as directed and permitted on the reverse side of this card and, in their judgment, on such matters as may be incident to the conduct of or may properly come before the meeting.

**IMPORTANT**

**THIS PROXY IS CONTINUED ON THE REVERSE SIDE**

**Address Change/Comments**  
**(Mark the corresponding box on the reverse side)**

BNY MELLON SHAREOWNER SERVICES  
P.O. BOX 3550  
SOUTH HACKENSACK, NJ 07606-9250

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