

COMPANY INFORMATION SHEET

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Company Name (stock code): Coach, Inc. (6388)

Stock Short Name: COACH-DRS-RS

This information sheet is provided for the purpose of giving information to the public about Coach, Inc. (the "Company") as at the date specified. The information does not purport to be a complete summary of information about the Company and/or its securities.

Responsibility Statement

The general counsel and secretary of the Company as of the date hereof hereby accepts full responsibility for the accuracy of the information contained in this information sheet and confirms, having made all reasonable inquiries, that to the best of his knowledge and belief the information contained in this information sheet is accurate and complete in all material respects and not misleading or deceptive and that there are no other matters the omission of which would make any information inaccurate or misleading herein.

The Company's general counsel and secretary also undertakes to publish on a yearly basis, when the Company publishes its annual report on Form 10-K, this information sheet reflecting, if applicable, the changes to the information since the last publication.

Contents

<u>Document Type</u>	<u>Date</u>
A. Waivers	
Latest version	November 30, 2011
B. Foreign Laws and Regulations	
Latest version	November 30, 2011
C. Constitutional Documents	
Latest version	November 30, 2011
D. Deposit Agreement	
Latest version	November 30, 2011
E. Deed Poll	
Latest version	November 30, 2011

Date of this information sheet: November 30, 2011

Unless the context requires otherwise, capitalized terms used herein shall have the meanings given to them in the Company's listing document ("Listing Document") dated November 25, 2011 and references to sections of the Listing Document shall be construed accordingly.

A. WAIVERS

We have applied for, and the Hong Kong Stock Exchange and/or the SFC have granted, the following material waivers and exemptions.

WAIVERS FROM THE REQUIREMENTS OF THE LISTING RULES

Qualifications for Listing

Requirement to have a Hong Kong qualified company secretary

Rule 8.17 of the Listing Rules provides that the secretary of an issuer must be a person who is ordinarily resident in Hong Kong and who has the requisite knowledge and experience to discharge the functions of secretary of the issuer and who is an Ordinary Member of The Hong Kong Institute of Chartered Secretaries, a solicitor or barrister as defined in the Legal Practitioners Ordinance or a professional accountant, or is an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging those functions.

Mr. Todd Kahn, the Company's secretary, is not resident in Hong Kong. We have appointed an assistant company secretary, Ms. Ho Wing Tsz Wendy, who is ordinarily resident in Hong Kong and has the necessary qualifications as required under Rule 8.17 of the Listing Rules to discharge the functions required of a company secretary under the Listing Rules. Please see the sections in the Listing Document headed "Executive Officers" and "Directors and Meetings and Committees of the Board" for the qualification and experience of Mr. Todd Kahn and Ms. Ho Wing Tsz Wendy.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 8.17 of the Listing Rules such that the Company's secretary is not required to be an individual who is ordinarily resident in Hong Kong or to have the qualifications set out in Rule 8.17 of the Listing Rules subject to the condition that the Company will appoint Ms. Ho Wing Tsz Wendy to assist Mr. Todd Kahn in discharging his functions as a company secretary.

Dealing in shares prior to listing

Rule 9.09 of the Listing Rules provides that there must be no dealing in the securities for which listing is sought by any connected person of the issuer from four clear business days before the expected hearing date until listing is granted.

The Company's Common Stock is publicly traded on the NYSE. As of the date of the Listing Document, the Company has no substantial shareholders as defined under the Listing Rules. Even if the Company had a substantial shareholder, the Company would not be in a position to control the trading activities of any such substantial shareholder.

As stated in the section in the Listing Document headed "Waivers – Post-listing Compliance Requirements – Model Code for Securities Transactions by Directors of Listed Issuers," the Company has an existing securities trading policy in place that is applicable to its Directors as well as all employees. Moreover, Directors and employees are prohibited under the U.S. securities laws from trading on material non-public information. In addition, the Company will release any price-sensitive information to the public in accordance with all applicable laws, rules and regulations.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 9.09 of the Listing Rules in respect of any dealing by any stockholder (other than the Directors and executive officers and their associates) from four clear business days before the date on which the hearing of the Listing Committee with respect to our

Company's application for the secondary listing of the Depositary Receipts on the Hong Kong Stock Exchange is expected to take place until the listing is granted, on condition that (a) we will notify the Hong Kong Stock Exchange of any purchase or sale in the Company's Common Stock by any of its connected persons during the relevant restricted period when we become aware of the same; and (b) neither we nor the Sponsor will disclose any material non-public information to any existing stockholder of the Company in violation of any applicable rules and regulations.

Content Requirements for Listing Document

Accountants' report

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 4.01(1) and Paragraph 37 of Appendix 1E of the Listing Rules to prepare an accountants' report in accordance with Chapter 4 of the Listing Rules and to disclose all the specified details concerning the financial information in the accountants' report as set out in Appendix 16 of the Listing Rules, on the basis that we include in the Listing Document audited consolidated financial statements as of and for each of the fiscal years in the three year period ended July 2, 2011 prepared in accordance with U.S. GAAP pursuant to Rule 19.39. The Company's audited consolidated financial statements were audited by Deloitte & Touche LLP ("Deloitte US") in accordance with the standards of the U.S. Public Company Accounting Oversight Board ("PCAOB").

Deloitte US, who audited the Company's consolidated financial statements as of and for each of the fiscal years in the three year period ended July 2, 2011, has been appointed by us as the sole reporting accountant in connection with the Introduction in order to avoid the unnecessary costs and delay in engaging other certified public accountants who are qualified under the Professional Accountants Ordinances as auditors to conduct an extensive review of the Company's audited financial statements. Deloitte US is an internationally recognized accounting firm and registered with the PCAOB. It has extensive experience in securities offerings on the NYSE. It is independent both of the Company and of any other company concerned as required under the independence rules of the PCAOB established by the Sarbanes-Oxley Act. The Company has requested Deloitte Touche Tohmatsu Hong Kong ("Deloitte HK") to assist Deloitte US in performing its duties as reporting accountant for the Introduction. Deloitte HK has been advising and will continue to advise Deloitte US regarding the accounting-related requirements.

Certain information which is required to be included in an accountants' report under Chapter 4 and Appendix 16 of the Listing Rules is not required to be disclosed, or to be disclosed to the extent or in the manner required under the Listing Rules, under applicable U.S. requirements, including, among other things:

- (a) the balance sheet of the issuer;
- (b) a statement of any significant subsequent events which have occurred to any business or company or within any group covered by the accountants' report since the end of the period reported on or, if there are no such events, a statement of that fact;
- (c) rates of dividend paid or proposed on each class of shares (with particulars of each such class) and amounts absorbed thereby and any waivers of dividend;
- (d) fixed assets;
- (e) current assets: (i) stocks; (ii) debtors including credit policy and aging analysis of accounts receivable; (iii) cash at bank and in hand; and (iv) other current assets;
- (f) current liabilities: (i) borrowings and debts; and (ii) aging analysis of accounts payable;

- (g) total assets less current liabilities;
- (h) segment information required by the accounting standards under HKFRS or IFRS;
- (i) a statement of whether or not any audited accounts have been made up since the end of the last financial period reported on;
- (j) a statement that the accountants' report has been prepared in accordance with the Auditing Guideline – Prospectuses and the reporting accountant (Statement 3.340) issued by the Hong Kong Institute of Certified Public Accountants;
- (k) the information to be disclosed in respect of Rules 4.04 to 4.09 must be in accordance with best practice which is at least that required to be disclosed in respect of those specific matters in the accounts of a company under the Companies Ordinance and under HKFRS or IFRS;
- (l) the financial history of results and the balance sheet drawn up in conformity with (a) HKFRS; or (b) IFRS; and
- (m) disclosure and explanation of any significant departure from HKFRS or IFRS and, to the extent practicable, a quantification of the financial effects of such departure.

Property valuation report

As of July 2, 2011, the Company occupied 15 distribution, corporate and product development facilities in North America, Asia and Europe. The majority of these properties are leased. As of July 2, 2011, the Company also leased 723 retail stores and factory stores, and department store shop-in-shops located in North America and Asia. Please see the section in the Listing Document headed "Business – Properties" for an overview of the Company's property interests.

Given that (a) our core business is not property development and investment and that the ownership and leasing of properties is incidental to its business; (b) the aggregate net book value of the land and buildings owned by our Group accounted for only approximately 5.8% of our total assets as reflected in audited consolidated financial statements for the fiscal year ended July 2, 2011; (c) no single property owned or leased by the Company, and no single landlord-tenant relationship, is material to the Company's operations; (d) to require the Company to prepare a property valuation report would involve the preparation of a report in respect of more than 730 properties in 10 jurisdictions, which would be unduly burdensome to the Company and not meaningful to investors; and (e) under the U.S. regulatory framework, the Company would not be required to include any property valuation report or other similar report in an offering document, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 5.01 and Paragraph 3(a) of Practice Note 16 of the Listing Rules in respect of the requirement to prepare valuation of all our interests in land and buildings on the grounds that it would be unduly burdensome for us in terms of both time and cost.

Other content requirements

We have applied for, and the Hong Kong Stock Exchange has granted, waivers from strict compliance with Paragraphs 28(1)(b)(i), (ii) and (v), 41(4), 44 and 45 of Appendix 1E to the Listing Rules to disclose the following information in the Listing Document:

- (a) a statement of the percentages of purchases attributable to the Company's largest supplier and five largest suppliers, respectively, and a statement of the interests of any of the directors, their associates or any 5% shareholder in the 5 largest suppliers, on the basis that the Listing Document already includes a discussion of the Company's suppliers that follows the corresponding disclosure in the Company's historical filings with the SEC;

- (b) details of any share schemes to which Chapter 17 of the Listing Rules applies, on the basis that there are U.S. legal and regulatory requirements applicable to the Coach Share Option Scheme (as defined below) to which the Company is subject as described in the section in the Listing Document headed “Waivers – Post-listing Compliance Requirements – Share option schemes;” and
- (c) a statement of any fact where any Director or proposed Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of our Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO), and the interests and short positions of any stockholder (other than a Director or chief executive) in the shares and underlying shares of our Company which would fall to be disclosed to our Company under Divisions 2 and 3 of Part XV of the SFO, on the basis that we disclose the relevant security ownership disclosure required by the U.S. framework (i.e., the following security ownership of management and beneficial owners of more than 5% of any class of the Company’s voting securities as of the most recent practicable date: the title of the class of equity securities held, name and/or address, amount and nature of beneficial ownership, and percentage of such ownership).

Post-listing Compliance Requirements

Use of electronic means for corporate communications

Rule 2.07A of the Listing Rules provides that a listed issuer may send or otherwise make available to the relevant holders of its securities any corporate communication by electronic means, provided that either the listed issuer has previously received from each of the relevant holders of its securities an express, positive confirmation in writing or the shareholders of the listed issuer have resolved in general meeting that the listed issuer may send or supply corporate communications to shareholders by making them available on the listed issuer’s own website or the listed issuer’s constitutional documents contain provision to that effect, and certain conditions are satisfied. Any listed issuer availing itself of Rule 2.07A must afford holders of its securities the right at any time to change their choice as to whether they wish to receive corporate communications in printed form or using electronic means.

The Company does not currently produce or send out any corporate communications to its stockholders in printed form unless requested. The Company publicly files various corporate communications with the SEC which are posted on the SEC’s website. The Company’s reports on Form 10-K, 10-Q and 8-K, and all amendments to these reports, are also available free of charge on the Company’s website as soon as reasonably practicable after they are filed with or furnished to the SEC. Further, the Company posts its proxy materials on a publicly accessible website and mails a notice to stockholders stating that all proxy materials can be found on that website. These documents are also available on the Company’s website under the company information link. In addition, under the SEC’s electronic delivery rules for proxy materials, if any stockholder requests, the Company must send, at no cost to the stockholder, a paper copy of the proxy materials to such holder within three business days after receiving the request.

If the Company is required to send printed copies of any notices, reports, voting forms or other communications to registered and non-registered holders of Depositary Receipts under the Listing Rules or any other laws or regulations, it will make available printed copies thereof to the HDR Depositary who will distribute the same to the registered holders of Depositary Receipts (and to non-registered holders of Depositary Receipts but only upon request made by non-registered holders to HKSCC). Any such documents or communication will also be made available for inspection at the offices of both the HDR Depositary and the Custodian.

We will also add a link to the “Company Information” page of our website which will direct investors to all of the Company’s future filings with the Hong Kong Stock Exchange and provide another means to notify the holders of Depositary Receipts whenever new corporate communications are issued.

We have applied for, and the Hong Kong Stock Exchange has granted, waivers from strict compliance with the requirements under Rule 2.07A of the Listing Rules.

Disclosure of the names of directors in announcement and directors’ responsibility statement

Rule 2.14 provides in part that any announcement issued by a listed issuer pursuant to the Listing Rules must disclose the name of each director as at the date of the relevant announcement.

The Company’s general counsel and secretary has the primary responsibility of disclosing material information in current reports on Form 8-K. The Company intends to publish current reports on Form 8-K as announcements on the Hong Kong Stock Exchange’s website. Directors and officers can still be held liable under the U.S. federal securities laws for disseminating information about the Company that contains material misstatements and omissions of fact, including in current reports on Form 8-K. Finally, the identity and other details of Directors of the Company will be available to the public in Hong Kong, as the Company will be registered as a non-Hong Kong company under Part XI of the Companies Ordinance, at the Hong Kong Companies Registry and its website.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the following requirements:

- (a) the requirement under Rule 2.14 of the Listing Rules to disclose the names of the Directors in any announcement to be issued by us pursuant to the Listing Rules; and
- (b) the requirement to include a responsibility statement to be given by the Directors in any announcement which we are required to issue under the Listing Rules (as modified by the waivers granted to us by the Hong Kong Stock Exchange), including the responsibility statement in any announcement made pursuant to Rule 13.10 of the Listing Rules confirming that our Company is not aware of any matter or development that is or may be relevant to the unusual price movement or trading volume of our listed securities.

Methods of listing

Chapter 7 of the Listing Rules sets out the methods by which equity securities may be brought to listing on the Hong Kong Stock Exchange and the requirements applicable to each method.

Offer for subscription and offer for sale

Rules 7.02, 7.03, 7.04, 7.05, 7.06, 7.07 and 7.08 of the Listing Rules set out certain requirements before equity securities constituting part of an offer for sale or subscription to the public may be brought to listing on the Hong Kong Stock Exchange. These include the requirement for any such offer to be supported by a listing document complying with Chapter 11 of the Listing Rules.

Placing

Rules 7.09, 7.10, 7.11 and 7.12 of the Listing Rules set out certain requirements in respect of placings by a listed company. These include the requirement to comply with the placing guidelines set out in Appendix 6 to the Listing Rules (which include, among others, the requirement to obtain shareholder approval) and the requirement for the placing of securities of a class new to listing to be supported by a listing document complying with Chapter 11 of the Listing Rules.

Rights issue and open offer

Rules 7.18, 7.19, 7.20, 7.21, 7.22, 7.23, 7.24, 7.25, 7.26, 7.26A and 7.27 of the Listing Rules set out certain requirements in respect of rights issues and open offers. These include the requirement that any rights issue or open offer must be fully underwritten and, in certain circumstances, subject to shareholder approval. In addition, a listing document complying with Chapter 11 of the Listing Rules must be issued in support of the rights issue or open offer.

Capitalization issue and exchange issue

Rules 7.28, 7.29, 7.32 and 7.33 of the Listing Rules set out certain requirements in respect of capitalization and exchange issues.

We are subject to U.S. regulations on securities offerings and the stockholder approval requirements under the NYSE rules, each as described in the sections headed "Certain U.S. Federal Securities and NYSE Regulations – Securities Offerings" and "Share Capital – Issuance of Shares of Stock" of Appendix III of the Listing Document. We will comply with the requirements of Chapter 7 only when an offering of Depositary Receipts is made solely in Hong Kong. We have applied for, and the Hong Kong Stock Exchange has granted, waivers from strict compliance with the requirements under Rules 7.02, 7.03, 7.04, 7.05, 7.06, 7.07, 7.08, 7.09, 7.10, 7.11, 7.12, 7.18, 7.19, 7.20, 7.21, 7.22, 7.23, 7.24, 7.25, 7.26, 7.26A, 7.27, 7.28, 7.29, 7.32 and 7.33 of the Listing Rules.

Share repurchase

Under Rule 10.06(2) of the Listing Rules, a listed issuer is subject to certain dealing restrictions in connection with the repurchase of any of its shares on the Hong Kong Stock Exchange. Rule 19.43(1) of the Listing Rules provides that the Hong Kong Stock Exchange will be prepared to waive some or all of the applicable dealing restrictions set out in Rule 10.06(2) if an overseas issuer's primary exchange already imposed equivalent dealing restrictions on the overseas issuer in respect of shares on the Hong Kong Stock Exchange.

Rule 10.06(4)(a) requires a listed issuer to submit to the Hong Kong Stock Exchange for publication the total number of shares purchased by the listed issuer and certain other information, not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the listed issuer makes a purchase of its shares. Rule 10.06(4)(b) of the Listing Rules requires issuers to include in their annual reports monthly breakdowns of their share repurchases and to include in their directors' reports a discussion of the repurchases made during the financial year covered by the report and the reasons for such repurchases.

Rule 10.06(5) of the Listing Rules provides that the listing of all shares which are purchased by an issuer (whether on the Hong Kong Stock Exchange or otherwise) shall be automatically cancelled upon purchase and the listed issuer must apply for listing of any further issues of that type of shares in the normal way. The listed issuer must also ensure that the documents of title of purchased shares are automatically cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase. Rule 19.43(2) provides that the Hong Kong Stock Exchange will be prepared to waive the requirement to cancel and destroy the

documents of title of purchased shares in the case of an overseas issuer whose primary exchange permits treasury stock, provided that the overseas issuer must apply for the re-listing of any such shares which are reissued as if it were a new issue of those shares. Rule 19B.21 further provides that if depositary receipts are purchased by the listed issuer, it shall surrender the purchased depositary receipts to the depositary. The depositary shall then cancel the surrendered depositary receipts and shall arrange for the shares represented by the surrendered depositary receipts to be transferred to the issuer and such shares shall be cancelled by the issuer.

The U.S. federal regulatory framework prohibits fraudulent and manipulative practices in connection with the purchase and sale of securities. In particular, Section 9(a) of the Exchange Act prohibits actions taken to create a false or misleading appearance of active trading in an exchange-traded security. Section 10(b) under the Exchange Act also prohibits, in connection with the purchase or sale of any security, the use of manipulative or deceptive devices or contrivances by any person in contravention of the SEC's rules and regulations. One such rule is Rule 10b-5 under the Exchange Act which makes it unlawful to, among other things, make any untrue statement of a material fact or omit to state a material fact necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading, or engage in any act which operates or would operate as a fraud or deceit upon any person, in either case in connection with the purchase or sale of any security. Rule 10b-5 is a common ground for relief in legal or administrative proceedings involving insider trading.

The Company conducts its stock repurchases in accordance with Rule 10b-18 of the Exchange Act, which provides a non-exclusive safe harbor against allegations of market manipulation under Section 9(a)(2) and Rule 10b-5 for issuer repurchases of common equity securities. In order to qualify for the safe harbor, the Company must meet all of the following four conditions:

- all bids and purchases must be made through only one broker or dealer on any single day;
- purchases must not constitute the opening transaction or occur shortly before the closing of trading;
- purchases must not be effected at a price that is higher than the highest independent bid or the last independent sale price, whichever is higher; and
- the aggregate purchases on any single day (other than block trades) must not exceed 25% of the trading volume.

The anti-fraud provisions of the Exchange Act, including the insider trading restrictions of Rule 10b-5, continue to apply even if the Rule 10b-18 safe harbor conditions are met.

The Company announces the establishment of any stock repurchase programs by a press release which it files on Form 8-K. Under the U.S. federal regulatory framework, the Company is also required to disclose information on any stock repurchases made by or on behalf of the Company in its Form 10-Ks and 10-Qs. Such information is required to be provided on a month-by-month basis and includes, among other things, (a) the total number of shares repurchased in each month during the past quarter, (b) the average price paid per share, (c) the total number of shares purchased as part of publicly announced repurchase plans or programs and (d) the maximum number (or approximate dollar value) of shares that may yet be purchased under such plans or programs.

Under the MGCL, shares of the Company's own stock that are reacquired by the Company through repurchase, or otherwise, are cancelled and become authorized but unissued shares of stock and, unless restricted by the terms of a particular class or series (which the Common Stock of the Company is not), may be reissued by the Company. While Maryland law does not expressly require that the documents of title of shares of stock reacquired by the Company be destroyed, any physical certificates are marked invalid as a matter of course.

In the event the Company repurchases any Depositary Receipts listed on the Hong Kong Exchange, it will comply with Rule 19B.21 of the Listing Rules to surrender the repurchased Depositary Receipts to the HDR Depositary, who will cancel the surrendered Depositary Receipts and arrange for the underlying shares represented by the surrendered Depositary Receipts to be transferred to the Company and such underlying shares will be cancelled by the Company.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 10.06 such that only Rule 10.06(2)(d) (only to the extent that we will procure any broker appointed by us to effect any repurchase of Depositary Receipts on the Hong Kong Stock Exchange to disclose to the Hong Kong Stock Exchange such information with respect to the repurchase made on behalf of our Company as the Hong Kong Stock Exchange may request), Rule 10.06(2)(e) and Rule 10.06(6) will apply to the Company.

Notifiable and connected transactions

Chapters 14 and 14A set out the rules applicable to notifiable and connected transactions as defined in the Listing Rules.

The U.S. regulatory framework to which the Company is subject with respect to acquisitions and dispositions includes:

- the Company is required to report on Form 8-K within four business days with respect to the entry into a material definitive agreement not made the ordinary course of its business (including acquisition and divestiture agreements, or any amendment of such agreements that is material);
- the Company is required to report on Form 8-K within four business days the completion of acquisitions or dispositions of a “significant amount” of assets other than in the ordinary course of business. An acquisition or disposition is deemed to involve a significant amount of assets depending on, among other things, certain quantitative tests relating to the target’s asset value, investment, total assets and income from continuing operations, in each case as compared to the consolidated entity; and
- the Company is subject to various regulations regarding takeovers and mergers as described in the sections headed “Stockholders”, “Provisions relating to Unsolicited Takeovers” and “Certain U.S. Federal Securities and NYSE Regulations – Takeover Regulations” of Appendix III of the Listing Document.

The U.S. regulatory framework to which the Company is subject with respect to related party transactions includes:

- under the MGCL, if a contract or other transaction (1) between a corporation and a director or (2) between a corporation and any other corporation, firm or other entity in which a director is a director or has a material financial interest is either (a) authorized, approved or ratified in accordance with certain procedures by the disinterested directors or by the disinterested stockholders or (b) is fair and reasonable to the corporation, then the contract or transaction is not void or voidable solely because of (i) the common directorship or interest, (ii) the presence of a director at the meeting authorizing, approving or ratifying the contract or transaction or (iii) the counting of the director’s vote for the authorization, approval or ratification of the contract or transaction. The fact of the common directorship or interest must be disclosed or known to the board or stockholders approving the contract or transaction;
- the Company has instituted policies and procedures for the review, approval and ratification of “related person” transactions as defined under the rules and regulations of the Exchange Act. In particular, the Company’s Global Business Integrity Program Guide requires its Directors and employees to avoid “any situation that creates or appears

to create a conflict of interest between personal interests and the interests of Coach.” This prohibition on conflicts of interest includes any related person transaction unless properly approved. Further, under the Company’s Corporate Governance Principles, potential conflicts of interest (including related party transactions) must be reviewed and approved by the following individuals: (1) in the case of a transaction involving a Director, by the Lead Outside Director and the Chief Executive Officer, and if a significant conflict of interest exists and cannot be resolved, the Director will be asked to resign; (2) in the case of a transaction involving the Chief Executive Officer, President, a divisional President or an Executive/Senior Vice President, by the full Board; and (3) in the case of a transaction involving any other officer, by the Chief Executive Officer;

- under the SEC’s rules, the Company is required to annually disclose any transaction or proposed transaction in which it participates involving an amount exceeding a specified threshold in which a related person has or will have a direct or indirect material interest; and
- under the SEC’s rules, the Company is also required to disclose in its annual proxy statement its policies and procedures for the review, approval or ratification of transactions with related persons required to be disclosed.

The Company undertakes to comply with Rule 13.09(1) of the Listing Rules and to disclose any of the above mentioned acquisitions, dispositions and related party transactions as soon as reasonably practicable in compliance with the requirements of Rule 13.09(1) of the Listing Rules, if such acquisition, disposition or transaction constitutes price sensitive information under Rule 13.09(1).

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Chapters 14 and 14A of the Listing Rules such that the Company will only be required to comply with existing U.S. regulatory framework in respect of notifiable and connected transactions.

Options, warrants and convertible securities

Chapters 15 and 16 of the Listing Rules sets out certain criteria to be satisfied by a listed issuer before the Hong Kong Stock Exchange will grant approval for the issue or grant of options, warrants or similar rights to subscribe or purchase equity securities by the listed issuer or any of its subsidiaries and to the issue of warrants which are attached to other securities by the listed issuer or any of its subsidiaries, as well as the minimum content to be included in the circular or the notice to be sent to the shareholders when convening a general meeting to approve the issue or grant of such options, warrants or rights.

Practice Note 4 of the Listing Rules sets out certain additional requirements for the issue of new warrants to existing warrant holders by a listed issuer or the alteration of the exercise period or the exercise price of existing warrants.

The U.S. regulatory framework imposes certain registration, disclosure and other obligations for offers and sales of securities (including warrants, options, rights and convertible securities) as described in the section headed “Certain U.S. Federal Securities and NYSE Regulations – Securities Offerings” of Appendix III of the Listing Document. In addition, under the NYSE rules, the Company is generally required to obtain stockholder approval for certain issuances of common stock or securities convertible into or exercisable for common stock as described in the section headed “Share Capital – Issuance of Shares of Stock” of Appendix III of the Listing Document.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of under Chapters 15 and 16 and Practice Note 4 of the Listing Rules.

