

CBOE Research Circular #RS13-057

Date: February 5, 2013

To: Permit Holders

From: Scott Speer

RE: The Warnaco Group, Inc. ("WRC") Proposed Merger with PVH Corp. ("PVH")

Shareholders of The Warnaco Group, Inc. ("WRC") will vote on Wednesday, February 13, 2013, to approve a proposed Merger between WRC and Wand Acquisition Corp., a wholly owned subsidiary of PVH Corp. ("PVH"). Pursuant to the terms of the Merger, each share of WRC Common Stock outstanding immediately prior to the consummation of the Merger will be converted into the right to receive **0.1822 of a share** of PVH Common Stock, plus \$51.75 cash. The Merger is expected to become effective in early 2013.

THE FOREGOING IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE MERGER, PREPARED BY CBOE FOR THE CONVENIENCE OF ITS PERMIT HOLDERS. CBOE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. PERMIT HOLDERS SHOULD REFER TO THE WARNACO GROUP, INC. AND PVH CORP. JOINT PROXY STATEMENT/PROSPECTUS DATED JANUARY 15, 2013, FOR THE AUTHORITATIVE DESCRIPTION OF THE MERGER AND ALL OF ITS TERMS AND CONDITIONS.

Contract Adjustments

Pursuant to Article VI, Section 11 and 11A, of OCC's By-Laws, all outstanding WRC options shall be adjusted as follows. On the business day immediately following the Effective Time of the Merger, each adjusted The Warnaco Group, Inc. contract will require the receipt or delivery of: (A) 18 shares of PVH Common Stock; plus (B) \$5,175.00 cash; plus (C) cash in lieu of 0.22 fractional share of PVH Common Stock. Premiums for the adjusted The Warnaco Group, Inc. options will continue to be calculated on the basis of a multiplier of 100, i.e., for premium and strike-price extensions, 1.00 will equal \$100. The Warnaco Group, Inc. option symbol will change to PVH1. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Adjusted Option Symbols

On the business day immediately following the Effective Time of the Merger, trading in the WRC option series will be on an adjusted basis. At 8:30 A.M., Chicago time, the following symbol adjustments to the options will be effected:

EXISTING SERIES				ADJUSTED SERIES*				
WRC	45.00	2013-02-16	C/P	=>	PVH1	45.00	2013-02-16	C/P
WRC	50.00	2013-02-16	C/P	=>	PVH1	50.00	2013-02-16	C/P
WRC	55.00	2013-02-16	C/P	=>	PVH1	55.00	2013-02-16	C/P
WRC	60.00	2013-02-16	C/P	=>	PVH1	60.00	2013-02-16	C/P
WRC	65.00	2013-02-16	C/P	=>	PVH1	65.00	2013-02-16	C/P
WRC	70.00	2013-02-16	C/P	=>	PVH1	70.00	2013-02-16	C/P
WRC	75.00	2013-02-16	C/P	=>	PVH1	75.00	2013-02-16	C/P