Share option scheme

Chapter 17 of the Listing Rules sets out the rules applicable to all schemes involving the grant by a listed issuer or any of its subsidiaries of options over new shares of other new securities of the listed issuer or any of its subsidiaries to, or for the benefit of, specified participants of such schemes. Rule 19.42 of the Listing Rules states that the Hong Kong Stock Exchange may be prepared to vary the requirements applicable to share option schemes of an issuer if its primary listing is on another stock exchange where different or no such requirements apply.

The Company maintains the Coach, Inc. 2010 Stock Incentive Plan (the "Coach Share Option Scheme"). There are substantial legal and regulatory requirements applicable to the Coach Share Option Scheme to which the Company is subject, including:

- under the NYSE rules, with limited exceptions, stockholders must approve share option schemes. The Coach Share Option Scheme was submitted to stockholders for approval at a meeting held on November 3, 2010, and stockholders approved the Coach Share Option Scheme;
- there are substantial SEC reporting and disclosure requirements that govern the Coach Share Option Scheme. For example, grants of options to named executive officers and their year-end holdings of options must be reported in the Company's annual proxy statements. In addition, grants of options to any executive officer must be reported on a Form 4 filed with the SEC within 2 business days of the date of grant. Further, disclosure must be provided in the Company's Form 10-K with respect to any compensation plan and individual compensation arrangement of the Company under which equity securities of the Company are authorized for issuance to employees or non-employees; and
- finally, many substantive provisions of share option schemes generally, and the Coach Share Option Scheme specifically, are designed to comply with certain provisions of the U.S. Internal Revenue Code in order to secure certain tax benefits to the Company and/or employees, including Sections 409A, 422, and 162(m) of the U.S. Internal Revenue Code.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Chapter 17 and Paragraph 44 of Appendix 1E of the Listing Rules.

Content requirements of articles of association or equivalent document

Appendix 3 to the Listing Rules provides that the articles of association or equivalent document of a listing applicant must conform to the provisions contained therein. Our charter and bylaws do not conform to certain of the requirements of Appendix 3 and we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with certain of the requirements of Appendix 3 of the Listing Rules set forth below:

As regards transfer and registration

Paragraph 1(1) of Appendix 3 states that transfers and other documents relating to or affecting the title to any registered securities shall be registered and where any fee or fees is or are charged, such fee or fees shall not exceed the maximum fees prescribed by the Hong Kong Stock Exchange from time to time in the Listing Rules.

The MGCL requires a corporation to maintain a stock ledger which contains the name and address of each stockholder and the number of shares of stock of each class which the stockholder holds. Article VII of the bylaws of the Company provides that all transfers of shares of stock shall be made on the books of the Company, by the holder of the shares, in person or by his or her attorney, in such manner as the Board or any officer of the Company may prescribe and, if such shares are certificated, upon surrender of certificates duly endorsed. Article VII

further provides that the Company shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Maryland. The Maryland Uniform Commercial Code (the "UCC") provides that before due presentment for registration of transfer of a certificated security in registered form or of an instruction requesting registration of transfer of an uncertificated security, the issuer or indenture trustee may treat the registered owner as the person exclusively entitled to vote, receive notifications, and otherwise exercise all the rights and powers of an owner.

The UCC provides that it is the duty of an issuer to register the transfer of a security if certain conditions are met, which conditions do not include the charging of a fee, but do include compliance with any applicable law relating to the collection of taxes. Although not expressly prohibited in the charter or bylaws, consistent with Maryland law, the Company does not charge a fee for the transfer of the stock of the Company or the recordation of such transfer in the stock ledger of the Company.

The requirements of Maryland law and the bylaws of the Company are substantially consistent with Paragraph 1(1) of Appendix 3. Further, the Depositary Receipts to be issued by the Company in Hong Kong will comply with Chapter 19B of the Listing Rules, which requires the registration of transfers of depositary receipts (in accordance with the Deposit Agreement). Fees to be charged on transfers of the Depositary Receipts to be issued by the Company will be in accordance with the fees and charges set forth in the Deposit Agreement as required under Rule 19B.16 of the Listing Rules.

Paragraph 1(2) of Appendix 3 provides that fully-paid shares shall be free from any restriction on the right of transfer (except when permitted by the Hong Kong Stock Exchange) and shall also be free from all lien.

Under the MGCL, when the corporation receives the consideration for which stock is to be issued, the stock is fully paid and non-assessable. All outstanding shares of the Company are fully paid and non-assessable.

Under Maryland law, restrictions on transfer must be contained in the charter or in a contract to which the stockholder is party or to which he or she assented in receiving his or her shares of stock. The charter of the Company does not contain any restrictions on the right of transfer. In addition, under the UCC, a restriction on transfer of a security imposed by the issuer, even if otherwise lawful, is ineffective against a person without knowledge of the restriction unless (1) the security is certificated and the restriction is noted conspicuously on the security certificate; or (2) the security is uncertificated and the registered owner has been notified of the restriction.

The requirements of Maryland law and the charter of the Company conform to Paragraph 1(2) of Appendix 3. Further, the Depositary Receipts to be issued by the Company in Hong Kong will be freely transferable in compliance with the Listing Rules and pursuant to the terms of the Deposit Agreement and certain transfer restrictions required to comply with U.S. securities laws such as Regulation S under the Securities Act.

Paragraph 1(3) of Appendix 3 requires that where the power is taken to limit the number of shareholders in a joint account, such limit shall not prevent the registration of a maximum of four persons.

The MGCL provides that stock may be registered in the names of two or more persons and does not contain a provision for a corporation to limit the number of stockholders in a joint account. The charter of the Company contains no contradictory provisions.

As regards definitive certificates

Paragraph 2(1) of Appendix 3 requires that all certificates for capital shall be under seal, which shall only be affixed with the authority of the directors.

The bylaws of the Company provide that if shares are to be issued without certificates, it must be authorized by the Board and, if certificated, the certificates representing shares of stock shall be signed by the officers of the Company in the manner permitted by the MGCL and contain the statements and information required by the MGCL. The MGCL provides that each certificate which represents stock shall be signed by the president, a vice president, the chief executive officer, the chief operating officer, the chief financial officer, the chairman of the board, or the vice chairman of the board and countersigned by the secretary, an assistant secretary, the treasurer, or an assistant treasurer and may be sealed with the actual corporate seal or a facsimile of it or in another form. The Company's seal is included in facsimile form on the form of stock certificate adopted by the Board.

As regards dividends

Paragraph 3(1) of Appendix 3 requires that any amount paid up in advance of calls on any share may carry interest, but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

There is no equivalent provision under Maryland law or the charter or bylaws of the Company. Under the MGCL, when the Company receives the consideration for which stock is to be issued, the stock is fully paid and non-assessable and, therefore, is not subject to any calls. Once shares are issued and outstanding, the holders of such shares are entitled to share ratably in all dividends authorized by the Board and declared by the Company. On this basis, there are no circumstances within which this provision of Paragraph 3(1) of Appendix 3 would apply to the Company since, under Maryland law, amounts are not paid in advance of calls.

Paragraph 3(2) of Appendix 3 states that where power is taken to forfeit unclaimed dividends, that power shall not be exercised until six years or more after the date of declaration of the dividend.

Under the Maryland Uniform Disposition of Abandoned Property Act, any dividend payable by a Maryland corporation and held by such corporation for a stockholder who has not claimed it or corresponded in writing with the corporation concerning it within 3 years after the date prescribed for payment is presumed abandoned. The corporation must then comply with specified notice and filing procedures and pay such abandoned property over to the Comptroller of the State of Maryland. Any person who claims a legal interest in any property delivered to the State of Maryland under such Act must file a claim to the property or to the proceeds from its sale on the form prescribed by the Comptroller and, if the claim is proven, will receive payment from the Comptroller. If not paid by the Comptroller, the claimant may appeal to the circuit court to establish the claim. However, even after the corporation has paid money over to the Comptroller, it may make payment to any person who appears to be entitled to it and, on proof of the payment and proof that the payee was entitled to it, the Comptroller immediately shall reimburse the corporation for the payment. Maryland law does not provide a corporation with the ability to deviate from the provisions of the Maryland Uniform Disposition of Abandoned Property Act. Hence, it would be inconsistent with Maryland law for the Company to adopt Paragraph 3(2) of Appendix 3.

As regards directors

Paragraph 4(1) of Appendix 3 requires that, subject to such exceptions specified in the articles of association as the Hong Kong Stock Exchange may approve, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting.

There is no equivalent provision in the charter or bylaws of the Company, as the requirements for a quorum and approval of a contract or transaction are the same under Maryland law regardless of the interests of a director or his associate. To exclude such a director from the quorum or vote may result in an inability to obtain a quorum or the requisite vote for approval, even if the contract or transaction is in the best interests of the Company and approved by all other directors. However, stockholders receive a commensurate level of protection under the applicable provisions of the MGCL. Under the MGCL, a contract or other transaction between a corporation and a director or between a corporation and any other corporation, firm or other entity in which a director is a director or has a material financial interest is not void or voidable solely because of (i) the common directorship or interest, (ii) the presence of a director at the meeting authorizing, approving or ratifying the contract or transaction or (iii) the counting of the director's vote for the authorization, approval or ratification of the contract or transaction, if the fact of the common directorship or interest is disclosed and the contract or other transaction is either (a) authorized, approved or ratified in accordance with certain procedures by the disinterested directors or by the disinterested stockholders or (b) is fair and reasonable to the corporation. If the contract or other transaction is not authorized, approved or ratified in one of the foregoing ways, the person asserting the validity of the contract or transaction bears the burden of proving that the contract or transaction was fair and reasonable to the corporation at the time it was authorized, approved or ratified. The foregoing provisions are in addition to, not in lieu of, the approvals that are necessary generally and hence it would be inconsistent with Maryland law to adopt the provisions of Paragraph 4(1) of Appendix 3.

Paragraph 4(3) of Appendix 3 states that where not otherwise provided by law, the listed issuer in general meeting shall have power by ordinary resolution to remove any director (including a managing or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his period of office.

Under a provision of the Company's charter, the stockholders may remove any director by the affirmative vote of at least two-thirds of all the votes entitled to be cast by the stockholders generally in the election of directors. Such removal may occur at a duly called and noticed special meeting of the stockholders for such purpose or at the annual meeting of stockholders held each year, if proposed in accordance with the procedures set forth in the bylaws of the Company.

The requirements of Maryland law and the charter and bylaws of the Company are substantially comparable with Paragraph 4(3) of Appendix 3, except that the vote requirement is higher under Maryland law and the charter of the Company.

Paragraph 4(4) of Appendix 3 states that the minimum length of the period, during which notice to the listed issuer of the intention to propose a person for election as a director and during which notice to the listed issuer by such person of his willingness to be elected may be given, shall be at least 7 days. Paragraph 4(5) of Appendix 3 states that the period for lodgment of the notices referred to in Paragraph 4(4) shall commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.

Under Maryland law, a stockholder has the right to attend a meeting of stockholders and nominate an individual for election as a director, whether or not such nominee has been included in a proxy statement. However, the charter or bylaws of a corporation may require a stockholder to provide advance notice of a nomination to the corporation for it to be considered at the meeting. The Company's bylaws require that, to be considered at an annual meeting, a stockholder's nomination notice, containing the information set forth in the bylaws, be received by the Company's Secretary not earlier than the 150th day or later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting (subject to exceptions set forth in the bylaws). To be considered at a special meeting of stockholders at which one or more directors are to be elected, the stockholder's nomination notice, containing the information set forth in the bylaws,

must be received by the Company's Secretary not earlier than the 120th day nor later than 5:00 p.m., Eastern Time, on the later of the 90th day prior to a special meeting or the tenth day following the first public announcement of the date of such special meeting. The notice of such nomination must include such person's written consent to serving as a director if elected.

As regards accounts

Paragraph 5 of Appendix 3 states that a copy of either (i) the directors' report, accompanied by the balance sheet (including every document required by law to be annexed thereto) and profit and loss account or income and expenditure account, or (ii) the summary financial report shall, at least 21 days before the date of the general meeting, be delivered or sent by post to the registered address of every member.

Under the MGCL, the president or, if provided in the bylaws, another executive officer of the corporation is required to prepare annually a full and correct statement of the affairs of the corporation, including a balance sheet and a financial statement of operations, for the preceding fiscal year, which must be submitted at the annual meeting of stockholders and, within 20 days of such meeting, placed on file at the corporation's principal office or such other place specified in the bylaws of the corporation. As a practical matter, this requirement is typically met by providing the stockholders with financial statements included in the Company's annual reports on Form 10-K filed with the SEC, which are also available on the Company's website under the company information link.

In addition, in accordance with the SEC rules, each proxy statement for an annual meeting of stockholders of the Company must be accompanied by or preceded by an annual report to security holders, which contains, among other required disclosures, audited financial statements. See the section headed "Certain U.S. Federal Securities and NYSE Regulations – Proxy Regulations" of Appendix III of the Listing Document. As described in the same section of Appendix III, under the SEC's electronic delivery rules for proxy materials, the Company posts its proxy materials on a publicly accessible website and mails a notice to stockholders stating that all proxy materials can be found on that website. The Company mails such notice regarding the availability of the proxy materials to its stockholders at least 40 days prior to stockholders meetings.

As regards rights

Paragraph 6(1) of Appendix 3 requires that adequate voting rights will, in appropriate circumstances, be secured to preference shareholders.

Preferred stock could be either voting or non-voting when issued depending on the circumstances and as determined by the Board. The voting rights, if any, of preferred stock are set forth in the terms of such preferred stock contained in the charter. The charter of the Company does not contain any such provision on account of the fact that the Company has not classified or set the terms of any preferred stock.

Paragraph 6(2) of Appendix 3 requires that the quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class.

The bylaws of the Company provide that the presence in person or by proxy of stockholders entitled to cast a majority of the votes entitled to be cast on a matter constitutes a quorum. The requirement for approval of any variation in the rights of preferred stock, and any separate quorum requirements to consider such a variation, may be set forth in the terms of such preferred stock, if any is classified and designated in the future.

As regards notices

Paragraph 7(1) of Appendix 3 provides that where power is taken to give notice by advertisement such advertisement may be published in the newspapers.

The bylaws of the Company require that notice of a meeting be given to each stockholder by mail, by presenting it to such stockholder personally, by leaving it at the stockholder's residence or usual place of business or by any other means permitted by Maryland law, which includes electronic mail, but does not permit notice by advertisements. Hence, it would be inconsistent with Maryland law, which is more restrictive, to adopt the provisions of Paragraph 7(1) of Appendix 3.

Paragraph 7(2) of Appendix 3 requires that an overseas issuer whose primary listing is or is to be on the Hong Kong Stock Exchange must give notice sufficient to enable members, whose registered addresses are in Hong Kong, to exercise their rights or comply with the terms of the notice. If the overseas issuer's primary listing is on another stock exchange, the Hong Kong Stock Exchange will normally be satisfied with an undertaking by the issuer to do so and will not normally request the issuer to change its articles to comply with Paragraph 7(2) of Appendix 3 where it would be unreasonable to do so.

Under the MGCL and the bylaws of the Company, the secretary of the Company is required to give notice of a meeting of stockholders in writing or by electronic transmission not less than 10 nor more than 90 days before the meeting to each stockholder entitled to vote at the meeting and each other stockholder entitled to notice of the meeting. As a practical matter and in order to comply with the SEC rules regarding providing access to proxy materials on the Internet, in the past the Company has mailed notices regarding the availability of proxy materials to its stockholders at least 40 days prior to stockholder meetings. See the section in the Listing Document headed "Waivers – Other Continuing Obligations – Annual meeting notice and proxy mailing requirements."

As regards redeemable shares

Paragraph 8 of Appendix 3 states that where the listed issuer has the power to purchase for redemption any redeemable share: (1) purchases not made through the market or by tender shall be limited to a maximum price; and (2) if purchases are by tender, tenders shall be available to all stockholders alike.

Under Maryland law, the right to redeem shares must be set forth in the terms of the stock contained in the charter of the corporation. The charter of the Company does not contain such a redemption right for any stock of the Company that is currently authorized. In the event that redeemable shares are authorized, the terms of redemption would be set forth in the charter of the Company. The Company may purchase shares of its own stock in the open market, in a negotiated transaction or through a tender offer provided that the purchase does not render it insolvent. Tender offers are regulated under the Exchange Act and the SEC's tender offer rules which, among other things: (a) require that all stockholders be given an opportunity to participate in a tender offer, (b) require that the same price be paid to all stockholders and (c) provide antifraud protections. Please also see the section headed "Certain U.S. Federal Securities and NYSE Regulations – Takeover Regulations" of Appendix III of the Listing Document for a description of the U.S. regulatory framework regarding tender offers.

As regards capital structure

Paragraph 9 of Appendix 3 states that the structure of the share capital of the issuer be stated and where such capital consists of more than one class of share it must also be stated how the various classes shall rank for any distribution by way of dividend or otherwise.

The authorized stock of the Company is set forth in the charter of the Company and consists of common stock and preferred stock, which preferred stock is currently undesignated and for which no terms have been set. Prior to the issuance of shares of each class or series, the Board is required by the MGCL and the charter of the Company to set, and include in the charter, the limitations as to dividends or other distributions of each such class or series, which would include how the various classes rank for any distribution.

As regards non-voting or restricted voting shares

Paragraph 10(1) of Appendix 3 requires that where the capital of the issuer includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares.

There is no requirement under Maryland law that the words “non-voting” appear in the designation of any such shares, although it must be set forth in the terms of such stock contained in the charter. It is, however, not uncommon to include the words “non-voting” in the designation, where such stock does not carry any voting rights. As the capital of the Company does not include shares which do not carry voting rights, compliance with this provision should not be required.

Paragraph 10(2) of Appendix 3 requires that where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words “restricted voting” or “limited voting”.

There is no requirement under Maryland law that the words “restricted voting” or “limited voting” appear in the designation of any such shares, although it must be set forth in the terms of such stock contained in the charter. As the capital of the Company does not include shares other than those with the most favorable voting rights, compliance with this provision should not be required.

As regards proxies

Paragraph 11(2) of Appendix 3 requires that a corporation may execute a form of proxy under the hand of a duly authorized officer.

The charter of the Company does not contain any provision as to the form of proxy.

The bylaws of the Company provide that shares of stock of the Company registered in the name of another business entity may be voted by the president, vice president, general partner or trustee of such entity, as the case may be, or a proxy appointed by one of the foregoing individuals, unless some other person has been appointed to vote such shares pursuant to a bylaw or a resolution of the governing body of such entity. The Board may similarly authorize one or more officers to vote shares of stock of other entities held by the Company or authorize a proxy to do the same.

As regards disclosure of interests

Paragraph 12 of Appendix 3 requires that no powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the company.

The charter of the Company does not contain any such restriction on the powers of the Company. Further, there are no relevant provisions of the MGCL or the charter of the Company that would permit the Company to take such steps. The Company's Corporate Governance Principles require Directors to promptly inform the Chief Executive Officer and the Lead Outside Director of any actual or potential conflict of interest. The Company's Global Business Integrity Program Guide also proscribes conflicts of interests generally.

As regards untraceable members

Paragraph 13(1) of Appendix 3 requires that where power is taken to cease sending dividend warrants by post, if such warrants have been left uncashed, it will not be exercised until such warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

Paragraph 13(2) of Appendix 3 requires that where power is exercised to sell the shares of a member who is untraceable it will not be exercised unless (a) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and (b) on expiry of the 12 years the issuer gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the Hong Kong Stock Exchange of such intention.

Under the Maryland Uniform Disposition of Abandoned Property Act, any stock or other certificate of ownership, or any dividend, profit, distribution, interest, payment on principal, or other sum held by a Maryland corporation for or to a stockholder or other security holder who has not claimed it or corresponded in writing with the corporation concerning it within three years after the date prescribed for payment or delivery, is presumed abandoned. This applies to the stock or other certificate of ownership on, for or from which the dividends described above have been presumed abandoned if the owner of said underlying stock or certificate has not, within the three-year period giving rise to the presumption of abandonment, communicated in writing with the corporation regarding the stock or a dividend, distribution, or other sum payable as a result of the stock. However, at the expiration of a three-year period following the failure of the owner to claim a dividend, distribution, or other sum payable to the owner as a result of the stock, the stock is not presumed abandoned unless there have been at least three dividends, distributions, or other sums paid during the period, none of which has been claimed by the owner. If three dividends, distributions, or other sums are paid during the three-year period, the period leading to a presumption of abandonment commences on the date payment of the first such unclaimed dividend, distribution, or other sum became due and payable. If three dividends, distributions, or other sums are not paid during the presumptive period, the period continues to run until there have been three dividends, distributions, or other sums that have not been claimed by the owner.

The corporation must then comply with specified notice and filing procedures and pay such abandoned property over to the Comptroller of the State of Maryland. Any person who claims a legal interest in any property delivered to the State of Maryland under such Act must file a claim to the property or to the proceeds from its sale on the form prescribed by the Comptroller and, if the claim is proven, will receive payment from the Comptroller. If not paid by the Comptroller, the claimant may appeal to the circuit court to establish the claim. However, even after the corporation has paid money over to the Comptroller, it may make payment to any person who appears to be entitled to it and, on proof of the payment and proof that the payee was entitled to it, the Comptroller immediately shall reimburse the corporation for the payment.

Maryland law does not provide a corporation with the ability to deviate from the provisions of the Maryland Uniform Disposition of Abandoned Property Act. Hence, it would be unnecessary to include any provision with respect to Paragraph 13(1) of Appendix 3 and inconsistent with Maryland law for the Company to adopt Paragraph 13(2) of Appendix 3.

As regards voting

Paragraph 14 of Appendix 3 provides that where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

There is no equivalent provision contained in the charter or bylaws of the Company. Except as may otherwise be specified in the terms of any class or series of stock and subject to certain limited circumstances, each outstanding share of Common Stock entitles the holder thereof to one vote on all matters submitted to a vote of stockholders and the MGCL does not restrict this right to certain matters or proposals. In addition, the Company may not know the identity of a beneficial holder and, therefore, is not able to monitor whether a holder is required to abstain for any reason specific to such holder. The Company also is not entitled to refuse to count any votes that are validly cast under Maryland law. It is up to the holder to abstain from voting in violation of any rule, law or contract applicable to such holder.

Stockholders are generally not required by Maryland law or the charter or bylaws of the Company to abstain from voting on any matter, including a transaction or arrangement in which they have a material interest. Any votes cast by such an interested holder would be valid under Maryland law. In addition, the Company does not have a majority stockholder. However, if the Company did have a majority stockholder, a transaction or other arrangement that involves a majority or controlling stockholder must be fair to the minority stockholders. In order to pursue a non-appraisal remedy (e.g., injunction or rescission), the minority stockholder plaintiff must plead fraud, misrepresentation or other misconduct or that the transaction is unfair to the minority stockholders. In addition, if the interested stockholder is also a director or an affiliate of a director, the interest must be disclosed and the transaction approved by a majority of the disinterested directors or disinterested stockholders or must be fair and reasonable to the Company, or the transaction will be subject to attack on the grounds of voidness or voidability.

Model Code for Securities Transactions by Directors of Listed Issuers

Rule 13.67 of the Listing Rules requires issuers to adopt rules governing dealings by directors in listed securities of the issuer on terms no less exacting than those of the Model Code for Securities Transactions by Directors in Appendix 10 of the Listing Rules. The Model Code sets out certain provisions with which a director of a listed company must comply when dealing in its securities and certain disclosure obligations on the listed issuer.

The Company has an existing securities trading policy in place that is applicable to its directors as well as all employees. Under the Company's insider trading policy, directors, officers, employees of the Company and members of their households are prohibited from trading in Coach stock during certain prescribed blackout periods, typically beginning two weeks prior to the end of each fiscal quarter and ending two days after the public release of our quarterly earnings announcement. These persons are also prohibited from engaging in short sales, buying or selling derivative securities and other similar hedging activities related to Coach stock.

Moreover, the directors are prohibited under the U.S. securities laws from trading while in possession of material non-public information. The U.S. regulatory framework provides that any director, officer or employee of the Company (and, under certain circumstances, certain persons unrelated to the Company, such as family members of employees) who is in possession of material non-public information relating to the Company is prohibited from purchasing or selling the Company's securities until such information has been publicly disseminated. Failure to comply with such laws can result in civil and criminal penalties. Please also see the section headed "Certain U.S. Federal Securities and NYSE Regulations – Directors, Officers, and Significant Stockholders" of Appendix III of the Listing Document for a description of the U.S. regulatory provisions on recovery of profits realized by a director, officer or 10% beneficial owner of the Company from any purchase and sale of any equity security within six months and beneficial ownership reporting obligations of such persons.

The SEC's rules require the Company to disclose in its Form 10-K whether or not (and if not, why not) it has adopted a code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. In addition, the NYSE rules require the Company to adopt and disclose a

code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers. The Company is also required to disclose each year in its annual proxy statement whether any director or director nominee was the subject of or a party to any U.S. federal or state judicial or administrative order, judgment, decree, or finding relating to an alleged violation of any U.S. federal or state securities laws or regulations.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 13.67 and Appendix 10 of the Listing Rules.

Content requirements of annual reports, interim reports, preliminary announcements of full year results and preliminary announcements of interim results

Rules 13.47, 13.48 and 13.49 of the Listing Rules require an issuer to comply with the provisions and content requirements of Appendix 16 to the Listing Rules when preparing its annual reports, interim reports and preliminary announcement of results. Rules 3.25(2) and (3) of the Listing Rules also set forth certain requirements for an issuer to disclose in annual and interim reports whether it has complied with the code provisions set out in the Code on Corporate Governance Practices (Appendix 14 of the Listing Rules) and considered reasons if the issuer deviates from the code provisions. Rule 19.44 of the Listing Rules provides that the Hong Kong Stock Exchange will be prepared to agree to modifications to Appendix 16 that it considers appropriate in a particular case in the context of a secondary listing.

The Company is subject to the requirements of the U.S. reporting framework. In particular, the Company is currently required to publish, among other things:

- annual reports on Form 10-K for each fiscal year, which reports include, among other things, annual financial statements prepared in accordance with U.S. GAAP and audited in accordance with the standards of the U.S. Public Company Accounting Oversight Board. The Company will publish its annual reports on Form 10-K on the Hong Kong Stock Exchange's website under Rule 13.09(2) of the Listing Rules; and
- quarterly reports on Form 10-Q for each of the first three quarters of each fiscal year, which reports include, among other things, unaudited interim financial statements for the latest quarter and year-to-date period prepared in accordance with detailed SEC rules and U.S. GAAP. In particular, the quarterly report for the second quarter will in effect include unaudited interim financial statements for the first six months of the fiscal year. The Company will publish its quarterly reports on Form 10-Q on the Hong Kong Stock Exchange's website under Rule 13.09(2) of the Listing Rules.

The Company would be unduly burdened if it were to comply with Rules 13.47, 13.48 and 13.49 of the Listing Rules and include information required under Appendix 16 to the Listing Rules to the extent that such inclusion is not required, or not required in the same manner, under the existing U.S. reporting framework to which the Company is subject (including, among other things, applicable U.S. securities laws, Maryland law and/or U.S. GAAP).

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 3.25(2) and (3), 13.47, 13.48 and 13.49 and Appendix 16 of the Hong Kong Listing Rules such that the Company will only be required to comply with the existing U.S. reporting framework to which it is subject (including, among other things, applicable U.S. securities laws, Maryland law and/or U.S. GAAP) when publishing its annual reports, quarterly reports and preliminary announcement of results.

A summary of certain material requirements of Appendix 16 to the Listing Rules which are not required, or not required in the same manner, by the U.S. reporting framework is set out below. Paragraph references below correspond to paragraph numbers of Appendix 16.

Financial statements

The following are certain items that are required to be included in financial statements under Appendix 16 to the Listing Rules, but which are not required to be included in the Company's financial statements under the U.S. reporting framework:

- (a) rates of dividend paid or proposed on each class of shares (with particulars of each such class) and amounts absorbed thereby (or an appropriate negative statement) in the income statement (paragraph 4(1)(f));
- (b) fixed assets in the balance sheet (paragraph 4(2)(a));
- (c) certain current asset information, including stocks, debtors including credit policy and ageing analysis of accounts receivable, cash at bank and in hand and other current assets, in the balance sheet (paragraph 4(2)(b));
- (d) certain current liability information, including borrowings and debts and aging analysis of accounts payable, in the balance sheet (paragraph 4(2)(c)); and
- (e) total assets less current liabilities in the balance sheet (paragraph 4(2)(e)).

The following are certain items that are required to be included in financial statements contained in annual reports under Appendix 16 to the Listing Rules, and for which the U.S. reporting framework provides for alternative forms of disclosure to be included in the Company's annual reports on Form 10-K:

- (a) the name, principal country of operation, country of incorporation or other establishment and particulars of the issued share capital and debt securities of every subsidiary (paragraph 9). The U.S. reporting framework generally requires as a publicly filed exhibit to a Form 10-K a list of all subsidiaries of the Company, the state or other jurisdiction of incorporation or organization of each, and the names under which such subsidiaries do business;
- (b) an analysis of loans and borrowings as at the balance sheet date, firstly of bank loans and overdrafts and, secondly of other borrowings, showing the aggregate amounts repayable: (i) on demand or within a period not exceeding one year; (ii) within a period of more than one year but not exceeding two years; (iii) within a period of more than two years but not exceeding five years; and (iv) within a period of more than five years, and a statement of the amount of interest capitalized during the financial year (paragraph 22). The U.S. reporting framework generally requires in the management's discussion and analysis section disclosure of the payments due as of the latest fiscal year end balance sheet date for the Company's known contractual obligations, aggregated by long-term debt obligations, capital lease obligations, operating lease obligations, purchase obligations and other long-term liabilities. The payments due should be provided for those due by different dates: (i) total; (ii) less than one year; (iii) one to three years; (iv) three to five years; and (v) more than five years;
- (c) details of Director's and past Director's emoluments, on a named basis (paragraph 24). The U.S. reporting framework generally requires disclosure of detailed compensation information of Directors;
- (d) information in respect of the five highest paid individuals during the financial year (paragraph 25). The U.S. reporting framework generally requires disclosure of detailed compensation information of the Company's principal executive and financial officers and the Company's three most highly compensated executive officers other than the principal executive and financial officers for the full fiscal year (together, the "named executive officers"); and

- (e) certain disclosures required under the following provisions of the Companies Ordinance: the Tenth Schedule and Sections 128 (details of subsidiaries), 129 (details of investments), 129A (details of ultimate holding company), 129D (contents of the directors' report), 161 (directors' remuneration), 161A (corresponding figures), 161B (loans to company officers), 162 (directors' interests in contracts) and 162A (management contracts) (paragraph 28). The U.S. reporting framework generally requires disclosure of a list of all subsidiaries of the Company and the related details of such subsidiaries as stated in (a) above and detailed compensation information of Directors as stated in (c) above. The U.S. regulatory framework generally prohibits any personal loans to Directors or executive officers, subject to certain limited exceptions. Please see sections in the Listing Document headed "Waivers – Post-listing Compliance Requirements – Certain specific public disclosure requirements" and "Waivers – Post-listing Compliance Requirements – Notifiable and connected transactions" for a description of certain U.S. disclosure obligations on related party transactions.

Annual reports

The following are certain items that are required to be included in an annual report under Appendix 16 of the Listing Rules, but which are not required to be included in the Company's annual reports on Form 10-K under the existing U.S. reporting framework:

- (a) particulars of any arrangement under which a stockholder has waived or agreed to waive any dividends (paragraph 17);
- (b) explanation of any material difference between the net income shown in the financial statements and any profit forecast published by the Company (paragraph 18);
- (c) a statement, where applicable, that no pre-emptive rights exist in the jurisdiction in which the Company is incorporated or otherwise established (paragraph 20);
- (d) if the Company were to hold properties for development, sale or investment purposes beyond specified thresholds, details concerning such properties including address details, progress of any construction at such properties and existing use of such properties (paragraph 23);
- (e) particulars of any arrangement under which a Director has waived or agreed to waive any emoluments (paragraph 24A);
- (f) details of whether forfeited contributions in the case of defined contribution schemes may be used by the employer to reduce the existing level of contributions and if so, the amounts so utilized (paragraph 26(4));
- (g) an outline of the results of the most recent formal independent actuarial valuation or formal independent review of defined benefit plans (paragraph 26(5)); and
- (h) a statement of the reserves available for distribution to shareholders as at the balance sheet date (paragraph 29).

The following are certain items that are required to be included in an annual report under Appendix 16 of the Listing Rules, and for which the U.S. reporting framework provides for alternative forms of disclosure to be included in the Company's annual reports on Form 10-K, other periodic and current reports and other filings with the SEC:

- (a) details of transactions entered into by the Company and its subsidiaries in the securities of the Company or its subsidiaries, including (1) details of any convertible securities, options, warrants or similar rights issued or granted by the Company or any of its subsidiaries; (2) particulars of any exercise of any conversion or subscription rights

under any convertible securities, options, warrants or similar rights issued or granted by the Company or its subsidiaries; (3) particulars of any redemption or purchase or cancellation by the Company or its subsidiaries of its redeemable securities; (4) particulars of any purchase, sale or redemption by the Company or its subsidiaries of its listed securities (paragraph 10); and (5) details of any issue for cash for equity securities made otherwise than to shareholders in proportion to their shareholding and which has not been specifically authorized by the shareholders (paragraph 11). Please see the section headed "Certain U.S. Federal Securities and NYSE Regulations – Securities Offerings" of Appendix III of the Listing Document and the section in the Listing Document headed "Waivers – Post-listing Compliance Requirements – Share repurchase" for a description of certain U.S. disclosure obligations on securities offerings (including registered and unregistered offerings) and stock repurchases. In addition, please note that the Company does not have redeemable securities;

- (b) biographical details of Directors and senior managers of the Company (paragraph 12). The U.S. reporting framework generally requires disclosure of biographical details of the Directors, executive officers and significant employees;
- (c) interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), and the interests and short positions of every person (other than a Director or chief executive) in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO (paragraph 13). Please see the section headed "Certain U.S. Federal Securities and NYSE Regulations – Directors, Officers, and Significant stockholders" of Appendix III of the Listing Document and the section in the Listing Document headed "Waivers – Post-Listing Compliance Requirements – Model Code for Securities Transactions by Directors of Listed Issuers" for a description of certain U.S. requirements in relation to the disclosure of security ownership of directors, officers and stock beneficial owners and prohibitions (including the Company's insider trading policy) against short sales;
- (d) the period unexpired of any service contract, which is not determinable by the employer without payment of compensation (other than statutory compensation), of any Director proposed for re-election, and particulars of any contract of significance subsisting during or at the end of the financial year in which a Director is or was materially interested (paragraphs 14 and 15). As noted above, the U.S. reporting framework generally requires disclosure of detailed compensation information of Directors. Please also see sections in the Listing Document headed "Waivers – Post-listing Compliance Requirements – Certain specific public disclosure requirements" and "Waivers – Post-listing Compliance Requirements – Notifiable and connected transactions" for a description of certain U.S. disclosure obligations on related party transactions. In addition, the U.S. reporting framework generally requires filings with the SEC of copies of any contract to which Directors are parties (except where such contact is immaterial in amount or significance);
- (e) information necessary to enable holders of the Company's listed securities to obtain any relief from taxation to which they are entitled (paragraph 21). The section headed "Certain U.S. Federal Income and Estate Tax Considerations" of Appendix III of the Listing Document includes a summary of certain U.S. federal income and estate tax considerations relating to the ownership and disposition of the Depositary Receipts and the Company's Common Stock underlying the Depositary Receipts by a non-U.S. holder (as defined therein);

- (f) a general description of the group's emolument policy and any of its long-term incentive schemes (paragraph 24B). The U.S. reporting framework generally requires a description of the Company's compensation policies and decisions regarding only the named executive officers and a discussion of the Company's policies and practices of compensating its employees only to the extent that risks arising from such compensation policies and practices are reasonably likely to have a material adverse effect on the Company;
- (g) the nature of the principal scheme or schemes operated by the group and a brief outline of how contributions are calculated or benefits funded (paragraph 26(1) and (2)). The U.S. reporting framework generally requires certain specified information on defined contribution plans or defined benefit plans only if the named executive officers participate in them;
- (h) details of any change in the Company's auditors in any of the preceding three years (paragraph 30). The U.S. reporting framework generally requires disclosure in annual reports on Form 10-K of information on any change in the Company's principal independent accountant during the two most recent fiscal years period. In addition, if the Company's previous principal auditing accountant resigns or is dismissed, or if a new principal auditing accountant is engaged, the Company is required to file a Form 8-K within four business days and disclose detailed background information in connection with such changes, e.g., descriptions of certain disagreements with the former accountant;
- (i) information in respect of the Company's largest customer and supplier and five largest customers and suppliers and any interests of any of the Directors, their associates or shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) have in such customers or suppliers (paragraph 31). The U.S. reporting framework generally requires disclosure of the name of any customer and its relationship with the Company or its subsidiaries if sales to the customer equal to 10% or more of the Company's consolidated revenues. The U.S. reporting framework also generally requires discussions of the sources and availability of raw materials;
- (j) a discussion and analysis of the Group's performance during the financial year and the material factors underlying its results and financial position. Such required disclosure include comments on, among other things, liquidity and financial resources, the capital structure, the state of the order book and prospects for new business, significant investments held, material acquisitions and disposals of subsidiaries and associated companies, segmental information, charges on group assets, future plans for material investments or capital assets, gearing ratio, exposure to fluctuations in exchange rates and any related hedges and contingent liabilities, if any (paragraph 32). The U.S. reporting framework generally requires management's discussion and analysis of the Company's financial condition, changes in financial condition and results of operations and certain quantitative and qualitative disclosures about market risk. The discussion should provide specified information on liquidity, capital resources, results of operations, off-balance sheet arrangements and contractual obligations and also should provide such other information that the Company believes to be necessary to an understanding of its financial condition, changes in financial condition and results of operations;
- (k) certain information required to be included in a Corporate Governance Report under Appendix 23 to the Listing Rules relating to the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules and the Model Code for Securities Transactions by Directors contained in Appendix 10 to the Listing Rules (paragraph 34). Please see the section in the Listing Document headed "Post-listing Compliance Requirements – Model Code for Securities Transactions by Directors of Listed Issuers", for a description of certain SEC and NYSE regulations relating to the code of business conduct and ethics. The SEC and NYSE also have detailed regulations on disclosure of corporate governance matters in annual and quarterly reports and proxy statements. In

addition, the NYSE rules require each NYSE listed company's CEO to submit an executed written affirmation annually to the NYSE certifying that he or she is not aware of any violation by the listed company of NYSE corporate governance listing standards, qualifying the certification to the extent necessary, and to promptly notify the NYSE in writing after any executive officer of the listed company becomes aware of any non-compliance with any applicable provisions of the NYSE corporate governance listing standards; and

- (l) a statement as to the sufficiency of public float (paragraph 34A). The U.S. reporting framework generally requires disclosure of the aggregate market value of the voting and non-voting common equity of the Company held by non-affiliates as of the last business day of the most recently completed second fiscal quarter and the approximate number of holders of the Company's common equity as of the latest practicable date.

Interim reports

The following are certain items that are required to be included in an interim report under Appendix 16 of the Listing Rules, and for which the U.S. reporting framework provides for alternative forms of disclosure to be included in the Company's quarterly reports on Form 10-Q, other periodic and current reports and other filings with the SEC:

- (a) a discussion and analysis of the Group's performance in the interim period covering all matters set out in paragraph 32 (paragraph 40). The relevant U.S. reporting framework requirements are similar to the ones set out above under annual reports;
- (b) particulars of any purchase, sale or redemption by the Company or its subsidiaries of its securities during the interim period (paragraph 41(1)). The relevant U.S. reporting framework requirements are similar to the ones set out above under annual reports;
- (c) details of interests in the equity or debt securities of the Company or any associated corporation at the end of the interim period for each person as set out in paragraph 13 (paragraph 41(2)). The relevant U.S. reporting framework requirements are similar to the ones set out above under annual reports; and
- (d) certain information relating to the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules and the Model Code for Securities Transactions by Directors contained in Appendix 10 to the Listing Rules (paragraph 44). The relevant U.S. reporting framework requirements are similar to the ones set out above under annual reports.

Preliminary announcements

The Company, like other public companies in the United States, publishes earnings releases announcing annual and quarterly results. To the extent that the Company publishes such releases, it files them with the SEC under Form 8-Ks.

The following are certain items that are required to be included in a preliminary announcement of annual results under Appendix 16 to the Listing Rules, but which are not typically included in the Company's earnings releases announcing annual results:

- (a) the information in respect of the balance sheet and income statement that are not required to be included in the Company's financial statements under the U.S. reporting framework as stated in the section in the Listing Document headed "Post-listing Compliance Requirements – Content requirements of annual reports, interim reports, preliminary announcements of full year results and preliminary announcements of interim results – Financial Statements" and notes relating to turnover, taxation, earnings per share and dividends (paragraph 45(1));

- (b) particulars of any purchase, sale or redemption by the Company, or any of its subsidiaries, of its listed securities during the relevant year (paragraph 45(2)). The Company's press releases typically include the amount of any stock repurchases made during the fourth quarter and the amount remaining under the Company's then repurchase authorization;
- (c) information relating to the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules (paragraph 45(5));
- (d) a statement as to whether or not the annual results have been reviewed by the audit committee of the Company (paragraph 45(6)); and
- (e) where the auditors' report on the Company's annual financial statements is likely to be qualified or modified, details of the qualification or modification (paragraph 45(7)).

The following are certain items that are required to be included in a preliminary announcement of interim results under Appendix 16 to the Listing Rules, but which are not typically included in the Company's press releases announcing quarterly results:

- (a) the information in respect of the balance sheet and income statement that are not required to be included in the Company's financial statements under the U.S. reporting framework as stated in the section in the Listing Document headed "Post-listing Compliance Requirements – Content requirements of annual reports, interim reports, preliminary announcements of full year results and preliminary announcements of interim results – Financial Statements" and notes relating to turnover, taxation, earnings per share and dividends (paragraph 46(1));
- (b) particulars of any purchase, sale or redemption by the Company, or any of its subsidiaries, of its listed securities during the relevant period (paragraph 46(2)). The Company's press releases typically include the amount of any stock repurchases made during the quarter and the amount remaining under the Company's then repurchase authorization;
- (c) information relating to the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules (paragraph 46(4)); and
- (d) a statement as to whether or not the interim results have been reviewed by external auditors or the audit committee of the Company (paragraph 46(6)).

Other Continuing Obligations

Certain specific public disclosure requirements

Rules 13.11, 13.12, 13.13, 13.14, 13.15, 13.15A, 13.16, 13.17, 13.18, 13.19, 13.20, 13.21 and 13.22 of the Listing Rules require the disclosure of certain general matters relevant to an issuer's business, including advances to an entity, financial assistance and guarantees to affiliated companies of an issuer, pledging of shares by the controlling shareholder, loan agreements with covenants relating to specific performance of the controlling shareholder and breaches of loan agreements by an issuer.

The Company is subject to announcement obligations under the U.S. reporting framework as described in the section headed "Certain U.S. Federal Securities and NYSE Regulations" of Appendix III of the Listing Document. Certain of the specific disclosure obligations of the Company under the SEC rules and releases include the requirement to disclose annually in its proxy statement any transaction or proposed transaction in which it participates involving an amount exceeding a specified threshold in which a related person has or will have a direct or indirect material interest and disclosure in Form 10-Ks and 10-Qs of information on material covenants related to outstanding debt in appropriate cases.

On the basis of the foregoing, and given that the Company will, upon listing, be obligated to comply with Rule 13.09(1) of the Listing Rules, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 13.11, 13.12, 13.13, 13.14, 13.15, 13.15A, 13.16, 13.17, 13.18, 13.19, 13.20, 13.21 and 13.22 of the Listing Rules.

Filing of disclosure returns for changes in issued share capital and publication of monthly return in relation to movements in equity securities

Rule 13.25A of the Listing Rules requires a listed issuer to file a next day disclosure return with the Hong Kong Stock Exchange whenever there is a change in its issued share capital as a result of or in connection with a placing, consideration issue, open offer, rights issue, bonus issue, scrip dividend, repurchase of shares or other securities, exercise of an option, capital reorganization or any other change in share capital. Rule 13.25B of the Listing Rules requires a listed issuer to publish a monthly return in relation to movements in its equity securities, debt securities and any other securitized instruments, as applicable, during the period to which the monthly return relates. Rule 13.31 of the Listing Rules requires a listed issuer to inform the Hong Kong Stock Exchange as soon as possible after any purchase, sale, drawing or redemption by the issuer or its subsidiaries of its listed securities (whether on the Hong Kong Stock Exchange or otherwise). Under Listing Rule 13.31, issuers also authorize the Hong Kong Stock Exchange to disseminate such information "in such manner as the Exchange may think fit."

The U.S. regulatory framework regarding share capital and movements in equity securities, which appear to serve similar purposes as the Listing Rules described above, includes, among other things:

- the Company is required to provide on the cover page of each of its Form 10-Ks and 10-Qs, the number of shares of its common stock outstanding as of the latest practicable date;
- the U.S. regulatory framework regarding securities offerings as described in the section headed "Certain U.S. Federal Securities and NYSE Regulations – Securities Offerings" of Appendix III of the Listing Document;
- the Company is required to disclose specified information on any stock repurchases made by or on behalf of the Company on a monthly basis in its Form 10-Qs and 10-Ks;
- issuances of shares issued upon exercise of stock options are required to be registered with the SEC (unless issued pursuant to an exemption from the U.S. securities laws); and
- certain beneficial ownership reporting requirements imposed by the U.S. regulatory framework on directors, certain officers and stockholders as described in the section headed "Certain U.S. Federal Securities and NYSE Regulations – Directors, Officers, and Significant Stockholders" of Appendix III of the Listing Document.

In addition, there are no drawing or redemption rights on the Company's Common Stock. Furthermore, as the Company only lists Depositary Receipts on the Hong Kong Stock Exchange that are backed by shares of its Common Stock, which do not have any drawing obligations or redemption rights, the drawings and redemptions notice provisions of Rule 13.31 of the Listing Rules are inapplicable.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 13.25A, 13.25B and 13.31 of the Listing Rules.

Annual meeting notice and proxy mailing requirements

Rule 13.37 of the Listing Rules requires issuers to publish annual meeting notices in accordance with Rule 2.07C. Rule 13.38 of the Listing Rules requires a listed issuer to send a proxy form with the notice convening a general shareholders' meeting to all persons entitled to vote at the meeting.

As described in the section headed "Certain U.S. Federal Securities and NYSE Regulations – Proxy Regulations" of Appendix III of the Listing Document, under the SEC's electronic delivery rules for proxy materials, the Company posts its proxy materials on a publicly accessible website and mails a notice to stockholders stating that all proxy materials can be found on that website. The Company mails the notice regarding the availability of the proxy materials to its stockholders at least 40 days prior to stockholders meetings. Moreover, the Company will publish its proxy materials in Hong Kong by way of announcements.

Furthermore, as described in the section in the Listing Document headed "Listing, Terms of Depositary Receipts and Deposit Agreements, Registration, Dealings and Settlement," as soon as practicable after receiving notice of any meeting or solicitation of consents or proxies from the Company, the HDR Depositary will distribute to the registered holders of Depositary Receipts (and to non-registered holders of Depositary Receipts but only upon request made by non-registered holders to HKSCC) a notice stating such information as is contained in the voting materials received by the HDR Depositary and describing how the holders of Depositary Receipts may instruct the HDR Depositary or any other person to exercise the voting rights for the Common Stock which underlie HDSs.

On the basis of the foregoing, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 13.37 and 13.38 of the Listing Rules.

Requirements regarding votes in shareholder meetings

Rule 13.39(5) of the Listing Rules requires the issuer to announce the results of the poll at a shareholder general meeting as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following the meeting. The issuer shall appoint its auditors, share registrar or external accountants who are qualified to serve as auditors for the issuer as scrutineer for the vote-taking and state the identity of the scrutineer in the announcement. The issuer shall confirm in the announcement whether or not any parties that have stated their intention in the circular to vote against the relevant resolution or to abstain have done so at the general meeting.

The Company is required under the SEC rules to publicly report the results of stockholder votes on a Form 8-K within four business days after the results are known. In addition, the Company will announce the results of stockholder votes at any stockholder general meeting as soon as reasonably practicable in compliance with the requirements of Rule 13.09(1) of the Listing Rules.

On the basis of the foregoing, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 13.39(5) of the Listing Rules.

Announcement of board meetings

Rule 13.43 of the Listing Rules requires an issuer to inform the Hong Kong Stock Exchange and publish an announcement at least seven clear business days in advance of the date fixed for any board meeting at which the declaration, recommendation or payment of a dividend

is expected to be decided or at which any announcement of the profits or losses for any year, half-year or other period is to be approved for publication. We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 13.43 of the Listing Rules, on the condition that the Company will publish annually a financial calendar, indicating, among other things, the ending dates of the relevant fiscal year and fiscal quarters during the year, the due dates of the corresponding annual and quarterly reports, the dates of already scheduled stockholder meetings and the months when the board or board committee meetings convene to review upcoming earnings announcements and quarterly and annual reports and that the Company will publish as an announcement on the Hong Kong Stock Exchange's website as soon as reasonably practicable any press release it issues prior to the next earnings announcement disclosing the date of such earnings announcement and the access information to the related earnings call to be held.

Voting of directors at board meetings

Rule 13.44 of the Listing Rules requires that, subject to such exceptions set out in Note 1 to Appendix 3, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting.

There is no equivalent provision under Maryland law or the charter or bylaws of the Company, as the requirements for a quorum and approval of a contract or transaction are the same under Maryland law regardless of the interests of a director or his associate. To exclude such a director from the quorum or vote may result in an inability to obtain a quorum or the requisite vote for approval, even if the contract or transaction is in the best interests of the Company and approved by all other directors. However, stockholders receive a commensurate level of protection under the applicable provisions of the MGCL. Under the MGCL, a contract or other transaction between a corporation and a director or between a corporation and any other corporation, firm or other entity in which a director is a director or has a material financial interest is not void or voidable solely because of (i) the common directorship or interest, (ii) the presence of a director at the meeting authorizing, approving or ratifying the contract or transaction or (iii) the counting of the director's vote for the authorization, approval or ratification of the contract or transaction, if the fact of the common directorship or interest is disclosed and the contract or other transaction is either (a) authorized, approved or ratified in accordance with certain procedures by the disinterested directors or by the disinterested stockholders or (b) is fair and reasonable to the corporation. If the contract or other transaction is not authorized, approved or ratified in one of the foregoing ways, the person asserting the validity of the contract or transaction bears the burden of proving that the contract or transaction was fair and reasonable to the corporation at the time it was authorized, approved or ratified. The foregoing provisions are in addition to, not in lieu of, the approvals that are necessary generally and hence it would be inconsistent with Maryland law to adopt the provisions of Rule 13.44 in the charter or bylaws of the Company.

On the basis of the foregoing, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 13.44 of the Listing Rules.

Reporting of certain information

Rule 13.45 of the Listing Rules requires an issuer to inform the Hong Kong Stock Exchange immediately after approval by or on behalf of the board of any decision as to dividends; preliminary announcement of profits or losses for any year, half-year or other period; proposed change in the capital structure; and decision to change the general character or nature of the business of the issuer or group. In addition, the Note to Rule 13.45(4) provides that once a decision has been made to submit to the board a proposal to change the issuer's capital structure, "no dealings in any of the relevant securities should be effected by or on behalf of the issuer or any of its subsidiaries until the proposal has been announced or abandoned."

The Company:

- reports quarterly and annual earnings announcements on Form 8-Ks;
- publicly files with the SEC a registration statement (which includes a prospectus) in the case of a registered offering of securities;
- reports unregistered offerings of securities on a Form 8-K (or a Form 10-K or Form 10-Q if not previously covered by a Form 8-K) as described in the section headed “Certain U.S. Federal Securities and NYSE Regulations – Securities Offerings” of Appendix III of the Listing Document; and
- reports stock repurchases on Form 10-Qs or Form 10-K.

The NYSE requires the Company to give prompt written notice of any dividend action or action relating to a stock distribution in respect of a listed stock (including the omission or postponement of a dividend action at the customary time as well as the declaration of a dividend) and any material change in the general character or nature of the Company’s business. The Company also issues press releases on declarations of dividends and any material change in the general character or nature of the Company’s business may be considered in the context of the U.S. framework on the public disclosure of material events, which may warrant the filing of a Form 8-K.