EXISTING SERIES				ADJUSTED SERIES*			
WRC	80.00	2013-02-16	C/P =>	PVH1	80.00	2013-02-16	C/P
WRC	85.00	2013-02-16	C/P =>	PVH1	85.00	2013-02-16	C/P
WRC	90.00	2013-02-16	C/P =>	PVH1	90.00	2013-02-16	C/P
WRC	95.00	2013-02-16	C/P =>	PVH1	95.00	2013-02-16	C/P
WRC	45.00	2013-03-16	C/P =>	PVH1	45.00	2013-03-16	C/P
WRC	50.00	2013-03-16	C/P =>	PVH1	50.00	2013-03-16	C/P
WRC	55.00	2013-03-16	C/P =>	PVH1	55.00	2013-03-16	C/P
WRC	60.00	2013-03-16	C/P =>	PVH1	60.00	2013-03-16	C/P
WRC	65.00	2013-03-16	C/P =>	PVH1	65.00	2013-03-16	C/P
WRC	70.00	2013-03-16	C/P =>	PVH1	70.00	2013-03-16	C/P
WRC	75.00	2013-03-16	C/P =>	PVH1	75.00	2013-03-16	C/P
WRC	80.00	2013-03-16	C/P =>	PVH1	80.00	2013-03-16	C/P
WRC	85.00	2013-03-16	C/P =>	PVH1	85.00	2013-03-16	C/P
WRC	90.00	2013-03-16	C/P =>	PVH1	90.00	2013-03-16	C/P
WRC	95.00	2013-03-16	C/P =>	PVH1	95.00	2013-03-16	C/P
WRC	100.00	2013-03-16	C/P =>	PVH1	100.00	2013-03-16	C/P
WRC	105.00	2013-03-16	C/P =>	PVH1	105.00	2013-03-16	C/P
WRC	25.00	2013-04-20	C/P =>	PVH1	25.00	2013-04-20	C/P
WRC	30.00	2013-04-20	C/P =>	PVH1	30.00	2013-04-20	C/P
WRC	35.00	2013-04-20	C/P =>	PVH1	35.00	2013-04-20	C/P
WRC	40.00	2013-04-20	C/P =>	PVH1	40.00	2013-04-20	C/P
WRC	45.00	2013-04-20	C/P =>	PVH1	45.00	2013-04-20	C/P
WRC	50.00	2013-04-20	C/P =>	PVH1	50.00	2013-04-20	C/P
WRC	55.00	2013-04-20	C/P =>	PVH1	55.00	2013-04-20	C/P
WRC	60.00	2013-04-20	C/P =>	PVH1	60.00	2013-04-20	C/P
WRC	65.00	2013-04-20	C/P =>	PVH1	65.00	2013-04-20	C/P
WRC	70.00	2013-04-20	C/P =>	PVH1	70.00	2013-04-20	C/P
WRC	75.00	2013-04-20	C/P =>	PVH1	75.00	2013-04-20	C/P
WRC	80.00	2013-04-20	C/P =>	PVH1	80.00	2013-04-20	C/P
WRC	45.00	2013-07-20	C/P =>	PVH1	45.00	2013-07-20	C/P
WRC	50.00	2013-07-20	C/P =>	PVH1	50.00	2013-07-20	C/P
WRC	55.00	2013-07-20	C/P =>	PVH1	55.00	2013-07-20	C/P
WRC	60.00	2013-07-20	C/P =>	PVH1	60.00	2013-07-20	C/P
WRC	65.00	2013-07-20	C/P =>	PVH1	65.00	2013-07-20	C/P
WRC	70.00	2013-07-20	C/P =>	PVH1	70.00	2013-07-20	C/P
WRC	75.00	2013-07-20	C/P =>	PVH1	75.00	2013-07-20	C/P
WRC	80.00	2013-07-20	C/P =>	PVH1	80.00	2013-07-20	C/P
WRC	85.00	2013-07-20	C/P =>	PVH1	85.00	2013-07-20	C/P
WRC	90.00	2013-07-20	C/P =>	PVH1	90.00	2013-07-20	C/P
WRC	95.00	2013-07-20	C/P =>	PVH1	95.00	2013-07-20	C/P

*** Any additional WRC series that are added prior to the effective time of the merger will also be adjusted in the manner described above.**

Settlement

The OCC will delay settlement of PVH1 exercise and assignment activity until the end of "when issued" trading in PVH, if any, and until the determination of the cash-in-lieu amount for the 0.22 fractional share of PVH Common Stock.

Hypothetical Pricing Example

Based on a 0.1822 Exchange Ratio, The Warnaco Group, Inc. adjusted contract deliverable is: (A) 18 shares of PVH Common Stock; plus (B) \$5,175.00 cash; plus (C) cash-in-lieu of 0.22 share of PVH Common Stock. Assume a **hypothetical** cash-in-lieu amount of \$25.60. Under these circumstances a **hypothetical** adjusted PVH1 underlying "price" may be determined as follows:

$PVH1 = 0.18(PVH) + \$51.75 + \$25.60/100$, rounded to the nearest $1/100^{th}$. For example, if PVH closes at \$116.40, the underlying "per-share price" of PVH1 would be:

$$\begin{aligned} &0.18(\$116.40) + \$51.75 + \$25.60/100 \\ &= \$20.952 + \$51.75 + \$0.2560 \\ &= \$72.958 \\ &= \$72.96 \text{ (rounded to the nearest } 1/100^{th}) \end{aligned}$$

In this hypothetical example, a PVH1 70 Call contract would be \$296.00 in the money (difference of strike amount of $\$70 \times 100 = \$7,000.00$ and the underlying deliverable "value" of $\$7,296.00 = \72.96×100).

GTC Order Conversion

On the Effective Date of the Merger, immediately after the CBOE close, the system will convert or cancel all resting orders in the WRC order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustments. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

<http://www.cboe.com/ContractAdjustments>