To the extent any foregoing matters are material non-public information, the Company must either refrain from trading or disclose that information publicly before trading in its securities.

We have applied for, and the Hong Kong Stock Exchange has granted, waivers from strict compliance with the requirements of Rule 13.45 of the Listing Rules on the condition that the Company will publish the contents of any Form 8-K as an overseas regulatory announcement on the Hong Kong Stock Exchange’s website pursuant to Rule 13.09(2) as soon as reasonably practicable after such Form 8-K is published on the SEC’s website. However, if the contents of any Form 8-K constitute price sensitive information under Rule 13.09(1) of the Listing Rules, the Company will publish its contents as an announcement on the Hong Kong Stock Exchange’s website as soon as reasonably practicable in compliance with the requirements of Rule 13.09(1). With regard to declarations of dividends, to the extent that there are any, the Company typically announces them by way of press releases in the United States within two to three weeks after they are approved at the Board meetings. The Company will publish any such press releases as announcements on the Hong Kong Stock Exchange’s website as soon as reasonably practicable after they are published in the United States.

Notifications

Rules 13.51, 13.51B and 13.51C of the Listing Rules require an issuer, in certain circumstances, to notify the Hong Kong Stock Exchange and publish an announcement where, among others, there is any proposed change to its memorandum or articles of association, or any change to its directorate, the rights attaching to its listed securities, its auditors or financial year end, its secretary, its share registrar, its registered address or its compliance adviser. Rule 3.20 of the Listing Rules requires each director of a listed issuer to provide to the Hong Kong Stock Exchange, immediately upon his resignation as a director, his up-to-date contact information.

The Company:

- reports charter and bylaw amendments on Form 8-K (or in a proxy statement where stockholder approval is required);
- reports changes of directors on a Form 8-K (or detailed information about director candidates in a proxy statement when conducting an election of directors by stockholders);

- reports material modifications to rights of security holders on a Form 8-K;
- reports changes in accountants on a Form 8-K; and
- reports changes in its fiscal year end on a Form 8-K (or in a proxy statement if put to a stockholder vote).

There is no similar concept of a compliance adviser to report on a Form 8-K or otherwise. Also the Company is required under the NYSE rules to give five business days' advance notice to the NYSE with respect to the proposed appointment of a new transfer agent or registrar.

The Directors are not subject to similar requirements under the U.S. regulatory framework as Rule 3.20 of the Listing Rules. In addition, the Company will comply with Rule 13.78 of the Listing Rules to, if and when requested by the Hong Kong Stock Exchange, use its best endeavors to assist the Hong Kong Stock Exchange to locate the whereabouts of any Director who has since resigned from his directorship.

We have applied for, and the Hong Kong Stock Exchange has granted, waivers from strict compliance with the requirements of Rules 13.51, 13.51B and 13.51C and 3.20 of the Listing Rules on the condition that the Company will publish the contents of any Form 8-K as an overseas regulatory announcement on the Hong Kong Stock Exchange's website pursuant to Rule 13.09(2) as soon as reasonably practicable after such Form 8-K is published on the SEC's website. However, if the contents of any Form 8-K constitute price sensitive information under Rule 13.09(1) of the Listing Rules, the Company will publish its contents as an announcement on the Hong Kong Stock Exchange's website as soon as reasonably practicable in compliance with the requirements of Rule 13.09(1).

Resolutions, circulars and other documents

Rules 13.54, 13.55 and 13.57 of the Listing Rules require an issuer to, upon request by the Hong Kong Stock Exchange, provide certified copies of all resolutions of the issuer within 15 days after they are passed, and where a circular is issued to certain holders of its securities, issue a summary of the circular to all other holders of its securities unless the contents are of no material concern to them. An issuer is also required to, where an increase of its authorized capital is proposed, inform shareholders whether there is any present intention to issue any part of that capital.

While the U.S. regulatory framework does not expressly obligate the Company to forward its stockholder resolutions to the SEC or the NYSE, under the MGCL, stockholders may inspect and copy during usual business hours any minutes of the proceedings of the stockholders.

Please refer to the section headed "Certain U.S. Federal Securities and NYSE Regulations – Proxy Regulations" of Appendix III of the Listing Document for a discussion of proxy statements under the U.S. framework.

With respect to Rule 13.57, no approval by the stockholders of the Company is required for an increase of its authorized capital under the MGCL or the charter or bylaws of the Company and no prior notice or other document is therefore required to be sent to the stockholders where such an increase is proposed. As such, the requirement of Rule 13.57 of the Listing Rules is inapplicable.

On the basis of the foregoing, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 13.54, 13.55 and 13.57 of the Listing Rules.

Shareholders' approval for directors' service contracts

Rule 13.68 of the Listing Rules provides that a listed issuer shall obtain the prior approval of its shareholders (and the relevant director and his associates shall not vote on the matter) for any service contract to be granted by the listed issuer or any of its subsidiaries to any director or proposed director which (a) is for a duration that may exceed three years; or (b) in order to entitle the listed issuer to terminate the contract, expressly requires it to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emoluments.

Article III, Section 12 of the Company's bylaws provides that Directors shall not receive any stated compensation for their services as Directors, but, by resolution of the Board, may receive compensation per year and/or per meeting and/or per visit to real property or other facilities owned or leased by the Company and for any service or activity they performed or engaged in as Directors. Directors may also be reimbursed for expenses of attendance at each meeting of the Board or of any committee thereof. Under the Company's bylaws, approval of any compensation for directors is required to be approved by a majority of the Directors present at a meeting at which a quorum is present.

Currently, each Director is elected to the Board for a one-year term.

Directors who are employees of the Company receive no additional compensation for their services as Directors. Compensation for the Company's outside Directors (i.e., Directors who are not employees of the Company) is recommended by the Board's Human Resources Committee (whose members are independent as required under the NYSE rules) and approved by the Board (whose six of seven members are independent under the NYSE rules). Compensation for each outside Director consists of an annual cash retainer, which varies based on each Director's role on the Board, and annual grants of stock options and restricted stock units made on the date of the Company's annual meeting of stockholders. Options and restricted stock units vest in full on the earliest of the Company's next annual meeting of stockholders or one year from the date of grant, subject to the Director's continued service until that time.

Under the SEC rules, the Company is required to disclose compensation information on each Director in its annual proxy statement.

Of the Company's current Directors, only one Director – the Chairman and CEO – is also an employee of the Company. In accordance with the SEC rules, the Company discloses information about potential payments due to its CEO and other named executive officers upon termination or change-of-control in either its annual meeting proxy statement or its Form 10-K each year. The SEC also requires the Company to provide stockholders with an advisory vote on executive compensation at least once every three years.

In addition, as described in the section headed "Share Capital – Issuance of Shares of Stock" of Appendix III of the Listing Document, under the NYSE rules, the Company is generally required to obtain stockholder approval for equity compensation plans.

On the basis of the foregoing, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 13.68 of the Listing Rules for the Company's executive Directors who are also its employees on the condition that the Company undertakes that going forward no compensation for loss of office/retirement will be granted to outside directors.

Director nomination notice requirements

Rule 13.70 of the Listing Rules provides that a listed issuer shall publish an announcement or issue a supplementary circular upon receipt of a notice from a shareholder to propose a person for election as a director at the general meeting where such notice is received by the issuer after publication of the notice of meeting. The issuer shall include particulars of the proposed director in the announcement or supplementary circular.

Please see the section in the Listing Document headed "Post-listing Compliance Requirements – Content requirements of articles of association or equivalent document – As regards directors" for a description of the requirements under Maryland law and the Company's bylaws as to stockholder nominations of directors. In particular, the Company's bylaws require that, to be considered at an annual meeting, a stockholder's nomination notice, containing the information set forth in the bylaws, be received by the Company's Secretary not earlier than the 150th day or later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting (subject to exceptions set forth in the bylaws). Pursuant to such requirements, a stockholder's nomination notice received outside of the period specified in the bylaws, including nominations raised at the annual meeting, will not be considered.

Proxy solicitations for director elections are also subject to the requirements under the SEC's proxy rules as described in the section headed "Certain U.S. Federal Securities and NYSE Regulations – Proxy Regulations" of Appendix III of the Listing Document. There is no requirement that a stockholder nominee be included in the Company's proxy statement.

On the basis of the foregoing, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 13.70 of the Listing Rules.

Notices to holders of securities

Rules 13.71 and 13.73 of the Listing Rules require an issuer to send notices to all holders of its listed securities whether or not their registered addresses are in Hong Kong and to publish notices of and dispatch to its shareholders circulars in relation to all shareholder or creditor meetings. The notices of meeting must be available on the issuer's website for a period of five years and any new information that is not included in the circulars must be provided to members not less than 10 days before the date of the meeting. Rule 13.74 of the Listing Rules requires an issuer to disclose in notices of meetings certain details of directors who are proposed to be elected or re-elected.

As stated in the section in the Listing Document headed "Waivers – Post-listing Compliance Requirements – Use of electronic means for corporate communications," if the Company is required to send printed copies of any notices, reports, voting forms or other communications to registered and non-registered holders of Depositary Receipts under the Listing Rules or any other laws or regulations, it will make available printed copies thereof to the HDR Depositary who will distribute the same to the registered holders of Depositary Receipts (and to non-registered holders of Depositary Receipts but only upon request made by non-registered holders to HKSCC). Such practice will be followed whether or not the holders' registered addresses are in Hong Kong. In addition, as stated in the same section, the Company publicly files various corporate communications with the SEC which are posted on the SEC's website and its own website.

As stated in the section in the Listing Document headed "Waivers – Other Continuing Obligations – Requirements regarding votes in shareholder meetings," the SEC's proxy rules makes it unlawful to solicit proxies by means of any proxy materials containing any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading.

The SEC rules set forth detailed requirements as to the information that must be provided in proxy statements in connection with director elections.

On the basis of the foregoing, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 13.71, 13.73 and 13.74 of the Listing Rules.

DISCLOSURE OF INTERESTS REQUIREMENTS UNDER THE SFO

Part XV of the SFO imposes obligations on shareholders, directors and chief executives of a listed company to notify their interests in the listed company and for the listed company to prepare registers and maintain records.

The U.S. regulatory framework imposes certain beneficial ownership reporting requirements on directors, certain officers and stockholders as described in the section headed "Certain U.S. Federal Securities and NYSE Regulations – Directors, Officers, and Significant Stockholders" of Appendix III of the Listing Document.

The Company has applied for, and the SFC has granted, a partial exemption under section 309(2) of the SFO from the requirements under Part XV of the SFO (other than Divisions 5, 11 and 12) for the Company and its shareholders, directors and chief executives on conditions that:

- (a) the Company shall file with the Hong Kong Stock Exchange all disclosure of interests made public in the United States as soon as practicable on the basis that the Hong Kong Stock Exchange will publish these disclosures in the same way as those it receives from other listed corporations pursuant to Part XV;
- (b) the Company shall report to the SFC, within 10 business days after the end of each calendar month, what percentage of that month's average daily worldwide share turnover took place on the Hong Kong Stock Exchange. The first report should cover the period from the date the Company is listed to the end of that calendar month and this obligation to report shall continue until such time when the SFC advises the Company otherwise in writing and in any case for no less than 12 months from the date of listing; and
- (c) the Company shall advise the SFC if there is any material change in any of the information which the Company has given to the SFC, including any significant change to the disclosure requirements in the United States, and any exemption or waiver from the disclosure of interest requirements in the United States.

RULING THAT WE ARE NOT A PUBLIC COMPANY IN HONG KONG UNDER THE TAKEOVERS CODE

Paragraph 4.1 of the Introduction to the Takeovers Code issued by the SFC provides that those codes apply to takeovers, mergers and share repurchases affecting, among others, public companies in Hong Kong and companies with a primary listing of their equity securities in Hong Kong.

We are currently subject to U.S. and Maryland regulations regarding takeovers, mergers and share repurchases, including, among others, the SEC proxy rules, the SEC tender offer rules and Maryland takeover laws, as described in the sections headed "Stockholders," "Provisions relating to Unsolicited Takeovers" and "Certain U.S. Federal Securities and NYSE Regulations – Takeover Regulations" of Appendix III of the Listing Document and the section in the Listing Document headed "Waivers – Post-listing Compliance Requirements – Share repurchase."

We have sought, and the SFC has granted, a ruling that we would not be regarded as a public company in Hong Kong for the purposes of the Takeovers Code and that accordingly, the Takeovers Code shall not apply to the Company upon the listing of the Depositary Receipts on the Hong Kong Stock Exchange.

B. FOREIGN LAWS AND REGULATIONS

The Company is incorporated in the State of Maryland and, therefore, operates subject to Maryland law, including the MGCL. Set out below is a summary of certain provisions of Maryland law, U.S. securities and tax laws, NYSE regulations, the Company's charter, consisting of articles of incorporation, as amended and supplemented (the "charter"), and the Company's bylaws (the "bylaws"), although this summary does not purport to be a complete description or review of the same. The Maryland General Corporation Law can be accessed via the Internet at www.michie.com/maryland.

GENERAL

The Company was incorporated in the State of Maryland, United States of America, on June 1, 2000 under the MGCL by the filing with and acceptance for record by the State Department of Assessments and Taxation of Maryland of articles of incorporation. The purposes for which the Company was formed was to engage in any lawful act or activity for which corporations may be organized under the laws of the State of Maryland and the Company may exercise all powers of a corporation not inconsistent with law. The Company has perpetual existence.

SHARE CAPITAL

Authorized Stock

The charter provides that the Company may issue up to 1,000,000,000 shares of common stock, \$0.01 par value per share, and up to 25,000,000 shares of preferred stock, \$0.01 par value per share, and permits the Company's board of directors, with the approval of a majority of the entire board and without stockholder approval, to amend the charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Company has authority to issue.

Variation of Rights

Under the MGCL, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of any class or series of stock of a corporation may vary among holders thereof only if the manner in which such variations shall operate is clearly and expressly set forth in the charter of such corporation. The charter does not provide for any variations among the holders of any class or series of stock. Any amendment to the charter to provide for such variations would require approval in the manner set forth below.

Issuance of Shares of Stock

The Company's board of directors may authorize the issuance from time to time of shares of stock of the Company of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of its stock of any class or series, whether now or hereafter authorized, for such consideration as the board of directors may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the charter or the bylaws. Prior to the issuance of stock or convertible securities, the board of directors must adopt a resolution that (i) authorizes the issuance, (ii) sets the minimum consideration for the stock or convertible securities or a formula for its determination and (iii) fairly describes any consideration other than money.

Consideration for the issuance of stock, convertible securities, warrants or options may consist, in whole or in part, of (i) money, (ii) tangible or intangible property, (iii) labor or services actually performed for the corporation; (iv) a promissory note or other obligation for future payment in money or (v) contracts for labor or services to be performed. When a corporation receives the consideration for which stock or convertible securities are to be issued, the stock or convertible securities are fully paid and nonassessable.

Except as may be required by the rules of any U.S. stock exchange or automated quotation system on which the Company's securities may be listed or traded, stockholder approval is not required in order for the Company to issue shares of stock. Additionally, please see the risk factor on page 18 of the Listing Document under the caption, "We are a corporation incorporated in the State of Maryland in the United States and our corporate governance practices are principally governed by United States federal and Maryland state laws and regulations."

Also, under Section 312 of the NYSE Listed Company Manual, stockholder approval is required:

- for equity compensation plans;
- prior to the issuance of common stock, or of securities convertible into or exercisable for common stock, to a director, officer or substantial security holder of the company (or certain affiliates and other persons thereof) subject to threshold exceptions;
- prior to the issuance of common stock, or of securities convertible into or exercisable for common stock, if: (1) the common stock has, or will have upon issuance, voting power equal to or in excess of 20 percent of the voting power outstanding before the issuance of such stock or of securities convertible into or exercisable for common stock; or (2) the number of shares of common stock to be issued is, or will be upon issuance, equal to or in excess of 20 percent of the number of shares of common stock outstanding before the issuance of the common stock or of securities convertible into or exercisable for common stock, subject to exceptions for public offerings for cash, bona fide private financings involving the sale of common stock (or securities convertible into or exercisable for common stock) for cash at a price at or greater than both book and market value; or
- prior to an issuance that will result in a change of control of the issuer.

Voting Rights

Except as may otherwise be specified in the terms of any class or series of stock, each outstanding share of common stock entitles the holder thereof to one vote on all matters submitted to a vote of stockholders, including the election of directors and, except as may be provided with respect to any other class or series of stock, the holders of such shares will possess the exclusive voting power.

Shares of a corporation's own stock held directly or indirectly by it may not be voted at any meeting and may not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by the corporation in a fiduciary capacity.

Power to Classify and Reclassify Stock

The board of directors may classify any unissued shares of preferred stock, and reclassify any unissued shares of common stock or any previously classified but unissued shares of preferred stock into one or more other classes or series of stock, including one or more classes or series of stock that have priority over the Company's common stock with respect to voting rights or distributions or upon liquidation, and the board of directors may authorize the Company to issue the newly classified shares. Prior to the issuance of shares of each class or series, the

board of directors is required by the MGCL and the charter to set the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each such class or series. These actions can be taken without stockholder approval, unless stockholder approval is required by applicable law, the terms of any other class or series of the Company's stock or the rules of any stock exchange or automated quotation system on which such stock may be then listed or traded.

Once shares of a class or series of stock are issued and outstanding, however, subsequent amendments to the terms of such outstanding stock must be declared advisable by the board of directors and approved by the stockholders entitled to vote thereon. Amendments to the terms of a particular class or series generally require the approval of all holders of voting stock, as discussed below. However, a corporation's charter may provide that the holders of one or more classes or series of stock have exclusive voting rights on a charter amendment that would alter only the contract rights, as expressly set forth in the charter, of the specified class or series of stock.

Power to Increase or Decrease Authorized Stock

The charter authorizes the Company's board of directors, with the approval of a majority of the entire board and without any action by the stockholders, to amend the charter to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of stock of any class or series.

Preemptive Rights

Except as may be provided by the board of directors in setting the terms of classified or reclassified shares of stock or as may otherwise be provided by a contract approved by the board of directors, no holder of shares of stock of the Company shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Company or any other security of the Company which it may issue or sell.

Restrictions on Transfer

Any restrictions on the transferability of shares of stock must be contained in the charter or in a contract to which the stockholder is a party or to which the stockholder assented in receiving such stockholder's shares of stock. There are no restrictions on ownership and transfer of the Company's stock set forth in the charter.

Stamp or Similar Taxes

Maryland does not impose a stamp tax, or franchise tax, on its capital stock.

Stock Repurchases

Subject to the limitations on the payment of distributions set forth below, if authorized by its board of directors, a corporation may acquire the corporation's own shares. Any shares of its own stock so acquired by a corporation shall constitute authorized but unissued shares which, unless the corporation's charter provides otherwise, may be reissued by the corporation. The charter does not provide otherwise. Shares of a corporation may be purchased by a subsidiary of the corporation, but such shares shall be subject to the limitations set forth above under the caption, "Voting Rights." There is no treasury stock under Maryland law.

Financial Assistance to Purchase Shares

There is no specific restriction under Maryland law on the provision of financial assistance by a corporation to another person for the purchase of, or subscription for, its own shares. However, any determination by the board of directors of a corporation is subject to the standard of conduct of directors described below.

Distributions

The MGCL permits a corporation, subject to any restriction in its charter, to make any distribution authorized by the board of directors unless, after the distribution (i) the corporation would not be able to pay its debts as they become due in the usual course of business or (ii) the corporation's total assets would be less than the sum of its total liabilities, plus, unless the charter permits otherwise, the amount that would be needed if the corporation were dissolved at the time of the distribution to satisfy liquidation preferences on stock senior to the stock receiving the distribution. Notwithstanding clause (ii) of the immediately preceding sentence, a corporation may make a distribution from (i) the net earnings of the corporation for the fiscal year in which the distribution is made, (ii) its net earnings for the preceding fiscal year or (iii) the sum of its net earnings for the preceding eight fiscal quarters. A corporation's board of directors may base a determination that a distribution is not prohibited either on (i) financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or (ii) a fair valuation or other method that is reasonable in the circumstances.

A distribution may be in the form of (i) a declaration or payment of a dividend, (ii) a purchase, redemption, whether or not at the option of the corporation or the stockholders, or other acquisition of shares or (iii) an issuance of evidence of indebtedness. A distribution does not include a stock dividend or stock split authorized under certain provisions of the MGCL.

Subject to the preferential rights, if any, of holders of any other class or series of stock, holders of common stock have the right to receive ratably any distributions from funds legally available therefor, when, as and if authorized by the Company's board of directors and declared by the Company, and are entitled to share ratably in the assets of the Company legally available for distribution to the holders of common stock in the event of the Company's liquidation, dissolution or winding up of its affairs.

Alterations of Share Capital

Under the MGCL, the capital of a Maryland corporation consists of three accounts: stated capital (i.e., the aggregate par value of the stock issued), capital surplus (i.e., all consideration received by the corporation in excess of the aggregate par value) and earned surplus (i.e., undistributed profits of the corporation accumulated over time, commonly referred to as retained earnings). A corporation may, by resolution of its board of directors, apply any part of its capital surplus (a) against a corporate deficit arising from a loss or from diminution in the value of its assets or for any other proper corporate purpose or (b) to restore depleted earned surplus. An application of capital surplus must be disclosed to stockholders in the corporation's next annual report.

Formerly, the distinctions between stated capital, capital surplus and earned surplus were important because the MGCL prohibited dividends that impaired stated capital and prohibited redemptions or purchases of stock that were charged against any source other than surplus. Now, since the enactment in 1988 of amendments to the MGCL, which substituted two insolvency tests (equity and balance sheet) for the pre-1988 tests, the distinctions between these capital accounts are no longer legally relevant, except for disclosure of an application of capital surplus.

Under the MGCL, shares of stock of a corporation acquired by such corporation are automatically retired, thus reducing stated capital. However, any reduction of stated capital other than through retirement of stock held by the corporation or certain changes in par value

must be approved by (a) adoption of a resolution of the board of directors declaring that the proposed reduction is advisable and (b) the stockholders of the corporation by the affirmative vote of two-thirds of all the votes entitled to be cast on the matter (or a majority of all the votes entitled to be cast on the matter if such stockholder vote requirement is reduced pursuant to a charter provision, which the Company's charter contains).

A division of issued shares into a greater number of shares of the same class without any change in the aggregate amount of stated capital is a stock split; a division with a change (increase) in the aggregate amount of stated capital is a stock dividend under Maryland law. The issuance of a stock dividend and forward stock splits may be authorized by the board of directors of a Maryland corporation. However, a dividend payable in one class of a corporation's stock may not be declared or paid to the holders of another class of stock unless the payment has been approved by the board of directors pursuant to a power conferred upon it in the charter or by the affirmative vote of a majority of each class of stockholders entitled to vote on the matter.

Maryland also permits the board of directors of a corporation with a class of equity securities registered under the Securities Exchange Act of 1934, such as the Company, with the approval of a majority of the board of directors and without stockholder action, to effect a reverse stock split resulting in a combination of shares at a ratio of not more than ten shares into one share in any twelve-month period. A reverse stock split is defined as a combination of outstanding shares of stock of a corporation into a lesser number of shares of stock of the same class without any change in the aggregate amount of stated capital of the corporation, except for a change resulting from an elimination of fractional shares. Within 20 days after the effective date of the reverse stock split, the corporation must give written notice of the reverse split to each holder of record of the combined shares of stock as of the effective date.

Books and Records and Annual Statement

Under the MGCL, each corporation is required to keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its stockholders and board of directors. The president or, if provided in the bylaws, some other executive officer of each corporation is required to prepare annually a full and correct statement of the affairs of the corporation, including a balance sheet and a financial statement of operations for the preceding fiscal year, which must be submitted at the annual meeting of stockholders and, thereafter, placed on file at the corporation's principal office or such other place specified in the bylaws of the corporation.

BOARD OF DIRECTORS

General

Under the MGCL, the business and affairs of a corporation shall be managed under the direction of the board of directors. All powers of the corporation may be exercised by or under the authority of the board of directors, except as conferred on or reserved to the stockholders by law or by the charter or bylaws of the corporation.

Standard of Conduct of Directors

The standard of conduct for directors in performing his or her duties as a director is generally set forth in the MGCL, and requires that a director of a corporation perform his or her duties in good faith, in a manner he or she reasonably believes to be in the best interests of the corporation and with the care of that an ordinarily prudent person in a like position would use under similar circumstances.

Number of Directors

The number of directors of the Company may be fixed only by the board of directors. Currently, there are seven members on the board of directors of the Company.

Election of Directors

Each member of the Company's board of directors is elected by the Company's stockholders to serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies. Holders of shares of the Company's common stock have no right to cumulative voting in the election of directors, and directors are elected by a plurality of all the votes cast in the election of directors.

Vacancies

Subject to the rights of holders of one or more classes or series of preferred stock, any vacancy on the board of directors may be filled only by a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the full term of the directorship in which such vacancy occurred and until a successor is elected and qualifies.

Removal of Directors

A director may be removed, with or without cause, by the affirmative vote of at least two-thirds of all the votes entitled to be cast by the stockholders generally in the election of directors.

Meetings of the Board

The board of directors holds regular meetings, including an annual meeting generally held after and at the same place as the annual meeting of stockholders. Special meetings of the board of directors may also be called at the request of the chairman of the board, the chief executive officer, the president or by a majority of the directors then in office. Meetings of the board of directors require a quorum of a majority of the directors in order to transact business, and the action of a majority of the directors present at a meeting at which a quorum is present shall be the action of the board of directors, unless a greater proportion is required by applicable law, the charter or the bylaws. In accordance with the bylaws, notice of meetings of the board of directors may be delivered personally or by telephone, e-mail or facsimile transmission not less than 24 hours prior to a meeting. In addition, notice may be given by courier not less than two days prior to the meeting or by mail not less than three days prior to the meeting. The board of directors may hold telephonic or in person meetings, and may also act by unanimous written consent.

Limitation of Directors' and Officers' Liability and Indemnification

The MGCL permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages, except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty that is established by a final judgment and is material to the cause of action. The charter contains a provision that eliminates such liability to the maximum extent permitted by Maryland law.

The MGCL requires a corporation (unless its charter provides otherwise, which the charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. The MGCL permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that:

- (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty;
- (b) the director or officer actually received an improper personal benefit in money, property or services; or
- (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, and then only for expenses. In addition, the MGCL permits a Maryland corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of:

- (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and
- (b) a written undertaking by the director or officer or on the director's or officer's behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director or officer did not meet the standard of conduct.

The charter authorizes, and the bylaws obligate, the Company, to the maximum extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of such a proceeding to:

- (a) any present or former director or officer of the Company who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity; or
- (b) any individual who, at the Company's request, serves or has served as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity.

Remuneration of Directors

The MGCL does not expressly include a provision related to the compensation of directors, although such matters are typically addressed in a corporation's bylaws or by resolution of the board of directors. The bylaws provide that directors shall not receive any stated compensation for their services as directors, but, by resolution of the board of directors, may receive compensation per year and/or per meeting and/or per visit to real property or other facilities owned or leased by the Company and for any service or activity they performed or engaged in as directors. Directors may also be reimbursed for expenses of attendance at each

meeting of the board of directors or of any committee thereof. Under the bylaws, approval of any compensation for directors is required to be approved by a majority of the directors present at a meeting at which a quorum is present.

Interested Director Transactions

Under the MGCL, a contract or other transaction between a corporation and a director or between a corporation and any other corporation, firm or other entity in which a director is a director or has a material financial interest is not void or voidable solely because of (i) the common directorship or interest, (ii) the presence of a director at the meeting authorizing, approving or ratifying the contract or transaction or (iii) the counting of the director's vote for the authorization, approval or ratification of the contract or transaction, if the fact of the common directorship or interest is disclosed and the contract or other transaction is either (a) ratified in accordance with certain procedures by the disinterested directors or by the disinterested stockholders or (b) is fair and reasonable to the corporation. If the contract or other transaction is not authorized, approved or ratified in one of the foregoing ways, the person asserting the validity of the contract or transaction bears the burden of proving that the contract or transaction was fair and reasonable to the corporation at the time it was authorized, approved or ratified. However, the foregoing sentence does not apply to the fixing by the board of directors of reasonable compensation for a director, whether as a director or in any other capacity.

Loans to Directors

The MGCL does not expressly prohibit loans or the extension of credit by a Maryland corporation to its directors.

Age Limit

The MGCL does not contain a statutory age limit for individuals to serve on a board of directors. In addition, the Company does not have a mandatory retirement age for directors.

Borrowing Powers

The board of directors may from time to time, at its discretion, authorize the Company to raise, borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Officers

An officer or agent of a Maryland corporation has the authority and shall perform the duties in the management of the assets and affairs of the corporation as provided in the bylaws of the corporation and determined from time to time by resolution of the board of directors not inconsistent with the bylaws of the corporation. Unless the bylaws of a corporation provide otherwise, the board of directors shall elect the officers and the officers shall serve for one year and until his or her successor is elected and qualifies. An officer or agent of the corporation may be removed by the board of directors if, in its judgment, the best interests of the corporation will be served thereby. A Maryland corporation is required to have a president, secretary and treasurer and may have any other officers provided for in the bylaws of the corporation. A corporation may provide a loan, guaranty or other assistance to an officer or other employee, including one who is a director, if the loan, guaranty or other assistance may, in the judgment of the directors, reasonably be expected to benefit the corporation or is an advance made against indemnification in accordance with the MGCL provisions described above.

STOCKHOLDERS

Liability of Stockholders

Under Maryland law, stockholders are not generally liable for a corporation's debts or obligations. A stockholder's liability is limited to his or her capital contribution, absent a contrary provision in a corporation's charter. There is no such provision in the Company's charter. A stockholder is obligated to the corporation, however, to the extent that the agreed consideration for the stock has not been paid.

Annual Meetings of Stockholders

Maryland law requires a corporation to hold an annual meeting of stockholders to elect directors and transact any other business within its powers. Pursuant to the bylaws, the Company's annual meeting of stockholders will be held on a date and at the time set by the board of directors during the 31-day period beginning on the 15th day of October and ending on the 14th day of November of each year.

Special Meetings of Stockholders

Special meetings of stockholders may be called by the chairman of the board, president, chief executive officer or board of directors. A special meeting of stockholders to act on any matter that may properly be considered by the stockholders will also be called by the secretary of the Company upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at the meeting, accompanied by the information required by the bylaws. The secretary of the Company will inform the requesting stockholders of the reasonably estimated cost of preparing and mailing the notice of meeting, and the requesting stockholder must pay such estimated cost before the secretary may prepare and mail the notice of the special meeting.

Notices of Meetings

Under the MGCL, the secretary of a Maryland corporation is required to give notice of a meeting of stockholders in writing or by electronic transmission not less than 10 nor more than 90 days before the meeting to each stockholder entitled to vote at the meeting and each other stockholder entitled to notice of the meeting.

Quorum and Voting

Under the MGCL and the Company's bylaws, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting of stockholders constitutes a quorum. In addition, each outstanding share of common stock is entitled to one vote per share. Stockholders elect directors by a plurality of all the votes cast at a meeting of stockholders, duly called and at which a quorum is present. A majority of the votes cast is generally sufficient to approve any other matter, unless more than a majority of the votes cast is required by Maryland law, the charter or the rules of any stock exchange or automated quotation system on which such stock may be then listed or traded. Extraordinary transactions (i.e., merger, consolidation, share exchange, sale of all or substantially all of a corporation's assets and dissolution) require the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter, unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is specified in the corporation's charter. The charter provides that these actions must be approved by stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter.

Proxies

Under the MGCL, a record holder of stock may vote such stock in person or by authorizing another person to act as a proxy for the stockholder. Such proxies are in the stockholder's discretion and typically provide the proxy holder with the power to attend the stockholders meeting and to cast the votes entitled to be cast by the stockholder and to otherwise represent the stockholder at such meeting with all of the powers possessed by the stockholder as if the stockholder were personally present at the meeting. In Maryland, there is no limit on the number of proxies that may be authorized. Each stockholder can authorize a different person to act as a proxy. In addition, a corporation may not require that proxies be submitted in advance of the meeting in order to be effective thereat.

Also, the bylaws provide that shares of stock of the Company registered in the name of another business entity may be voted by the president, vice president, general partner or trustee of such entity, as the case may be, or a proxy appointed by one of the foregoing individuals, unless some other person has been appointed to vote such shares pursuant to a bylaw or a resolution of the governing body of such entity. Furthermore, the board of directors may similarly authorize one or more officers to vote shares of stock of other entities held by the Company.

Stockholder Proposals

Under Maryland law, stockholders have the right to nominate directors and make other stockholder proposals at a meeting, but a corporation may require notice of such nominations or proposals of other business to be provided by the stockholder in advance of the meeting at such time as specified in the charter or bylaws of the corporation. Under the bylaws, nominations or other business must be given by a stockholder to the Company in advance of a meeting in accordance with the timing and other requirements set forth therein.

With respect to an *annual meeting* of stockholders, nominations of individuals for election to the Board of Directors and the proposal of other business to be considered by stockholders may be made by any stockholder who was a stockholder of record both at the time of giving the notice required by the bylaws and at the time of the meeting, who is entitled to vote at the meeting on such business or in the election of such nominee and has provided notice to the Company within the time period, and containing the information and other materials, specified in the advance notice provisions of the bylaws. For annual meetings of stockholders, the bylaws require such stockholders to notify the secretary of the Company of director nominations and other proposals generally not earlier than the 150th day and not later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of the preceding year's proxy statement; provided, however, that in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, notice by the stockholder to be timely must be delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to the date of such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Company.

With respect to *special meetings* of stockholders, in the event that the meeting has been called for the purpose of electing directors, nominations of individuals for election to the Board of Directors may be made by any stockholder who was a stockholder of record both at the time of giving the notice required by the bylaws and at the time of the meeting, who is entitled to vote at the meeting in the election of each such nominee and has provided notice to the Company within the time period, and containing the information and other materials, specified in the advance notice provisions of the bylaws. For special meetings of stockholders, the bylaws require that such notice be delivered to the secretary of the Company not earlier than the 120th day prior to such special meeting and not later than 5:00 p.m., Eastern Time, on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and the nominees proposed by the Board of Directors to be elected at such meeting.

The information required to be disclosed by a stockholder making a director nomination or other proposal, include, among other items, (i) as to each individual whom the stockholder proposes to nominate for election or reelection as a director (A) the name, age, business address and residence address of such individual, (B) the class, series and number of any shares of stock of the Company that are beneficially owned or owned of record by such individual, (C) the date such shares were acquired and the investment intent of such acquisition and (D) certain information relating to the nominee's history, experience, independence and willingness to serve as a director; (ii) as to any other business that the stockholder proposes to bring before the meeting, a description of the business desired to be brought before the meeting, the reasons for proposing such business at the meeting and any material interest in such business of such stockholder and any Stockholder Associated Person (defined as (a) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (b) any beneficial owner of shares of stock of the Company owed of record or beneficially by such stockholder and (c) any person controlling, controlled by or under common control with such Stockholder Associated Person), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom; (iii) as to the stockholder giving the notice and any Stockholder Associated Person, (A) the class, series and number of all shares of stock of the Company which are owned by such stockholder and by such Stockholder Associated Person, if any, (B) the nominee holder for, and the number of, shares owned beneficially but not of record by such stockholder and by any such Stockholder Associated Person, and (C) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock) has been made, the effect or intent of which is to mitigate loss to or manage risk of stock price changes for, or to increase the voting power of, such stockholder or any such Stockholder Associated Person with respect to any share of stock of the Company; (iv) as to the stockholder giving notice and any Stockholder Associated Person covered by clauses (ii) and (iii) above, the name and address of such stockholder, as they appear on the Company's stock ledger and current name and address, if different, and of such Stockholder Associated Person; and (v) to the extent known by the stockholder giving the notice, the name and address of any other stockholder supporting the nominee for election or reelection as a director or the proposal of other business on the date of such stockholder's notice.

Rights of Objecting Stockholders (Appraisal Rights)

Under the MGCL, a stockholder of a Maryland corporation may be entitled to appraisal rights in the event of certain fundamental changes in the corporation. Specifically, a stockholder has the right to demand and receive payment of the fair value of the stockholder's stock from the successor if (1) the corporation consolidates or merges with another corporation, (2) the stockholder's stock is to be acquired in a statutory share exchange, (3) the corporation transfers all or substantially all of its assets in a manner requiring stockholder approval, (4) the corporation amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock and substantially adversely affects the stockholder's rights, unless the right to do so is reserved in the charter of the corporation, or (5) the transaction is subject to certain provisions of the Maryland Business Combination Act described below. These rights must be exercised in accordance with the procedures set forth in the MGCL.

Maryland law provides that a stockholder may not demand the fair value of the stockholder's stock and is bound by the terms of the transaction if, among other things, (1) the stock is listed on a national securities exchange on the record date for determining stockholders entitled to vote on the matter or, in certain mergers, the date notice is given or waived (except certain mergers where stock held by directors and executive officers is exchanged for merger consideration not available generally to all stockholders), (2) the stock is that of the successor in the merger, unless either (i) the merger alters the contract rights of the stock as expressly set forth in the charter of the corporation and such charter does not reserve the right to do so or (ii) the stock is to be changed or converted in whole or in part in the merger into something other than

either stock in the successor or cash, scrip or other rights or interests arising out of provisions for the treatment of fractional shares of stock in the successor, (3) the stock is not entitled to vote on the transaction or (4) the charter of the corporation provides that the holders of the stock are not entitled to exercise the rights of an objecting stockholder.

The charter and bylaws do not contain any provisions limiting the statutory rights set forth above.

Stockholder Derivative Actions

Derivative suits are permitted in Maryland and have been recognized at least as early as 1881. A derivative suit is an action by a stockholder that derives from the right to enforce a legal right of the corporation against another person. The suit is brought in the name and right of the corporation. Derivative suits are most commonly brought against directors, officers, employees or agents of the corporation but may also be brought against third parties. A derivative suit is both a suit against the corporation to compel it to sue (hence, the requirement that the corporation be named as a defendant) and a suit by the corporation, brought by one or more stockholders on its behalf, against persons allegedly liable to the corporation. Under the MGCL, a breach of the statutory standard of conduct of directors discussed above is not enforceable other than by or in the right of the corporation.

The plaintiff in a derivative suit must be a stockholder of the corporation. A creditor has no right to bring a derivative suit. If the wrong alleged was committed against the stockholder rather than the corporation, then the stockholder must bring the action as a direct action—either individually or as representative of a class—and not as a derivative action. If the wrong alleged was committed against the corporation, then the stockholder may not sue individually but only derivatively.

Inspection of Records

Under the MGCL, one or more persons who together are and have been stockholders of record of a corporation for at least six months and in total hold at least 5% of the outstanding stock of any class may inspect and copy the corporation's books of account and stock ledger, request a written statement of the corporation's affairs and request a list of the corporation's stockholders, if the stock ledger or a duplicate is not kept at its principal office. In addition, any stockholder of a Maryland corporation may (i) inspect and copy the bylaws, minutes of the proceedings of stockholders, annual statement of affairs and voting trust agreements and (ii) request the corporation provide a sworn statement showing all stock, as well as any other securities, issued and all consideration received by the corporation during the preceding 12 months.

Extraordinary Transactions

General

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge or consolidate with another entity, sell all or substantially all of its assets or engage in a statutory share exchange unless the action is advised by the board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter, unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is specified in the corporation's charter. The charter provides that these actions must be approved by stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter.

Amendments to the Charter and Bylaws

The charter generally may be amended only if the amendment is declared advisable by the board of directors and approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. The board of directors, with the

approval of a majority of the entire board and without any action by the stockholders, may also amend the charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Company is authorized to issue. In addition, under the MGCL, certain minor changes to a corporation's charter, including changing the corporation's name and par value per share, may be approved by a majority of the entire board of directors, without stockholder approval.

The board of directors has the exclusive power to adopt, alter or repeal any provision of the bylaws and to make new bylaws.

Mergers

Under the MGCL, a Maryland corporation generally cannot merge, engage in a share exchange or engage in similar transactions outside the ordinary course of business unless it is declared advisable by the board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of all the votes entitled to be cast on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. As permitted by the MGCL, the charter provides that these actions may be approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. Under the MGCL, in any merger, stock in a corporation may be exchanged for or converted into stock, evidences of indebtedness, partnership or limited liability company interests, or other securities of the successor or any other corporation or entity (whether or not a party to the transaction), other tangible or intangible property, money or any other consideration or a combination of the foregoing.

A parent corporation may merge with or into a 90% or more owned subsidiary corporation (a "short-form merger"), with the approval of only the board of directors of each corporation (i.e., without any stockholder vote), as long as two conditions are met. First, the charter of the successor must not be amended in the merger other than to change its name, the name or par value of any class or series of stock or the aggregate par value of its stock. Second, the contract rights of any stock exchanged for stock of the other corporation in the merger must be identical to the contract rights of the stock for which the stock of the successor was exchanged. Either the parent or the subsidiary corporation will be the surviving entity in a short-form merger.

Minority stockholders in a short-form merger have the right to (a) notice at least 30 days prior to the articles of merger being filed with the State Department of Assessments and Taxation of Maryland and (b) demand and receive fair value of the minority stockholder's stock as, and to the extent, provided under the MGCL. However, the MGCL generally does not permit appraisal rights for a corporation's stock that is listed, on the date notice of the merger is given to the minority stockholders, on a national securities exchange or if the corporation's charter eliminates appraisal rights. The Company's charter does not eliminate appraisal rights, however, as long as the common stock of the Company is listed on the New York Stock Exchange, or is listed on another national exchange in the United States, appraisal rights generally will not be available to the stockholders of the Company. The MGCL does not provide minority stockholders of a corporation with the right to require the offeror to buy out their interests where the offeror has acquired 90% or more of the corporation. Minority stockholders do not have the right to vote on a short-form merger, and, therefore, any objection by minority stockholders to such transaction would not be binding on the corporation or its board of directors.

If after 90% of the shares are acquired by an offeror, the corporation was no longer listed on a national securities exchange, as is common (either through a voluntary delisting or because the corporation is unable to meet the listing requirements of the securities exchange), minority stockholders would be entitled to appraisal rights under the MGCL in the event of certain fundamental changes in the corporation in the future, including mergers, share exchanges and transfers of all or substantially all of the corporation's assets.

In addition, under the MGCL, shares of each class of stock must be treated equally, so minority stockholders would retain equal per share economic, voting and other rights as held by the majority stockholder, including rights to receive dividends, vote on matters submitted for stockholder consideration and nominate directors and propose other business at stockholders meetings. As a practical matter, an acquirer is likely to take the second-step of effecting a short-form merger after acquiring a 90% interest in a corporation and, hence, provide a liquidity event for the minority stockholders.

Sale of All or Substantially All Assets

Under the MGCL, a Maryland corporation generally cannot sell all or substantially all of its assets, unless it is declared advisable by the board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of all the votes entitled to be cast on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. As permitted by the MGCL, the charter provides that these actions may be approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter.

DISSOLUTION

Involuntary Dissolution

Stockholders entitled to cast at least 25% of all the votes entitled to be cast in the election of directors of a corporation may petition a court of equity to dissolve the corporation on grounds that the directors are so divided respecting the management of the corporation's affairs that the votes required for action by the board cannot be obtained. Any stockholder entitled to vote in the election of directors of a corporation may petition a court of equity to dissolve the corporation on grounds that the acts of the directors or those in control of the corporation are illegal, oppressive or fraudulent. Any stockholder or creditor of a corporation other than a railroad corporation may petition a court of equity to dissolve the corporation on grounds that it is unable to meet its debts as they mature in the ordinary course of its business.

Voluntary Dissolution

The MGCL also provides for the voluntary dissolution of a corporation. If there is stock outstanding, a majority of the entire board of directors must adopt a resolution which declares that dissolution of the corporation is advisable. Each stockholder entitled to vote on the proposed dissolution must receive notice stating that a meeting will involve a vote on dissolution. The affirmative vote of two-thirds of all the votes entitled to be cast on the matter is necessary to approve the dissolution, unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. As permitted by the MGCL, the charter provides that a dissolution may be approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter.

When a Maryland corporation is dissolved, until a court appoints a receiver, the business and affairs of the corporation are managed under the direction of the board of directors solely for the purpose of paying, satisfying and discharging any existing debts or obligations, collecting and distributing the corporation's assets and doing all other acts required to liquidate and wind up the corporation's business and affairs. On behalf of the corporation, the directors must collect and distribute the assets, apply them to the payment, satisfaction and discharge of existing debts and obligations of the corporation, including necessary expenses of liquidation, and distribute the remaining assets among the stockholders.

PROVISIONS RELATING TO UNSOLICITED TAKEOVERS

Business Combinations

Under the MGCL, certain “business combinations” (including a merger, consolidation, statutory share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation that has 100 or more beneficial owners of its common stock and an interested stockholder (i.e., any person (other than the corporation or any subsidiary) who beneficially owns 10% or more of the voting power of the corporation’s outstanding voting stock, or an affiliate or associate of the corporation who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding stock of the corporation) or an affiliate of an interested stockholder, are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. Thereafter, any such business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of such corporation and approved by the affirmative vote of at least (1) 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation and (2) two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom (or with whose affiliate) the business combination is to be effected or held by an affiliate or associate of the interested stockholder, unless, among other conditions, the corporation’s common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares. A person is not an interested stockholder under the statute if the board of directors of the corporation in question approved in advance the transaction by which the person otherwise would have become an interested stockholder. The board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by it.

The statute also permits various exemptions from its provisions, including business combinations that are exempted by the board of directors prior to the time that the interested stockholder becomes an interested stockholder.

Control Share Acquisitions

The MGCL also provides that holders of “control shares” of a Maryland corporation that has 100 or more beneficial owners of its common stock acquired in a “control share acquisition” have no voting rights except to the extent approved by the affirmative vote of two-thirds of the votes entitled to be cast on the matter with respect to such shares, excluding votes cast by (1) the person who makes or proposes to make a control share acquisition, (2) an officer of the corporation or (3) an employee of the corporation who is also a director of the corporation. “Control shares” are voting shares of stock which, if aggregated with all other such shares of stock previously acquired by the acquirer or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of voting power: (1) one-tenth or more but less than one-third, (2) one-third or more but less than a majority or (3) a majority or more of all voting power. A holder of “control shares” acquired in a “control share acquisition” cannot exercise voting rights attached to the control shares, unless and until stockholder approval has been obtained, or unless, as noted below, the shares are not subject to the control share acquisition statute. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A “control share acquisition” means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses), may compel the board of directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquirer or of any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights (unless the charter eliminates appraisal rights, which the Company's charter does not). Stockholders who exercise appraisal rights have the right to demand and receive payment of the fair value of the stockholder's stock from the corporation as determined by the court in a judicial proceeding. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

The control share acquisition statute does not apply to, among other things: (1) shares acquired in a merger, consolidation or statutory share exchange if the corporation is a party to the transaction, (2) newly issued shares acquired directly from the corporation or (3) acquisitions approved or exempted by the charter or bylaws of the corporation. The Company's bylaws contain a provision exempting from the control share acquisition statute any acquisition by any person of shares of the Company's stock.

Subtitle 8

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Securities Exchange Act of 1934 and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of five provisions of the MGCL which provide, respectively, that:

- (i) the corporation's board of directors will be divided into three classes;
- (ii) the affirmative vote of at least two-thirds of all the votes entitled to be cast by stockholders generally in the election of directors is required to remove a director;
- (iii) the number of directors may be fixed only by vote of the board of directors;
- (iv) a vacancy on the board may be filled only by the remaining directors in office and that directors elected to fill a vacancy will serve for the remainder of the full term of the class of directors in which the vacancy occurred and until a successor is elected and qualifies; and
- (v) the request of stockholders entitled to cast at least a majority of all the votes entitled to be cast at the meeting is required for stockholders to require the calling of a special meeting of stockholders.

The Company has elected to be subject to the provisions of Subtitle 8 that (1) require the affirmative vote of stockholders entitled to cast at least two-thirds of all the votes entitled to be cast generally in the election of directors to remove a director from the board of directors, (2) vest in the board of directors the exclusive power to fix the number of directors and (3) provide that vacancies on the board of directors may be filled only by the affirmative vote of a majority of the remaining directors then in office, and directors elected to fill a vacancy will

serve for the full term of the directorship in which the vacancy occurred until a successor is elected and qualifies. The board of directors is not classified and, although it would otherwise be permissible under Maryland law for the board to become classified without stockholder approval, the Company has included a provision in the charter prohibiting the classifying of the board without the approval of a majority of the votes cast on such matter by holders of stock entitled to vote generally in the election of directors.

Stockholder Rights Plans

In 1999, the Maryland legislature validated rights plans by statute, specifically authorizing boards of directors of Maryland corporations to adopt stockholder rights plans, also sometimes referred to as “rights plans” or “pills”, to set the terms and conditions of the plans and to issue rights under such plans. A stockholder rights plan is an agreement or other instrument under which a corporation issues rights to its stockholders that: (1) may be exercised under specified circumstances to purchase stock or other securities of a corporation or any other person and (2) may become void if owned by a designated person or classes of persons under specified circumstances. Stockholder rights plans are generally used as a defensive measure to, among other things, maximize value for all stockholders by encouraging a potential acquirer to negotiate the terms of a potential transaction with a company’s board of directors.

Under many stockholder rights plans, a company declares a dividend distribution of rights to the holders of each share of outstanding common stock. Each right typically entitles its holder to purchase from the company, depending on the plan, either a fraction of a share of a new series of preferred stock of the company (which is designed to be the economic equivalent of one share of common stock) or an additional share of common stock, at a price intended to reflect the long-term trading value, as determined by the board, of a share of common stock (the “**Purchase Price**”). Until a person or group (a) acquires (subject to certain exceptions) beneficial ownership of a specified percentage set forth in the rights agreement (usually 10% to 25%) of the outstanding shares of common stock (an “**Acquiring Person**”) or (b) commences a tender offer that would result in such person becoming an Acquiring Person (each, a “**Trigger Event**”), the rights are represented by the common stock share certificates, may be transferred only with the shares of common stock and are not exercisable. Upon the occurrence of a Trigger Event, the rights become exercisable and separate rights certificates are distributed to the holders of record of the shares of common stock. In that event, each right would entitle the holder to purchase, upon exercise of the right at the Purchase Price, either fractional shares of the new series of preferred stock or additional shares of common stock having a value of twice the Purchase Price (an exercise price below the then-current market price). The Acquiring Person, its affiliates and/or associates would not be entitled to exercise any such rights, and therefore the triggering of these rights makes any hostile acquisition of the company significantly more (generally prohibitively) expensive and substantially dilutive for the Acquiring Person’s ownership percentage. In addition, if a person or group becomes an Acquiring Person and the company then engages in a merger or other business combination with such Acquiring Person or sells or transfers a substantial amount of its assets or earning power to such Acquiring Person, each right (other than rights held by the Acquiring Person or its affiliates or associates) may thereafter entitle the holder of such right to purchase, upon exercise of the right at the Purchase Price, shares of common stock or other securities of such Acquiring Person or the acquiring company (or, in certain circumstances, of an affiliate of such Acquiring Person) having a value of two times the Purchase Price. Generally, the company’s board of directors will be entitled to redeem the rights at a nominal price (typically at \$0.01) per right at any time before the close of business on the tenth day following either the public announcement that, or the date on which a majority of the company’s board of directors becomes aware that, a person has become an Acquiring Person. This redemption right preserves the right of the company to negotiate a transaction that maximizes value for all stockholders on terms amenable to the board of directors.

Stockholder rights plans operate by allowing all existing stockholders, other than the Acquiring Person, to purchase additional shares of the target company, at a predetermined price, thus diluting the Acquiring Person. Once triggered, the rights separate from the common stock and become exercisable by all holders, other than the Acquiring Person. The Acquiring Person, who accumulated significant stock ownership without payment of a control premium, is simply not entitled to exercise the rights to acquire additional shares of stock that the other stockholders may exercise (and if a business combination with the Acquiring Person occurs, the stockholders of the target company may also have rights to acquire shares in the Acquiring Person or the acquiring company).

To ensure that a stockholder rights plan would be upheld by Maryland courts, the board of directors of a Maryland corporation should consider, among other factors, the following principles when evaluating the adoption of a future rights plan: (i) the rights plan adopted should be a reasonable form of protection in relation to the threat posed; (ii) the directors must have a good faith belief that the best interests of the company would be served by adoption of a rights plan; (iii) the directors may not adopt a rights plan with the purpose of entrenching themselves or management; (iv) the directors must make a reasonable effort to investigate alternative measures to deal with abusive takeover tactics and consider the effect of each alternative on the company and its stockholders; (v) the directors should exercise care and independent judgment in voting to adopt a rights plan; and (vi) the form of the rights plan adopted cannot effectively prohibit proxy contests or preclude all takeovers. When considering the adoption of a stockholder rights plan, directors of a Maryland corporation are required by Maryland law to perform their duties in good faith, in a manner reasonably believed to be in the best interests of the corporation, and with the care of an ordinarily prudent person in alike position under similar circumstances.

If the Company is treated as a public company in Hong Kong in the future and becomes subject to the Takeovers Code, the SFC will at that time consider the treatment of any stockholder rights plan adopted by the Company.

ANNUAL REPORTS

The Company is required to file a return each year with the State Department of Assessments and Taxation of Maryland in order to remain in good standing. The current fee for such filing is \$300.

AUDITORS

Stockholder ratification of a board of directors' approval of the selection of auditors is not required under Maryland law.

RIGHTS OF CREDITORS

The rights of creditors are governed by the terms of the contract between them and the corporation. The rights of the stockholder are all subordinate to the rights of the corporation's creditors.

CERTAIN U.S. FEDERAL SECURITIES AND NYSE REGULATIONS

Securities Offerings

All offers and sales of securities must be registered with the SEC unless the offer or sale involves an exempt security or exempt transaction.

For registered offerings, the Company is required to file with the SEC a registration statement which contains a prospectus and is subject to prescribed information requirements. Such registration statements and prospectuses may be subject to a review and comment process by the SEC staff.

For unregistered offerings, the Company is required to disclose information in relation to unregistered sales of equity securities on Form 8-K (if the equity securities sold in the aggregate since the Company's last current report filed for this information or last periodic report, whichever is more recent, constitute 1% or more of the Company's outstanding securities of that class), including (a) the date of sale and the title and amount of securities sold; (b) for securities sold for cash, the aggregate offering price and the aggregate underwriting discounts or commissions, and for securities sold otherwise than for cash, the nature of the transaction and the nature and aggregate amount of consideration received by the Company; (c) the statutory or regulatory basis under which exemption from registration was claimed; and (d) where the securities sold are convertible or exchangeable into equity securities, or are warrants or options representing equity securities, the terms of conversion or exercise of the securities. In addition, the Company is required to disclose on a quarterly basis in its Form 10-Ks and 10-Qs any unregistered sales of equity securities during the period covered by the report, if not previously included in a Form 8-K. The above documents are publicly available on the SEC's website.

Periodic Reporting

The U.S. reporting framework includes, among other things, the public filing of annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy statements for stockholders' meetings.

Proxy Regulations

The SEC has detailed regulations governing proxy solicitations. Under these rules, the Company is required when soliciting proxies to furnish each of its stockholders with a proxy statement containing certain prescribed information. The SEC rules also provide requirements as to the form of proxy on which the stockholder can indicate its approval or disapproval of each proposal expected to be presented at the meeting.

If the proxy relates to other than routine matters such as the election of directors or ratification of the accountants, then preliminary copies of the proxy statement and form of proxy must be filed with the SEC at least ten days before mailing. Definitive copies of the proxy statement, form of proxy and all other soliciting materials must also be publicly filed with the SEC not later than the date they are first mailed to stockholders.

If the annual meeting relates to the election of directors, the proxy statement must be accompanied or preceded by an annual report with financial statements and other information. The NYSE also requires the annual report to be made available to stockholders on or through the Company's website simultaneously with the filing of such report with the SEC.

Under the SEC's electronic delivery rules for proxy materials, the Company posts its proxy materials on a publicly accessible website and mails a notice to stockholders stating that all proxy materials can be found on that website. These documents are also available on the Company's website under the company information link. In addition, under the SEC's electronic delivery rules for proxy materials, if any stockholder requests, the Company must send, at no cost to the stockholder, a paper copy of the proxy materials to such holder within three business days after receiving the request.

Stockholder Proposals

The SEC's stockholder proposal rules provide an opportunity for a stockholder owning a relatively small amount of the Company's securities to have his or her proposal placed alongside management proposals in the Company's proxy materials for presentation to a vote at an annual or special meeting of stockholders. In order to submit a proposal, a stockholder must have continuously held at least US\$2,000 in market value, or 1%, of the Company's voting stock for at least one year prior to the proposal's submission date. A stockholder proposal can cover almost any topic other than proposals that pertain to one of the specific substantive exclusions (e.g., if the proposal deals with a matter relating to the company's ordinary business functions which are management matters). The SEC provides guidance on these exclusions.

Directors, Officers, and Significant Stockholders

Beneficial ownership reporting

Section 16(a) of the Exchange Act requires directors, certain officers and beneficial owners of more than 10% of any class of equity securities registered under the Exchange Act (each, a "10% beneficial owner") to publicly file with the SEC on Forms 3 and 4, as appropriate, reports of beneficial ownership of such person when acquiring such status and by the end of the second business day after such person acquires or disposes of any equity securities of the Company. Further, any such person is required to file with the SEC within 45 days of the Company's fiscal year end a Form 5 to report any holdings and transactions during that period that have not been previously reported (whether because of an exemption or delinquency).

The Company is required to identify in its annual proxy statement and/or in its Form 10-K each person who failed to file on a timely basis the required reports on Form 3, 4 or 5, and for each such person, disclose the total number of late Forms 3, 4 and 5, the total number of transactions in the Company's securities not timely reported and any known failure to file a required Form 3, 4 or 5, during the most recent fiscal year or prior fiscal years.

Profits from purchase and sale of security within six months

Section 16(b) of the Exchange Act permits the Company, or any security holder suing on its behalf, to recover any profit realized by a director, officer or 10% beneficial owner of the Company from any purchase and sale, or sale and purchase, of any equity security of the Company, within any period of less than six months.

Short sales

Section 16(c) of the Exchange Act prohibits the Company's director, certain officers and 10% beneficial owners from making "short sales" of any equity securities of the Company. "Short sales" are defined as sales of securities which the seller does not own at this time of sale, or if owned, securities that will not be delivered for a period longer than 20 days after the sales.

Takeover Regulations

The two basic transaction structures for the acquisition of a U.S. public company include either a statutory merger or a tender offer. The applicable U.S. federal regulatory framework governing these acquisition structures is as follows:

- acquisitions of U.S. public companies by way of mergers, whether structured as a (i) forward merger, whereby, in general terms, the target company merges with and into a subsidiary of the acquirer with the existing acquirer subsidiary surviving the transaction, (ii) reverse merger, whereby, in general terms, a subsidiary of the acquirer merges with and into the target company with the target company surviving the transaction as a new subsidiary of the acquirer, or (iii) merger of equals, whereby, in general terms, two companies of similar size merge together to form a new entity, and involving consideration comprised of either all cash or stock or a combination thereof, are primarily regulated at the federal level by the SEC through the proxy rules pursuant to Section 14(a) of the Exchange Act and Regulation 14A thereunder as well as the stock issuance rules of the Securities Act where the consideration for the merger includes stock. These regulations provide for the filing with the SEC of a proxy statement (for a cash merger) or registration statement on Form S-4 (for a stock merger or a cash and stock merger) and the dissemination of a proxy statement (for a cash merger) or a "Proxy Statement/Prospectus" (for a stock merger or a cash and stock merger) in connection with the shareholder meeting and vote on the merger transaction. The information required to be disclosed in a proxy statement is set forth in Schedule 14A and includes, among other things, disclosures regarding the background of the transaction, the consideration payable to shareholders and information on the parties to the transaction. The information required to be disclosed in a Proxy Statement/Prospectus is set forth in Form S-4. These requirements essentially mirror the requirements of Schedule 14A. The proxy statement or registration statement are generally publicly available documents; and
- tender offers for listed equity securities are regulated by the SEC primarily under Section 14(d) of the Exchange Act and Regulations 14D and 14E thereunder. In general terms, a tender offer is an offer to purchase shares of equity securities directly from the shareholders of a public company, conditioned upon the occurrence (or non-occurrence) of certain specified events, including the taking of actions by the shareholders. To the extent the specified events occur (e.g., achieving a minimum threshold of tendered shares, which may either be subject to a maximum purchase amount or may be for "any and all" shares tendered (assuming the minimum tender threshold is attained), and the proper tendering of shares by shareholders, among others), the offer will generally be binding on the offeror. Upon the satisfaction of all conditions to the tender offer, including any required minimum threshold of tendered shares, all shareholders that properly tendered their shares will, subject to any maximum purchase amount specified by the offeror, have their shares accepted for purchase by the offeror. If shareholders properly tender shares in excess of the maximum purchase amount set by the offeror, the offeror will purchase shares up to the maximum purchase amount on a pro rata basis from the tendering shareholders. If the specified events do not occur, the offer will lapse.

A person seeking to acquire shares of equity securities via a tender offer is required to produce certain disclosure documents that are filed with the SEC and disseminated to the target company's shareholders. A Schedule TO (tender offer statement), including all required exhibits, must be filed with the SEC by the potential acquiror on the date of commencement of the tender offer. The offer to purchase, which is the primary disclosure document for the target company's shareholders and also an exhibit to the Schedule TO, sets out the terms of the tender offer, including, among other things, the consideration being offered, the conditions of the offer, the procedures for tendering shares and the background of the transaction. In addition, any written communication regarding the offer during the tender offer period must be filed with the SEC on the date first used.

The applicable Exchange Act rules require that a tender offer remain open for a minimum of 20 business days after commencement. Extensions to the 20 business day offer period may apply in certain circumstances.

The subject company of a tender offer, within 10 business days of the commencement of the tender offer, must send a notice to its stockholders recommending acceptance or rejection of the tender offer, expressing no opinion and remaining neutral, or stating that it is unable to take a position.

Under relevant Exchange Act rules, all holders of the same class of equity securities must be treated equally in the tender offer and the highest consideration paid to any one shareholder of such class of equity securities must be paid to all such shareholders.

In addition, Section 14(e) of the Exchange Act makes it unlawful for any person to make any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or to engage in any fraudulent, deceptive, or manipulative acts or practices, in connection with any tender offer.

Acquisitions of the Company's equity securities short of a full takeover are also subject to regulation under U.S. securities laws. If any person owns or acquires more than 5% of a class of the Company's listed equity securities, Sections 13(d) and 13(g) of the Exchange Act require that such person file ownership reports with the SEC on either Schedule 13D if they intend to exercise control (e.g., acquiring or holding the equity securities with a purpose or effect of influencing the management or direction of the Company) or change control (e.g., acquiring or holding the equity securities in connection with or as a participant in any transactions for the acquisition of a majority of, or controlling interest in, the Company's equity securities) of the Company or, if they are a qualified "passive" investor, a short-form Schedule 13G. Schedule 13D contains more onerous disclosure requirements and shorter filing deadlines than the short-form Schedule 13G. The underlying premise of the Section 13 reporting requirements is to give other shareholders and the broader securities markets notice of significant acquisitions or potential changes in control of public companies. In addition, for the purposes of both triggering and complying with these reporting obligations, when two or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of an issuer, such syndicate or group is deemed a single "person."

CERTAIN U.S. FEDERAL INCOME AND ESTATE TAX CONSIDERATIONS

PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, WE ARE INFORMING YOU THAT (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS INFORMATION SHEET AND RELATED MATERIALS IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE U.S. FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) ANY SUCH DISCUSSION WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE DEPOSITARY RECEIPTS PURSUANT TO THIS INFORMATION SHEET, AND (C) YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a summary of certain U.S. federal income and estate tax considerations relating to the ownership and disposition of the Depositary Receipts and the Common Stock underlying the Depositary Receipts (the "Underlying Shares") by a non-U.S. holder (as defined below) and is not intended to be, and should not be construed as, legal or tax advice to any prospective investor.

In addition, this summary does not discuss all of the aspects of U.S. federal income and estate taxation that may be relevant to a non-U.S. holder in light of the non-U.S. holder's particular investment or other circumstances. In particular, this summary only addresses a non-U.S. holder that holds the Depositary Receipts or Underlying Shares as a capital asset (generally, investment

property) and does not address: (i) any U.S. federal income tax consequences for a non-U.S. holder that (A) is engaged in the conduct of a trade or business in the United States, (B) is an individual who is present in the United States for 183 or more days during the taxable year, (C) has a "tax home" (as defined in Section 911(d)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) in the United States, or (D) owns actually or constructively more than 5% of the Common Stock, (ii) special U.S. federal income tax rules that may apply to a particular non-U.S. holder, such as a financial institution, an insurance company, a tax-exempt organization, a "controlled foreign corporation," a "passive foreign investments company," a partnership or other pass-through entity for U.S. federal income tax purposes, an expatriate with respect to the United States or a dealer or trader in stocks, securities or currencies, (iii) non-U.S. holders holding the Depositary Receipts or Underlying Shares as part of a conversion, constructive sale, wash sale or other integrated transaction or a hedge, straddle or synthetic security, (iv) any U.S. federal tax consequences other than U.S. federal income and estate tax consequences, any U.S. state or local or non-U.S. or other tax consequences, or (v) the U.S. federal income or estate tax consequences for any beneficial owners of a non-U.S. holder.

This summary is based on provisions of the Code, applicable U.S. Treasury regulations and administrative and judicial interpretations, all as in effect or in existence on the date of this information sheet. Subsequent developments in U.S. federal income or estate tax law, including changes in law or differing interpretations, which may be applied retroactively, could have a material effect on the U.S. federal income and estate tax consequences to a non-U.S. holder of the ownership and disposition of the Depositary Receipts or Underlying Shares as set forth in this summary. In addition, this summary assumes that (x) the representations of the HDR Depositary contained in the Deposit Agreement are true, correct and complete and (y) all the obligations contained in the Deposit Agreement and any related agreements will be performed and complied with in accordance with their terms.

If you are considering the purchase of the Depositary Receipts, you should consult your own tax advisers concerning the particular U.S. federal income and estate tax consequences to you of the ownership and disposition of the Depositary Receipts or Underlying Shares, as well as the consequences to you arising under the laws of any other applicable taxing jurisdiction, in light of your particular circumstances.

As used in this summary, the term "non-U.S. holder" means a beneficial owner of the Depositary Receipts or Underlying Shares that is not, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States or a former citizen or resident of the United States subject to taxation as an expatriate, (ii) a corporation (or other entity classified as a corporation for these purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, (iii) a partnership (including any entity or arrangement classified as a partnership for these purposes), (iv) an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source, or (v) a trust, if (x) a U.S. court is able to exercise primary supervision over the trust's administration and one or more "United States persons" (within the meaning of the Code) has the authority to control all of the trust's substantial decisions, or (y) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a "United States person."

If a partnership (including any entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds the Depositary Receipts or Underlying Shares, the U.S. federal income tax treatment of a partner in the partnership generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. Partnerships holding the Depositary Receipts or Underlying Shares and partners in such partnerships should consult their own tax advisors as to the particular U.S. federal income tax and estate tax consequences applicable to them.

In general, for U.S. federal income tax purposes, non-U.S. holders of the Depositary Receipts will be treated as the beneficial owners of the Underlying Shares represented by the Depositary Receipts. Accordingly, a non-U.S. holder generally will not recognize any gain or loss for U.S. federal income tax purposes as a result of the non-U.S. holder's deposit or withdrawal of Underlying Shares for Depositary Receipts.

Dividends

Dividends paid with respect to the Depositary Receipts or Underlying Shares will be treated as U.S. source dividends for U.S. federal income tax purposes. U.S. federal income tax will be withheld at a 30% rate from the gross amount of all dividends paid on the Depositary Receipts or Underlying Shares to all non-U.S. holders. It should be noted that this 30% withholding tax rate will apply to non-U.S. holders that are otherwise eligible for a reduced rate of withholding of U.S. federal income tax on such dividends under the provisions of an applicable income tax treaty in effect between the United States and another country. This is because there will not be a mechanism available through the trading, settlement and security transferring facilities in Hong Kong for such non-U.S. holders to provide to the applicable withholding agent the certifications required by applicable U.S. Treasury regulations to receive the benefit of the lower applicable treaty withholding tax rate with respect to U.S. source dividends. In addition, for the same reason, it is expected that there will not be a mechanism available for such non-U.S. holders to obtain the documentation required to make a claim with the U.S. Internal Revenue Service for a refund or credit of U.S. federal income tax withheld from such dividends at a rate in excess of the applicable treaty withholding tax rate. Also, non-U.S. holders should be aware that the United States has not entered into an income tax treaty with Hong Kong and certain other countries (e.g., Singapore). Prospective investors are urged to consult their own tax advisors regarding the application to them of the rules governing the withholding of U.S. federal income tax, and the rules governing the making of a claim with the U.S. Internal Revenue Service for a refund or credit of any excess U.S. federal income tax withheld, from such dividends paid to them.

Gain on Disposition of the Depositary Receipts or Underlying Shares

A non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on any gain recognized on a disposition of the Depositary Receipts or Underlying Shares unless we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the non-U.S. holder held the Depositary Receipts or Underlying Shares. Generally, a corporation is a "U.S. real property holding corporation" if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We believe that we are not currently, and we do not anticipate becoming in the future, a U.S. real property holding corporation.

Federal Estate Tax

For purposes of this paragraph regarding U.S. federal estate tax consequences, a "non-resident individual" is an individual who is not a U.S. citizen or resident of the United States (as specifically defined for U.S. federal estate tax purposes). Depositary Receipts or Underlying Shares that are owned or treated as owned by a non-resident individual at the time of death will be included in the non-resident individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise and, therefore, may be subject to U.S. federal estate tax. In this regard, non-resident individuals should be aware that the United States has not entered into an estate tax treaty or other treaty applicable to estate tax with Hong Kong and certain other countries (e.g., Singapore). In general, the U.S. federal estate tax is assessed at graduated rates of up to 35% and the estate of a non-resident individual generally is entitled to a credit against the U.S. federal estate tax of US\$13,000. It is anticipated that the U.S. federal estate tax law will undergo legislative change in the next several years. It is not possible to predict the nature or consequences of any future changes in the U.S. federal estate tax law.

Information Reporting and Backup Withholding

Dividends paid to a non-U.S. holder may be subject to U.S. information reporting and backup withholding. A non-U.S. holder will be exempt from backup withholding if the non-U.S. holder provides a properly executed U.S. Internal Revenue Service Form W-8BEN or otherwise meets documentary evidence requirements for establishing that the non-U.S. holder is not a “United States person” or otherwise establishes an exemption.

The gross proceeds from the disposition of the Depositary Receipts or Underlying Shares may be subject to U.S. information reporting and backup withholding. If a non-U.S. holder sells the Depositary Receipts or Underlying Shares outside the United States through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to the non-U.S. holder outside the United States, then the U.S. backup withholding and information reporting requirements generally will not apply to that payment. However, U.S. information reporting, but not U.S. backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the United States, if a non-U.S. holder sells the Depositary Receipts or Underlying Shares through a non-U.S. office of a broker that is a United States person or has certain enumerated connections with the United States, unless the broker has documentary evidence in its files that the non-U.S. holder is not a “United States person” and certain other conditions are met or the non-U.S. holder otherwise establishes an exemption.

If a non-U.S. holder receives payments of the proceeds of a sale of the Depositary Receipts or Underlying Shares to or through a U.S. office of a broker, the payment is subject to both U.S. backup withholding and information reporting unless the non-U.S. holder provides a properly executed U.S. Internal Revenue Service Form W-8BEN certifying that the non-U.S. holder is not a “United States person” or the non-U.S. holder otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder will be allowed as a refund or as a credit against such non-U.S. holder’s U.S. federal income tax liability, if any, provided that the required information is furnished to the U.S. Internal Revenue Service on a timely basis. Non-U.S. holders should consult their own tax advisors regarding the application of the backup withholding rules to them and the process of applying for such a refund or credit with respect to any amounts withheld under the backup withholding rules.

Additional Withholding Requirements

Under legislation enacted in 2010 and recent guidance from the U.S. Internal Revenue Service, the relevant withholding agent generally will be required to withhold 30% of any dividends paid after December 31, 2013 and the gross proceeds of a sale of the Depositary Receipts or Underlying Shares paid after December 31, 2014 to (i) a foreign financial institution unless such foreign financial institution agrees to verify, report and disclose its U.S. accountholders and meets certain other specified requirements or (ii) a non-financial foreign entity that is the beneficial owner of the payment unless such entity certifies that it does not have any substantial United States owners or provides the name, address and taxpayer identification number of each substantial United States owner and such entity meets certain other specified requirements. If payment of this withholding tax is made, non-U.S. holders that are otherwise eligible for an exemption from, or reduction of, U.S. federal withholding taxes with respect to such dividends or proceeds will be required to seek a credit or refund from the U.S. Internal Revenue Service to obtain the benefit of such exemption or reduction. Non-U.S. holders should consult their own tax advisers regarding the particular consequences to them of this legislation and guidance.

C. CONSTITUTIONAL DOCUMENTS

See Part B – Foreign Laws and Regulations of this information sheet.

D. DEPOSIT AGREEMENT

DEPOSIT AGREEMENT

BETWEEN
COACH, INC.
AND
JPMORGAN CHASE BANK, N.A. as
Depositary



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EXHIBIT B

DEPOSITOR CERTIFICATE B-1

EXHIBIT C

FORM OF DEED POLL C-1

DEPOSIT AGREEMENT dated as of November 24, 2011 (the “**Deposit Agreement**”)

BETWEEN:

1. **COACH, INC.**, a Maryland corporation whose principal place of business is at 516 West 34th Street, New York, NY 10001, United States (the “**Company**”), and
2. **JPMORGAN CHASE BANK, N.A.**, a national banking association organized under the laws of the United States of America whose principal place of business is at One Chase Manhattan Plaza, Floor 58, New York, New York 10005, as depositary hereunder (the “**Depositary**”).

WHEREAS:

- (a) The Company was incorporated in the State of Maryland, the United States, on 1 June 2000.
- (b) As at the date hereof, the Shares (as defined herein) of the Company are listed on the New York Stock Exchange.
- (c) The Company is proposing a secondary listing by way of introduction (the “**Listing**”) of its HDRs (as defined herein) on the Main Board of the Stock Exchange of Hong Kong (as defined herein).
- (d) The Company hereby appoints the Depositary as depositary for the Deposited Securities (defined below) and hereby authorizes and directs the Depositary to act in accordance with the terms set forth in this Deposit Agreement. All capitalized terms used herein have the meanings ascribed to them in Section 1 or elsewhere in this Deposit Agreement.
- (e) The Depositary has agreed to act as depositary in connection with the issue of the HDRs on the terms and subject to the conditions set out herein.

THE PARTIES HERETO AGREE as follows:

1.1 Certain Definitions.

- (a) “**CCASS**” means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.
- (b) “**CCASS Clearing Participant**” means a person admitted to participate in CCASS as a direct clearing or general clearing participant.
- (c) “**CCASS Custodian Participant**” means a person admitted to participate in CCASS as a custodian participant.
- (d) “**CCASS Investor Participant**” means a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation.

- (e) **“CCASS Participant”** means a CCASS Clearing Participant, CCASS Custodian Participant or a CCASS Investor Participant.
- (f) **“Charter and By-laws”** means the articles of incorporation and by-laws of the Company, as amended and supplemented from time to time.
- (g) **“Companies Ordinance”** means the Companies Ordinance (Cap 32 of the Laws of Hong Kong).
- (h) **“Custodian”** means the agent or agents of the Depository (singly or collectively, as the context requires) and any additional or substitute Custodian appointed pursuant to Section 9.
- (i) The terms **“deliver”**, **“execute”**, **“issue”**, **“register”**, **“surrender”**, **“transfer”** or **“cancel”**, when used with respect to Book-Entry HDRs, shall refer to an entry or entries or an electronic transfer or transfers made through CCASS, and, when used with respect to HDRs in physical certificated form, shall refer to the physical delivery, execution, issuance, registration, surrender, transfer or cancellation of certificates representing the HDRs.
- (j) **“Deed Poll”** means the deed poll to be executed by the Company and the Depository pursuant to Section 18.
- (k) **“Delivery Order”** is defined in Section 3.
- (l) **“Deposited Securities”** as of any time means all Shares at such time deposited under this Deposit Agreement and any and all other Shares, securities, property and cash at such time held by the Depository or the Custodian for the account of the Depository on behalf of the Holders in respect or in lieu of such deposited Shares and other Shares, securities, property and cash.
- (m) **“DTC”** means The Depository Trust Corporation and its successors.
- (n) **“HDR Register”** is defined in paragraph (3) of the form of HDR.
- (o) **“HDRs”** means the depository receipts executed and delivered hereunder by the Depository as agent for the Company evidencing ownership of the HDSs representing the deposited Shares. HDRs may be either in physical certificated form or Book-Entry HDRs. HDRs in physical certificated form, and the terms and conditions governing the Book-Entry HDRs (as hereinafter defined shall be substantially in the form of Exhibit A annexed hereto (the **“form of HDR”**)). The term **“Book-Entry HDR”** means an HDR deposited in CCASS and traded and settled on a book-entry electronic basis. References to HDRs shall include certificated HDRs and Book-Entry HDRs, unless the context otherwise requires. The form of HDR is hereby incorporated herein and made a part hereof; the provisions of the form of HDR shall be binding upon the parties hereto.
- (p) **“HDSs”** means the Hong Kong Depository Shares representing the interests in the Deposited Securities and evidenced by the HDRs issued hereunder. Subject to paragraph (13) of the form of HDR, each **“HDS”** evidenced by an HDR represents the right to receive 0.1 Shares and a pro rata share in any other Deposited Securities.

- (q) **“HKSCC”** means Hong Kong Securities Clearing Company Limited.
- (r) **“Holder”** means the person or persons in whose name an HDR is registered as legal owner or owners on the HDR Register.
- (s) **“Hong Kong”** means the Hong Kong Special Administrative Region of the People’s Republic of China.
- (t) **“Listing Date”** means the date, expected to be on or around December 1, 2011, on which the HDRs are listed and from which dealings therein are permitted to commence on The Stock Exchange of Hong Kong.
- (u) **“Listing Rules”** means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time.
- (v) **“Listing Document”** means the listing document to be issued by the Company on or around November 25, 2011 in connection with the listing of its HDRs.
- (w) **“Registrar”** means the HDR registrar appointed by the Depository pursuant to Section 10 which shall be a member of an association of persons approved under section 12 of the Securities & Futures (Stock Market Listing) Rules.
- (x) **“Regulation S”** means Regulations S, as promulgated under the Securities Act, as amended from time to time.
- (y) **“Regulation S Legend”** means a restrictive legend relating to certain transfer restrictions under the Securities Act, which reads substantially as follows or as determined from time to time by the Company and the Depository:

NEITHER THIS HDR NOR THE HDSs EVIDENCED HEREBY HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE RE-OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OF, A U.S. PERSON (WITHIN THE MEANING OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT), UNLESS THE SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND HEDGING TRANSACTIONS INVOLVING THE HDRS OR HDSs MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THIS HDR OR A BENEFICIAL INTEREST IN THE HDSs EVIDENCED HEREBY, AS THE CASE MAY BE, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

- (z) **“Securities Act”** means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, in each case as amended from time to time.
- (aa) **“SFO”** means the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong).
- (bb) **“Shares”** means the shares of common stock, par value USD0.01 per share, of the Company, and shall include the rights to receive Shares specified in paragraph (1) of the form of HDR.
- (cc) **“Stock Exchange of Hong Kong”** means The Stock Exchange of Hong Kong Limited.
- (dd) **“Transfer Office”** is defined in paragraph (3) of the form of HDR. As of the date of this Deposit Agreement, the address of the Transfer Office is: Computershare Hong Kong Investor Services Limited 46/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
- (ee) **“Withdrawal Order”** is defined in Section 6.

1.2 In this Deposit Agreement, unless otherwise specified:

1.2.1 references to **“Recitals”**, **“Sections”**, **“Clauses”**, **“paragraphs”**, **“Exhibits”** and **“Schedules”** are to recitals, sections, clauses, paragraphs and exhibits of and schedules to this Deposit Agreement;

1.2.2 a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;

1.2.3 references to a **“company”** shall be construed so as to include any company, corporation or other body corporate, whenever and however incorporated or established;

1.2.4 references to a **“person”** shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality);

1.2.5 references to writing shall include any modes of reproducing words in a legible and non-transitory form;

1.2.6 references to times of the day, unless otherwise specified, are to Hong Kong time;

1.2.7 headings to Clauses, Sections, Exhibits and Schedules are for convenience only and do not affect the interpretation of this Deposit Agreement;

1.2.8 the Exhibits, Schedules and Recitals form part of this Deposit Agreement and shall have the same force and effect as if expressly set out in the body of this Deposit

Agreement, and any reference to this Deposit Agreement shall include the Exhibits, Schedules and Recitals; and

1.2.9 words in the singular shall include the plural (and vice versa) and words importing one gender shall include the other two genders.

2. HDRs. (a) HDRs in certificated form shall be engraved, printed or otherwise reproduced at the discretion of the Depositary in accordance with its customary practices in its Hong Kong depositary receipt business and in compliance with the requirements of all applicable laws and regulations, including the Listing Rules, or at the request of the Company typewritten and photocopied on plain or safety paper, and shall be substantially in the form set forth in the form of HDR, with such changes as may be required by the Depositary or the Company, in each case after consultation with the other, to the extent practicable, to comply with their obligations hereunder, any applicable law, regulation or usage or to indicate any special limitations or restrictions to which any particular HDRs are subject. Any certificated HDRs, including the definitive certificates held at CCASS, certificates into which such definitive certificates may be subdivided, and any physical, certificates securities issued to Holders, will bear the Regulation S Legend as required by Rule 903(b)(3)(iii)(B)(3) for so long as the Company or the Depositary deems it necessary or appropriate to comply with relevant securities laws. HDRs issued in either certificated or book-entry form may be issued in denominations of any number of HDSs. HDRs in certificated form shall be executed by the Depositary by the manual or facsimile signature of a duly authorized officer of the Depositary. HDRs in certificated form bearing the facsimile signature of anyone who was at the time of execution a duly authorized officer of the Depositary shall bind the Depositary, notwithstanding that such officer has ceased to hold such office prior to the delivery of such HDRs.

(b) **CCASS.** The Company and the Depositary shall make arrangements for the HDRs to be accepted by HKSCC for deposit, clearance and settlement through CCASS. All HDRs held through CCASS will be registered in the name of the nominee of CCASS, namely, HKSCC Nominees Limited. The Depositary undertakes to comply, on behalf of the Company, with the trading and settlement rules applicable to the Depositary set out in the Listing Rules, subject to the compliance by the Company hereto with the terms hereof and the payment of any and all charges, fees and expenses provided for by this Deposit Agreement.

3. Deposit of Shares. In connection with the deposit of Shares hereunder, the Depositary or the Custodian may require the following in form satisfactory to it: (a) a written order directing the Depositary to issue to, or upon the written order of, the person or persons designated in such order, a Book-Entry HDR or HDRs evidencing the number of HDSs representing such deposited Shares (a "Delivery Order"); (b) proper endorsements or duly executed instruments of transfer in respect of such deposited Shares; and (c) instruments assigning to the Depositary, the Custodian or a nominee of either any distribution on or in respect of such deposited Shares or indemnity therefor. The Depositary shall keep, or shall procure that the Custodian keeps, a record of all deposits of Shares. As soon as practicable after the Custodian receives the Deposited Securities pursuant to any such deposit or pursuant to paragraph (10) or (13) of the form of HDR, the Custodian shall present such Deposited Securities for registration of transfer into the name of the Depositary, the Custodian or a nominee of either, to the extent such registration is practicable, at the cost and expense of the person making such deposit (or for whose benefit such deposit is made) and shall obtain evidence satisfactory to it of such registration. Deposited Securities shall be held by the Custodian for the account and to the order of the Depositary at such place or places and in such manner as the Depositary shall determine. Deposited Securities may be delivered by the

Custodian to any person only under the circumstances expressly contemplated in this Deposit Agreement. To the extent that the provisions of or governing the Shares make delivery of certificates therefor impracticable, Shares may be deposited hereunder by such delivery thereof as the Depository or the Custodian may reasonably accept, including, without limitation, by causing them to be credited to an account maintained by the Custodian for such purpose at DTC or otherwise, with the Company or an accredited intermediary, such as a bank, acting as a registrar for the Shares, together with delivery of the documents, payments and Delivery Order referred to herein to the Custodian or the Depository. The Depository hereby declares and confirms that it will hold the rights relating to the Deposited Securities and all money and benefits that it may receive in respect of the Deposited Securities for the benefit of the Holders as bare trustee. For the avoidance of doubt, in acting hereunder, the Depository shall have only those duties, obligations and responsibilities expressly specified in this Deposit Agreement and other than holding the Deposited Securities as bare trustee as set out herein, it does not assume any relations of trust for or with the Holder or any other person.

4. Issue and Transfer of HDRs. After any such deposit of Shares, the Custodian shall notify the Depository of such deposit and of the information contained in any related Delivery Order by letter, first class airmail postage prepaid, or, at the request, risk and expense of the person making the deposit, by cable, telex or facsimile transmission. If, at any time, the Depository deems it necessary or appropriate to comply with relevant securities laws, the Depository shall be entitled to obtain an executed depositor certificate substantially in the form of Exhibit B hereto (or in such other form as the Depository and the Company shall approve) in connection with each such deposit from or on behalf of each person depositing Shares hereunder and each person named in the Delivery Order to whom an HDR or HDRs is/are to be registered. After receiving such notice from the Custodian and any required depositor certificate, the Depository, subject to this Deposit Agreement, shall properly issue as agent of the Company at the Transfer Office, to or upon the order of any person named in such notice, an HDR or HDRs registered as requested and evidencing the aggregate HDSs to which such person is entitled.

Each of the Depository and the Company covenants that HDSs (evidenced by HDRs in physical certificated form), for so long as the physical certificated form contains the Regulation S Legend thereon, may not be transferred by, or on behalf of, the Depository without a favorable opinion of counsel or other assurance in the Depository's discretion (which may include, among other things, representations from a transferor and/or transferee) that the transfer complies with the Securities Act.

5. Distributions on Deposited Securities. To the extent that the Depository, after consultation with the Company, to the extent practicable, determines in its reasonable discretion that any distribution pursuant to paragraph (10) of the form of HDR is not practicable with respect to any Holder, the Depository may make such distribution as it so deems practicable, including the distribution of foreign currency, securities or property (or appropriate documents evidencing the right to receive foreign currency, securities or property) or the retention thereof as Deposited Securities with respect to such Holder's HDRs (without liability for interest thereon or the investment thereof).

6. Withdrawal of Deposited Securities. A Holder may from time to time surrender the HDRs for cancellation and request for the Deposited Securities represented by the HDSs to be transferred to the name of the Holder, in each case in accordance with the terms of this Deposit Agreement; provided that a Holder may only request for withdrawal of Shares represented by ten (10) HDRs or multiples thereof. In connection with any surrender of an HDR

for withdrawal of the Deposited Securities represented by the HDSs evidenced thereby, the Depository may require proper endorsement in blank of such HDR (or duly executed instruments of transfer thereof in blank) and the Holder's written order directing the Depository to cause the Deposited Securities represented by the HDSs evidenced by such HDR to be withdrawn and delivered to, or upon the written order of, any person designated in such order (a "Withdrawal Order"). Directions from the Depository to the Custodian to deliver Deposited Securities shall be given by letter, first class airmail postage prepaid, or, at the request, risk and expense of the Holder, by cable, telex or facsimile transmission. Delivery of Deposited Securities may be made by the delivery of certificates (which, if required by law shall be properly endorsed or accompanied by properly executed instruments of transfer or, if such certificates may be registered, registered in the name of such Holder or as ordered by such Holder in any Withdrawal Order) or by such other means as the Depository may deem practicable, including, without limitation, by transfer of record ownership thereof to an account designated in the Withdrawal Order maintained either by the Company or an accredited intermediary, such as a bank, acting as a registrar for the Deposited Securities at DTC or otherwise as designated by the Holder in the Withdrawal Order. The Depository shall keep or shall procure that the Custodian keeps, a record of all withdrawals of Deposited Securities.

7. Substitution of HDRs. The Depository shall execute and deliver a new certificated HDR in exchange and substitution for any mutilated certificated HDR upon cancellation thereof or in lieu of and in substitution for such destroyed, lost or stolen certificated HDR, unless the Depository has notice that such HDR has been acquired by a bona fide purchaser, upon the Holder thereof filing with the Depository a request for such execution and delivery, a sufficient indemnity bond and satisfying any other reasonable requirements imposed by the Depository. The Depository will comply with the lost certificate replacement procedures applicable to shares set out in the relevant subsection(s) of Section 71A of the Companies Ordinance to the extent practicable.

8. Cancellation and Destruction of HDRs. All HDRs surrendered to the Depository shall be cancelled by the Depository. The Depository is authorized to destroy HDRs in certificated form so cancelled in accordance with its customary practices.

9. The Custodian. The Custodian shall be appointed by the Depository to hold the Deposited Securities for the account of the Depository on behalf of the Holders, segregated from all other property of the Custodian. Any Custodian acting hereunder shall be subject to the directions of the Depository and shall be responsible solely to it. The Depository reserves the right to add, replace, discharge or remove a Custodian, after consultation with the Company to the extent practicable. The Depository will give prompt notice of any such action, which will be advance notice if practicable in accordance with the Listing Rules, with a view to giving sufficient notice to enable to Company to discharge its prior announcement obligation or other obligations in accordance with Rule 19B.18 of the Listing Rules.

Any Custodian may resign from its duties hereunder by serving at least 45 days written notice to the Depository, unless otherwise agreed by the Depository, at the address set out in Section 17. Any Custodian ceasing to act hereunder as Custodian shall deliver, upon the instruction of the Depository, all Deposited Securities held by it to a Custodian continuing to act.

Notwithstanding the foregoing, if the removal of a Custodian is made by the Depository for the protection of the Holders (including, but not limited to, where (i) the Custodian has

committed a material breach under the custodian agreement and the breach cannot reasonably be remedied or (ii) the Custodian has become insolvent, or there are legal restrictions for the appointment of the Custodian and the Depositary or the Company could reasonably be expected to incur a loss or liability if the Custodian is not removed), the Depositary is entitled to remove the Custodian immediately.

The Company agrees and undertakes that upon receipt of any notice of a change of any Custodian, it shall as soon as practicable, notify the Stock Exchange of Hong Kong and make appropriate disclosure in accordance with the Listing Rules, including publishing an announcement of the change of the Custodian.

10. Registrar and Transfer Agent, Co-Registrars and Co-Transfer Agents. The Depositary shall appoint and may remove the (i) registrar, who will satisfy the Registrar requirements under the Listing Rules, to maintain the HDR Register and to register HDSs, HDRs and transfers, combinations and split-ups of HDRs and to countersign HDRs in accordance with the terms of any such appointment and (ii) transfer agent for the purpose of effecting transfers, combinations and split-ups of HDRs at designated transfer offices on behalf of the Depositary. The Depositary may appoint and remove (i) co-registrars to register HDRs, HDSs and transfers, combinations and split-ups of HDRs and to countersign HDRs in accordance with the terms of any such appointment and (ii) co-transfer agents for the purpose of effecting transfers, combinations and split-ups of HDRs at designated transfer offices on behalf of the Depositary. Each registrar, transfer agent, co-registrar or co-transfer agent (other than JPMorgan Chase Bank, N.A.) shall give notice in writing to the Company and the Depositary accepting such appointment and agreeing to be bound by the applicable terms of this Deposit Agreement.

11. Lists of Holders. The Company shall have the right to inspect transfer records of the Depositary and its agents and the HDR Register, take copies thereof and require the Depositary and its agents to supply copies of such portions of such records as the Company may reasonably request. The Depositary or its agent shall so furnish to the Company monthly on or before the 5th business day of every month a list of names, addresses and holdings of HDRs by all Holders as of the last business day of the previous month. The Depositary or its agent shall furnish to the Company promptly upon the written request of the Company a list of the names, addresses and holdings of HDSs by all Holders as of a date within five business days of the Depositary's receipt of such request.

12. Depositary's Agents. The Depositary may perform its obligations under this Deposit Agreement through any agent appointed by it, provided that the Depositary shall notify the Company of such appointment and shall remain responsible for the performance of such obligations as if no agent were appointed, subject to Section 14 of the form of HDR.

13. Successor Depositary. The Depositary may at any time resign as Depositary hereunder by written notice of its election to do so delivered to the Company, such resignation to take effect upon the appointment of a successor depositary and its acceptance of such appointment as hereinafter provided. The Depositary may at any time be removed by the Company by providing no less than 90 days prior written notice of such removal to the Depositary, such removal to take effect the later of (i) the 90th day after such notice of removal is first provided and (ii) the appointment of a successor depositary and its acceptance of such appointment as hereinafter provided. Notwithstanding the foregoing, if upon the resignation or removal of the Depositary a successor depositary is not appointed within the applicable 45-day period (in the case of resignation) or 90-day period (in the case of removal)

as specified in paragraph (17) of the form of HDR, then the Depositary may elect to terminate this Deposit Agreement and the HDR and the provisions of said paragraph (17) shall thereafter govern the Depositary's obligations hereunder. In case at any time the Depositary acting hereunder shall resign or be removed, the Company shall use its best efforts to appoint a successor depositary, which shall be a bank or trust company having an office in Hong Kong. Every successor depositary shall execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder, and thereupon such successor depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor. The predecessor depositary, only upon payment of all sums due to it and on the written request of the Company, shall (i) execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder (other than its rights to indemnification and fees owing, each of which shall survive any such removal and/or resignation), (ii) duly assign, transfer and deliver all right, title and interest to the Deposited Securities to such successor, and (iii) deliver to such successor a list of the Holders of all outstanding HDRs. Any such successor depositary shall promptly mail notice of its appointment to such Holders. Any bank or trust company into or with which the Depositary may be merged or consolidated, or to which the Depositary shall transfer substantially all its Hong Kong depositary receipt business, shall be the successor of the Depositary without the execution or filing of any document or any further act. Any successor depositary, including in connection with any merger or consolidation of the Depositary, shall be acceptable to the Stock Exchange of Hong Kong in accordance with the Listing Rules. The Company agrees and undertakes that upon receipt of any notice of resignation from the Depositary or its service of notice on the Depositary of the termination of its appointment, it shall as soon as practicable, notify the Stock Exchange of Hong Kong and make appropriate disclosure in accordance with the Listing Rules, including publishing an announcement of the prospective resignation, removal and/or replacement of the Depositary.

14. Reports to Holders and Information Provided to Financial Databases. The Company covenants to provide notification of the Regulation S status of the HDSs in shareholder communications, such as annual reports, periodic interim reports, dividend notices and notices of the Company's shareholders' meetings. Subject to such waivers and exemptions from compliance with the requirements of the Listing Rules as may be granted by the Stock Exchange of Hong Kong to the Company, if the Company is required to send printed copies of any notices, reports, voting forms or other communications to registered Holders and to non-registered Holders under the Listing Rules or any other laws or regulations, it shall make available sufficient printed copies of such notices, reports, voting forms or other communications to the Depositary for distribution to Holders. After receiving such documents or communications from the Company, the Depositary will (a) forward such documents or communications to the registered Holders (and to non-registered Holders but only upon request made by non-registered Holders to HKSCC), at the Company's expense and (b) make available for inspection at the principal office of the Depositary and the office of the Custodian copies of any such documents or communications received from the Company. The Company hereby confirms that it has delivered to the Depositary a copy of its Charter and By-laws and all other documents (if any) setting out all provisions of or governing the Shares and any other Deposited Securities issued by the Company and, promptly upon any change thereto, the Company shall deliver to the Depositary a copy (in English or with an English translation) of such provisions as so changed. The Depositary and its agents may rely upon the Company's delivery thereof for all purposes of this Deposit Agreement. The Company covenants that any information provided by the Company to publishers of publicly-available databases (e.g., BLOOMBERG) about the terms of any issuance of HDSs will include a statement that the HDSs

have not been registered under the Securities Act and are subject to the restrictions of Regulation S.

15. Additional Shares. The Company shall not issue additional Shares, rights to subscribe for Shares, securities convertible into or exchangeable for Shares or rights to subscribe for any such securities for deposit, and the Company and any company controlling, controlled by or under common control with the Company shall not and shall not cause or allow any such Shares or rights to be deposited, under this Deposit Agreement except under circumstances complying in all respects with all the relevant laws and regulations, including, without limitation, the Securities Act, the Companies Ordinance, the Listing Rules (for the avoidance of doubt, except for the provisions of the Listing Rules which relevant waivers are granted by the Stock Exchange of Hong Kong) and the SFO, the rules of the New York Stock Exchange and any other stock exchange or automated quotation system on which the Shares are then listed or quoted, the rules of the DTC, the Charter and By-laws and the share handling regulations of the Company. The Depositary will use reasonable efforts to comply with written instructions of the Company not to accept for deposit hereunder any Shares identified in such instructions at such times and under such circumstances as may reasonably be specified in such instructions in order to facilitate the Company's compliance with securities laws in Hong Kong, the United States and elsewhere.

16. Indemnification. The Company shall indemnify, defend and save harmless each of the Depositary and its agents against any loss, liability or expense (including reasonable fees and expenses of legal advisers) which may arise out of acts performed or omitted (i) in connection with the provisions of this Deposit Agreement and of the HDRs, as the same may be amended, modified or supplemented from time to time in accordance herewith or (ii) at the direction of the Company in connection with this Deposit Agreement or the HDRs, as the same may be amended, modified or supplemented from time to time in accordance herewith, in each case by either the Depositary or its agents or their respective directors, employees, agents and affiliates, except in connection with clause (i) above for any loss, liability or expense directly arising out of the negligence or willful misconduct of the Depositary.

The indemnities set forth in the preceding paragraph shall also apply to any liability or expense which may arise out of any misstatement or alleged misstatement or omission or alleged omission in the Listing Document or any proxy statement, registration statement, prospectus, placement memorandum or preliminary prospectus or preliminary placement memorandum relating to the offer or sale of HDSs, except to the extent any such liability or expense arises out of (i) information relating to the Depositary or its agents (other than the Company), as applicable, furnished in writing by the Depositary and not changed or altered by the Company expressly for use in any of the foregoing documents or (ii) if such information is provided, the failure to state a material fact necessary to make the information provided not misleading.

Except as provided in the next succeeding paragraph, the Depositary shall indemnify, defend and save harmless the Company against any loss, liability or expense (including reasonable fees and expense of legal advisers) incurred by the Company in respect of this Deposit Agreement to the extent, but only to the extent, such loss, liability or expense is due to the negligence or willful misconduct of the Depositary; provided that the Company shall use all commercially reasonable efforts to mitigate any such loss, liability or expense for which indemnity is sought hereunder.

Notwithstanding any other provision of this Deposit Agreement or the form of HDR to the contrary, neither the Company nor the Depositary, nor any of their respective agents, shall be liable for any indirect, special, punitive or consequential damages (including, without limitation, lost profits) of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

The obligations set forth in this Section 16 shall survive the termination of this Deposit Agreement and the succession or substitution of any indemnified person.

17. Notices. Notice to any Holder shall be deemed given when first mailed, first class postage prepaid, to the address of such Holder on the HDR Register or received by such Holder. Notice to the Depositary or the Company shall be deemed given when first received by it at the address or facsimile transmission number set forth in (a) or (b), respectively, or at such other address or facsimile transmission number as either may specify to the other by written notice:

- (a) JPMorgan Chase Bank, N.A.
8 Connaught Road,
Chater House, 20/F, Central
Hong Kong
Tel: (852) 2800 1851
Fax: (852) 2167 7178

with a copy to:

JPMorgan Chase Bank, N.A.
One Chase Manhattan Plaza, Floor 58
New York, New York 10005
Attention: HDR Administration
Fax: (212) 552-6650

- (b) Coach, Inc.
516 West 34th Street
New York
NY 10001
United States
Attention: Todd Kahn, Executive Vice President, General Counsel
and Secretary
Fax: (212) 629-2398

18. Miscellaneous. (a) This Deposit Agreement is for the exclusive benefit of the Company, the Depositary, and their respective successors hereunder, and shall not give any legal or equitable right, remedy or claim whatsoever to any other person. The Company and the Depositary will execute a deed poll in substantially the form set out in Exhibit C hereto in favour of and in relation to the rights of the HDR Holders. (b) If any provision of this Deposit Agreement is invalid, illegal or unenforceable in any respect, the remaining provisions shall in no way be affected thereby. (c) This Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one instrument.

19. Governing law. This Deposit Agreement shall be governed and construed in accordance with the laws of Hong Kong.

20. Consent to Jurisdiction. The parties agree that the courts of Hong Kong shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Deposit Agreement (respectively, “**Proceedings**” and “**Disputes**”) and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of Hong Kong, provided always that the parties agree and acknowledge that if the Company irrevocably submits to any other jurisdiction, the Depositary shall have the right to bring proceedings in any court of competent jurisdiction in that other jurisdiction. Each party irrevocably waives any objection which it might at any time have to the courts of Hong Kong, or such other court as may be chosen by the Depositary, being nominated as the forum to hear and decide any Proceedings and to settle any Disputes and agrees not to claim that the courts of Hong Kong, or such other court as may be chosen by the Depositary, are not a convenient or appropriate forum.

The Depositary hereby appoints Kenneth Tse of JPMorgan Chase Bank, N.A., 20/F Chater House, 8 Connaught Road, Central, Hong Kong as its agent to receive on its behalf service of process in the courts of Hong Kong. The Company hereby appoints Coach Hong Kong Limited, of Suite 3301, 33rd Floor Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong as its agent to receive on its behalf service of process in the courts of Hong Kong. If such agent ceases to be an agent of the relevant parties, the relevant party shall promptly appoint and notify the other party of the identity of its new agent in Hong Kong. In the event the Company fails to continue such designation and appointment in full force and effect, the Company hereby waives personal service of process upon it and consents that any such service of process may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices hereunder, and service so made shall be deemed completed five (5) days after the same shall have been so mailed.

To the extent that the Company or any of its properties, assets or revenues may have or may hereafter be entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any respect thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or other matter under or arising out of or in connection with the Shares or Deposited Securities, the HDSs, the HDRs or this Deposit Agreement, the Company, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consents to such relief and enforcement.

21. Commencement and Termination. (a) Subject always to (b) and (c) in this Section 21, this Deposit Agreement shall come into effect on the date first above written.

(b) The Company shall forthwith notify the Depositary in writing (“Termination Notice”) in the event that the Company decides not to proceed with the Listing. If any HDRs are issued for the purpose of or to facilitate the Listing and/or pursuant to this Deposit Agreement, and the Listing does not proceed for whatever reason, this Deposit Agreement shall terminate forthwith, provided that such termination of this Deposit Agreement shall be without prejudice to any accrued rights and liabilities of the parties, and Sections 16, 17, 18, 19, 20 and 21 shall survive such termination and continue in full force and effect.

(c) Notwithstanding any other provision of this Deposit Agreement, if either (i) the Listing does not complete within 60 days from the date of this Deposit Agreement or (ii) the United States Securities and Exchange Commission does not issue a no-action letter in relation to certain matters under the Securities Act pertaining to the HDSs and the carrying out of the transactions contemplated in this Deposit Agreement in the form and substance satisfactory to the Company and the Depositary on or before the Listing Date, then this Deposit Agreement shall forthwith terminate, provided that such termination of this Deposit Agreement shall be without prejudice to any accrued rights and liabilities of the parties, and Sections 16, 17, 18, 19, 20 and 21 shall survive such termination and continue in full force and effect.

IN WITNESS WHEREOF this Deposit Agreement has been executed on behalf of the parties hereto the day and year first before written.

The Company

SIGNED by)
on behalf of **COACH, INC.**)
in the presence of:)

The Depositary

SIGNED by)
on behalf of)
JPMORGAN CHASE BANK, N.A.)
in the presence of:)

EXHIBIT A
ANNEXED TO AND INCORPORATED IN
DEPOSIT AGREEMENT

[FORM OF FACE OF HDR]

Number	No. of HDSs:	Each HDS represents 0.1 Share
		CUSIP:
	HONG KONG DEPOSITARY RECEIPT evidencing HONG KONG DEPOSITARY SHARES representing COMMON STOCK of COACH, INC.	

(Incorporated under the laws of the State of Maryland, the United States, with limited liability)

NEITHER THIS HDR NOR THE HDSs EVIDENCED HEREBY HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE RE-OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OF, A U.S. PERSON (WITHIN THE MEANING OF REGULATIONS PROMULGATED UNDER THE SECURITIES ACT), UNLESS THE SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND HEDGING TRANSACTIONS INVOLVING THE HDRS OR HDSs MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THIS HDR OR A BENEFICIAL INTEREST IN THE HDSs EVIDENCED HEREBY, AS THE CASE MAY BE, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.¹

¹ To be included for so long as the Company and Depositary deem it necessary or appropriate to comply with relevant securities laws

JPMORGAN CHASE BANK, N.A., a national banking association organized under the laws of the United States of America, as depositary hereunder (the “Depositary”), hereby certifies that _____ is the registered owner (a “Holder”) of ___ Hong Kong Depositary Shares (“HDSs”), each (subject to paragraph (13)) representing 0.1 shares of common stock, par value USD0.01 per share, of the Company (including the rights to receive Shares described in paragraph (1), “Shares”, and all such Shares from time to time deposited under the Deposit Agreement dated as of November 24, 2011 as amended from time to time (the “Deposit Agreement”), together with any and all other Shares, securities, property and cash from time to time held by the Depositary or the Custodian for the account of the Depositary on behalf of the Holders in respect of or in lieu of such deposited Shares and other Shares, securities, property and cash, the “Deposited Securities”), of Coach, Inc., a corporation organized under the laws of the State of Maryland, the United States (the “Company”), deposited under the Deposit Agreement between the Company and the Depositary. This Hong Kong Depositary Receipt (“HDR”) (which includes the provisions set forth on the reverse hereof) shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People’s Republic of China.

(1) Issuance and Pre-Release of HDSs. This HDR is one of the HDRs issued under the Deposit Agreement. Subject to paragraph (4) and except in the case of a Pre-Release as provided below in this paragraph (1), the Depositary may issue HDRs for delivery at the Transfer Office (as defined in paragraph (3)) only against deposit with the Custodian of (a) Shares in the form satisfactory to the Custodian; or (b) rights to receive Shares from the Company or any registrar, transfer agent, clearing agent or other entity recording Share ownership or transaction. Subject to the further terms and provisions of this paragraph (1), the Depositary, its affiliates and their agents, on their own behalf, may own and deal in any class of securities of the Company and its affiliates and in HDSs. In its capacity as Depositary, the Depositary shall not lend Shares or HDSs; provided, however, that the Depositary may (i) issue HDSs prior to the receipt of Shares and (ii) deliver Shares prior to the receipt of HDSs for withdrawal of Deposited Securities, including HDSs which were issued under (i) above but for which Shares may not have been received (each such transaction a “Pre-Release”). The Depositary may receive HDSs in lieu of Shares under (i) above (which HDSs will promptly be canceled by the Depositary upon receipt by the Depositary) and receive Shares in lieu of HDSs under (ii) above. Each such Pre-Release will be subject to a written agreement whereby the person or entity (the “Applicant”) to whom HDSs or Shares are to be delivered (a) represents that at the time of the Pre-Release the Applicant or its customer owns the Shares or HDSs that are to be delivered by the Applicant under such Pre-Release, (b) agrees to indicate the Depositary as owner of such Shares or HDSs in its records and to hold such Shares or HDSs in trust for the Depositary until such Shares or HDSs are delivered to the Depositary or the Custodian, (c) unconditionally guarantees to deliver to the Depositary or the Custodian, as applicable, such Shares or HDSs, and (d) agrees to any additional restrictions or requirements that the Depositary deems appropriate. Each such Pre-Release will be at all times fully collateralized with cash, U.S. government securities or such other collateral as the Depositary deems appropriate, terminable by the Depositary on not more than five (5) business days’ notice and subject to such further indemnities and credit regulations as the Depositary deems appropriate. The Depositary will normally limit the number of HDSs and Shares involved in such Pre-Release at any one time to thirty percent (30%) of the HDSs outstanding (without giving effect to HDSs outstanding under (i) above), provided, however, that the Depositary reserves the right to change or disregard such limit from time to time as it deems appropriate. The Depositary may also set limits with respect to the number of HDSs and Shares involved in Pre-Release with any one person on a case-by-case basis as it deems appropriate. The Depositary may retain for its own account any compensation received by it in conjunction with the

foregoing. Collateral provided pursuant to (b) above, but not the earnings thereon, shall be held for the benefit of the Holders (other than the Applicant).

Every person depositing Shares under the Deposit Agreement represents and warrants that such Shares are validly issued and outstanding, fully paid, nonassessable, and free from all liens and pre-emptive rights, and that the person making such deposit is duly authorized so to do and that such Shares (A) are not “restricted securities” as such term is defined in Rule 144 under the Securities Act (“Restricted Securities”) unless at the time of deposit the requirements of paragraphs (c), (e), (f) and (h) of Rule 144 under the Securities Act shall not apply and the requirements of paragraph (d) of Rule 144 under the Securities Act shall have been satisfied and such Shares may be freely transferred and may otherwise be offered and sold freely in the United States or (B) have been registered under the Securities Act. To the extent the person depositing Shares is an affiliate of the Company as such term is defined in Rule 144 under the Securities Act, the person also represents and warrants that upon the issuance and sale of the HDSs, all of the provisions of Rule 144 under the Securities Act which enable the Shares to be freely sold (in the form of HDSs) will be fully complied with and, as a result thereof, all of the HDSs issued in respect of such Shares will not be on the sale thereof, Restricted Securities. Such representations and warranties shall survive the deposit of Shares and issuance of HDRs or adjustment of the Depositary’s records in respect of the HDRs. The Depositary may refuse to accept Shares for deposit if such action is deemed necessary or desirable by the Depositary, in good faith, at any time or from time to time because of any requirement or law or rule of any government or governmental authority, body or commission or stock exchange or under any provision of this Deposit Agreement or for any other reason.

(2) Withdrawal of Deposited Securities. A Holder may from time to time surrender the HDRs for cancellation and request for the Deposited Securities represented by the HDSs to be transferred to the name of the Holder, in each case in accordance with the terms of the Deposit Agreement; provided that a Holder may only request for withdrawal of Shares represented by ten (10) HDRs or multiples thereof. Subject to paragraphs (4) and (5), upon surrender of (i) a certificated HDR in form satisfactory to the Depositary at the Transfer Office, and (ii) proper instructions and documentation in the case of a Book-Entry HDR, the Holder hereof is entitled to delivery at, or to the extent in dematerialized form from, the Custodian’s office of the Deposited Securities at the time represented by the HDSs evidenced by this HDR, provided that the Depositary may deliver Shares prior to the receipt of HDSs for withdrawal of Deposited Securities, including HDSs which were issued under (1) above but for which Shares may not have been received (until such HDSs are actually deposited, “Pre-released Shares”) only if all the conditions in (1) above related to such Pre-Release are satisfied. At the request, risk and expense of the Holder hereof, the Depositary may deliver such Deposited Securities at such other place as may have been requested by the Holder.

(3) Transfers of HDRs. The Depositary or its agent will keep, at a designated transfer office in Hong Kong (the “Transfer Office”), (a) a register (the “HDR Register”) for the registration of HDRs and their Holders and the registration of issue, transfer, combination, split-up and cancellation of HDRs, which at all reasonable times will be open for inspection by Holders and the Company for the purpose of communicating with Holders in the interest of the business of the Company or a matter relating to the Deposit Agreement and (b) facilities for the delivery and receipt of HDRs. Subject to the restrictions on transfer appearing hereon, title to this HDR (and to the Deposited Securities represented by the HDSs evidenced hereby), when properly endorsed (in the case of HDRs in certificated form) or upon delivery to the Depositary of proper instruments of transfer, is transferable by delivery with the same effect

as in the case of negotiable instruments under the laws of Hong Kong; provided that the Depository and the Company, notwithstanding any notice to the contrary, may treat the person in whose name this HDR is registered on the HDR Register as the absolute owner hereof for all purposes and neither the Depository nor the Company will have any obligation or be subject to any liability under the Deposit Agreement to any person holding or in possession of or claiming or alleging ownership or any right to an HDR, unless such person is the Holder thereof. Subject to paragraphs (4) and (5) and the restrictions on transfer appearing hereon, this HDR is transferable on the HDR Register and may be split into other HDRs or combined with other HDRs into one HDR, evidencing the aggregate number of HDSs surrendered for split-up or combination, by the Holder hereof or by duly authorized attorney upon surrender of this HDR at the Transfer Office properly endorsed (in the case of HDRs in certificated form) or upon delivery to the Depository of proper instruments of transfer and duly stamped as may be required by applicable law; provided that the Depository may close the HDR Register at any time or from time to time when deemed expedient by it (after making reasonable effort to consult with the Company to the extent practicable in the case of any closure outside the ordinary course of business) or requested by the Company. All transfers of HDRs shall be effected by transfer in the usual or common form or in such other form as the Depository may accept provided always that it shall be in such a form prescribed by the Stock Exchange of Hong Kong and may be under hand only, or if the transferor or transferee is HKSCC Nominee Limited (or a successor thereto), under hand or by machine imprinted signature or by such other means of execution as the Depository may approve from time to time. At the request of a Holder, the Depository shall, for the purpose of substituting a certificated HDR with a Book-Entry HDR, or vice versa, execute and deliver a certificated HDR or a Book-Entry HDR, as the case may be, for any authorized number of HDSs requested, evidencing the same aggregate number of HDSs as those evidenced by the certificated HDR or Book-Entry HDR, as the case may be, substituted. Nothing in this certificate or the Deposit Agreement affects the right of the Company under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) to investigate the ownership of the Shares or title to this HDR (and to the Deposited Securities represented by the HDSs evidenced by them).

(4) Certain Limitations. Prior to the issue, registration, registration of transfer, split-up or combination of any HDR, the delivery of any distribution in respect thereof, the withdrawal of any Deposited Securities, and from time to time in the case of clause (b)(ii) of this paragraph (4), the Company, the Depository or the Custodian may require: (a) payment with respect thereto of (i) any stamp duty, stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of Shares or other Deposited Securities upon any applicable register and (iii) any applicable charges as provided in paragraph (7) of this HDR; (b) the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial ownership of any securities, compliance with applicable law, regulations, provisions of or governing Deposited Securities and terms of the Deposit Agreement and this HDR, as it may deem necessary or proper; and (c) compliance with such regulations as the Depository may establish consistent with the Deposit Agreement and any regulation which the Company may notify the Depository in writing and which is deemed desirable by the Company to facilitate compliance with any applicable laws, rules or regulations. The issuance of HDRs, the acceptance of deposits of Shares, the registration, registration of transfer, split-up or combination of HDRs, the withdrawal of Deposited Securities may be suspended, generally or in particular instances, when the HDR Register or any register for Deposited Securities or book-entry of the Shares is closed or when any such

action is deemed advisable by the Depositary (after consulting with the Company, to the extent practicable).

(5) Taxes. If any tax or other governmental charge (including, without limitation, any U.S. federal income tax) and any penalties, additions to tax and/or interest with respect thereto (collectively “Taxes”) shall become payable by or on behalf of the Company, the Custodian or the Depositary with respect to this HDR, any Deposited Securities represented by the HDSs evidenced hereby or any distribution on such Deposited Securities, such Taxes shall be paid by the Holder hereof to the Depositary (such payment of such Taxes to be made either directly or by means of deduction of such Taxes by the Depositary or the Custodian as provided in this Section 5) and by holding or having held this HDR (or a beneficial interest in this HDR), the Holder and all prior Holders hereof and the beneficial owners therein, jointly and severally, agree to indemnify, defend and save harmless each of the Company and the Depositary and their respective agents in respect thereof. The Depositary may refuse to effect any registration, registration of transfer, split-up or combination hereof or, subject to the last sentence of paragraph (2), any withdrawal of such Deposited Securities until such payment is made. The Depositary or the Custodian may also deduct from any distributions it receives on or in respect of Deposited Securities, or may sell by public or private sale for the account of the Holder hereof any part or all of such Deposited Securities (after attempting by reasonable means to notify the Holder hereof prior to such sale), and may apply such deduction or the proceeds of any such sale in payment of such Tax, the Holder hereof remaining liable for any deficiency, and shall reduce the number of HDSs evidenced hereby to reflect any such sales of Shares. In connection with any distribution on the Deposited Securities paid to the Depositary or the Custodian, the Company will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld and owing to such authority or agency by the Company under applicable law; in connection with any distribution to Holders, the Depositary and the Custodian will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld and owing to such authority or agency by the Depositary or the Custodian under applicable law. Without limiting the generality of the foregoing, for so long as there is no mechanism available for the ultimate beneficial owners of the Deposited Securities to provide (directly or indirectly) to the Depositary or the Custodian the certifications required under applicable U.S. Treasury regulations to make a claim, pursuant to an applicable income tax treaty to which the United States is a party, for a reduced rate of withholding of U.S. federal income tax on distributions on the Deposited Securities that constitute U.S. source dividends for U.S. federal income tax purposes, the Depositary shall, or shall cause the Custodian to, withhold U.S. federal income tax at the maximum applicable rate under applicable U.S. federal income tax law (as of the date hereof, 30%) from the gross amount of all such distributions on the Deposited Securities and shall, or shall cause the Custodian to, remit such withheld amounts to, and file such necessary returns or reports with, the appropriate governmental authority or agency relating to such distributions and withheld amounts. At and after such time, if at all, as there is a mechanism available for the ultimate beneficial owners of the Deposited Securities to provide (directly or indirectly) to the Depositary or the Custodian the certifications required under applicable U.S. Treasury regulations to make a claim, pursuant to an applicable income tax treaty to which the United States is a party, for a reduced rate of withholding of U.S. federal income tax on distributions on the Deposited Securities that constitute U.S. source dividends for U.S. federal income tax purposes, the Depositary shall, or shall cause the Custodian to, withhold U.S. federal income tax at applicable rates from the gross amount of all such distributions on the Deposited Securities and shall, or shall cause the Custodian to, remit such withheld amounts to, and file such necessary returns or reports with, the appropriate governmental authority or agency relating to such distributions and withheld amounts. If the Depositary determines that any distribution in property other than cash (including Shares or rights) it receives on Deposited Securities is subject to any Tax that the Depositary or the

Custodian is obligated to withhold, the Depositary may dispose of all or a portion of such property in such amounts and in such manner as the Depositary deems necessary and practicable to pay such Taxes, by public or private sale, and the Depositary shall distribute the net proceeds of any such sale or the balance of any such property after deduction of such Taxes to the Holders entitled thereto. The Depositary will, to the extent it has such information, furnish to the Company such information from its records as the Company may reasonably request to enable the Company to file any necessary reports with governmental authorities in the context of this paragraph (5). Each Holder of an HDR or owner of a beneficial interest therein agrees to indemnify the Depositary, the Company, the Custodian and any of their respective directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to Taxes arising out of any refund of Taxes, reduced rate of withholding of Tax at source or other Tax benefit obtained by such Holder or beneficial owner.

(6) Disclosure of Interests. To the extent that the provisions of or any applicable laws and regulations governing any Deposited Securities in force from time to time or the laws, rules or regulations of any jurisdiction in which the Shares of the Company are listed from time to time (in whatever form) may require disclosure of or impose limits on beneficial or other ownership of Deposited Securities, other shares or other securities of the Company and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, Holders (including all beneficial owners of the HDRs) and all persons holding HDRs agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable Company instructions in respect thereof. For the avoidance of doubt, HKSCC and HKSCC Nominees Limited (or any successor thereto) shall be exempted from any requirement to make any declaration or representations and/or to provide information on the nationality, identity and/or other particulars of the beneficial owners of the HDRs and the Company and the Depositary acknowledge that HKSCC and HKSCC Nominees Limited do not recognize the interest of the CCASS Participants' clients in respect of HDRs deposited into CCASS. The Company reserves the right to instruct Holders to deliver their HDSs for cancellation and withdrawal of the Deposited Securities so as to permit the Company to deal directly with the Holder thereof as a holder of Shares and Holders agree to comply with such instructions. The Depositary agrees to cooperate with the Company in its efforts to inform Holders of the Company's exercise of its rights under this paragraph and agrees to consult with, and provide reasonable assistance without risk, liability or expense on the part of the Depositary, to the Company on the manner or manners in which it may enforce such rights with respect to any Holder. The Depositary shall forward to the Holders, upon the request of the Company, any written request from the Company to the Holders for beneficial ownership information and shall promptly forward to the Company any responses thereto received by the Depositary.

(7) Fees and Charges of Depositary. The Depositary may collect from (i) each person to whom HDSs are issued, including, without limitation, issuances against deposits of Shares, issuances in respect of Share Distributions, Rights and Other Distributions (as such terms are defined in paragraph (10)), issuances pursuant to a stock or share dividend, gratuitous allocation of shares or share or stock split declared by the Company, or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the HDSs or the Deposited Securities, and (ii) each person surrendering HDSs for withdrawal of Deposited Securities or whose HDSs are cancelled or reduced for any other reason, HK\$0.40 for each HDS issued, delivered, reduced, cancelled or surrendered (as the case may be). For the avoidance of doubt, HKSCC Nominees Limited, as the nominee for CCASS Participants, excluding its participants, shall not be liable to the Depositary for the payment or collection of any fees or charges and, accordingly, any reference in this Section 7 to "Holder" shall, in the case of HKSCC Nominees Limited being a Holder by being the registered owner of HDRs holding as nominee for the benefit of CCASS Participants, mean those CCASS Participants and not

HKSCC Nominees Limited. The Depositary may sell (by public or private sale) sufficient securities and property received in respect of Share Distributions, Rights and Other Distributions prior to such deposit to pay such charge. The following additional charges shall be incurred by the Holders, by any party depositing or withdrawing Shares or by any party surrendering HDSs, to whom HDSs are issued (including, without limitation, issuance pursuant to a stock or share dividend, gratuitous allocation of shares or share or stock split declared by the Company or an exchange of stock regarding the HDSs or the Deposited Securities or a distribution of HDSs pursuant to paragraph (10)), whichever is applicable (i) a fee of HK\$0.40 or less per HDS for any Cash distribution made pursuant to the Deposit Agreement, (ii) a fee of HK\$2.50 per HDR or HDRs for transfers made pursuant to paragraph (3) hereof, (iii) a fee for the distribution or sale of securities pursuant to paragraph (10) hereof, such fee being in an amount equal to the fee for the execution and delivery of HDSs referred to above which would have been charged as a result of the deposit of such securities (for purposes of this paragraph (7) treating all such securities as if they were Shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the Depositary to Holders entitled thereto, (iv) an aggregate fee of HK\$0.40 per HDS per calendar year (or portion thereof) for services performed by the Depositary in administering the HDRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against Holders as of the record date or record dates set by the Depositary during each calendar year and shall be payable at the sole discretion of the Depositary by billing such Holders or by deducting such charge from one or more cash dividends or other cash distributions), and (v) such fees and expenses as are incurred by the Depositary and/or any of its agents (including without limitation expenses incurred on behalf of Holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the Shares or other Deposited Securities (including, without limitation, Deposited Securities), the delivery of Deposited Securities or otherwise in connection with the Depositary's or its Custodian's compliance with applicable law, rule or regulation. The Company will pay all other charges and expenses of the Depositary and any agent of the Depositary (except the Custodian) pursuant to agreements from time to time between the Company and the Depositary, except (i) stamp duty, stock transfer or other taxes and other governmental charges (which are payable by Holders or persons depositing Shares), (ii) cable, telex and facsimile transmission and delivery charges incurred at the request of persons depositing, or Holders delivering Shares, HDRs or Deposited Securities (which are payable by such persons or Holders), (iii) transfer or registration fees for the registration or transfer of Deposited Securities on any applicable register in connection with the deposit or withdrawal of Deposited Securities (which are payable by persons depositing Shares or Holders withdrawing Deposited Securities; there are no such fees in respect of the Shares as of the date of the Deposit Agreement), (iv) expenses of the Depositary in connection with the conversion of foreign currency into Hong Kong dollars (which are paid out of such foreign currency), and (v) any other charge payable by any of the Depositary, any of the Depositary's agents, including, without limitation, the Custodian, or the agents of the Depositary's agents in connection with the servicing of the Shares or other Deposited Securities (which charge shall be assessed against Holders as of the record date or dates set by the Depositary and shall be payable at the sole discretion of the Depositary by billing such Holders or by deducting such charge from one or more cash dividends or other cash distributions). Such charges may at any time and from time to time be changed by agreement between the Company and the Depositary.

(8) Available Information. Any written communications from the Company, which are both received by the Custodian or its nominee as a holder of Deposited Securities and made generally available to the holders of Deposited Securities, are available on the Company's website, currently located at www.coach.com. The Deposit Agreement, the provisions of or governing Deposited Securities and any written communications from the Company, if issued in

printed form, are available for inspection by Holders at the Transfer Office. The Depositary will distribute copies of any such written communications to Holders when furnished by the Company. The Depositary does not assume any liability to any communication made by the Company to Holders.

(9) Execution. This HDR shall not be valid for any purpose unless executed by the Depositary by the manual or facsimile signature of a duly authorized officer of the Depositary.

Dated:

JPMORGAN CHASE BANK, N.A., as Depositary

By _____
Authorized Officer

The Depositary's office is located at One Chase Manhattan Plaza, New York, New York 10005.

[FORM OF REVERSE OF HDR]

(10) Distributions on Deposited Securities. Subject to paragraphs (4) and (5), to the extent practicable, the Depositary will (after consulting with the Company to the extent practicable) distribute to each Holder entitled thereto on the record date set by the Depositary therefor at such Holder's address shown on the HDR Register, in proportion to the number of Deposited Securities (on which the following distributions on Deposited Securities are received by the Custodian) represented by HDSs evidenced by such Holder's HDRs: **(a) Cash.** Any Hong Kong dollars available to the Depositary resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof authorized in this paragraph (10) ("Cash"), on an averaged or other practicable basis, subject to (i) appropriate adjustments for Taxes withheld, (ii) such distribution being impermissible or impracticable with respect to certain Holders, and (iii) deduction of the Depositary's expenses in (1) converting any foreign currency to Hong Kong dollars at such prevailing exchange rate as may be available at the time of conversion by sale or in such other manner as the Depositary may determine to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or Hong Kong dollars to Hong Kong by such means as the Depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. **(b) Shares.** (i) Additional HDRs evidencing whole HDSs representing any Shares available to the Depositary resulting from a share or stock dividend, gratuitous allocation of shares, free distribution or share or stock split on Deposited Securities consisting of Shares (a "Share Distribution") and (ii) Hong Kong dollars available to it resulting from the net proceeds of sales of Shares received in a Share Distribution, which Shares would give rise to fractional HDSs if additional HDRs were issued therefor, as in the case of Cash. **(c) Rights.** (i) Warrants or other instruments (including share acquisition rights) in the discretion of the Depositary representing rights to acquire additional HDRs in respect of any rights to subscribe for additional Shares or rights of any nature available to the Depositary as a result of a distribution on Deposited Securities ("Rights"), to the extent that the Company timely furnishes to the Depositary evidence satisfactory to the Depositary that the Depositary may lawfully distribute the same (the Company has no obligation to so furnish such evidence), or (ii) to the extent the Company does not so furnish such evidence and sales of Rights are practicable, any Hong Kong dollars available to the Depositary from the net proceeds of sales of Rights as in the case of Cash, or (iii) to the extent the Company does not so furnish such evidence and such sales cannot practicably be accomplished by reason of the non-transferability of the Rights, limited markets therefor, their short duration or otherwise, nothing (and any Rights may lapse). **(d) Other Distributions.** (i) Securities or property available to the Depositary resulting from any distribution on Deposited Securities other than Cash, Share Distributions and Rights ("Other Distributions"), by any means that the Depositary may deem equitable and practicable, or (ii) to the extent the Depositary deems distribution of such securities or property not to be equitable and practicable, any Hong Kong dollars available to the Depositary from the net proceeds of sales of Other Distributions as in the case of Cash. The Depositary reserves the right to utilize a division, branch or affiliate of JPMorgan Chase Bank, N.A. to direct, manage and/or execute any public and/or private sale of securities hereunder. Such division, branch or affiliate may charge the Depositary a fee in connection with such sales, which fee is considered an expense of the Depositary contemplated above and/or under paragraph (7) hereof. Neither the Depositary nor any of its agents shall have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act, nor shall it or any of its agents be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained. Such Hong Kong dollars available will be distributed by checks drawn

on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the Depositary in accordance with its then current practices.

(11) Record Dates. The Depositary may, after consultation with the Company if practicable, fix a record date (which, to the extent applicable, shall be as near as practicable to any corresponding record date set by the Company) for the determination of the Holders who shall be responsible for the fee assessed by the Depositary for administration of the HDR program and for any expenses provided for in paragraph (7) hereof as well as for the determination of the Holders who shall be entitled to receive any distribution on or in respect of Deposited Securities, to give instructions for the exercise of any voting rights, to receive any notice or to act in respect of other matters and only such Holders shall be so entitled or obligated.

(12) Voting of Deposited Securities. As soon as practicable after receipt from the Company of notice of any meeting or solicitation of interests or intention to vote at any meeting or proxies of holders of Shares or other Deposited Securities, which notice must be sent by the Company to allow for adequate time for the Depositary to distribute such notice as described herein, the Depositary shall distribute to Holders a notice stating (a) such information as is contained in such notice and any solicitation materials, (b) that each Holder on the record date set by the Depositary therefor will, subject to any applicable law and regulations and the Charter and By-laws, be entitled to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the Deposited Securities represented by the HDSs evidenced by such Holder's HDRs and (c) the manner in which such instructions may be given. Upon receipt of instructions of a Holder on such record date in the manner and on or before the date established by the Depositary for such purpose, the Depositary shall endeavor insofar as practicable and permitted under the provisions of or governing the Deposited Securities to vote or cause to be voted the Deposited Securities represented by the HDSs evidenced by such Holder's HDRs in accordance with such instructions. The Depositary will not itself exercise any voting discretion in respect of any Deposited Securities. There is no guarantee that the Holders generally or any Holder in particular will receive the notice described above with sufficient time to enable such Holder to return any voting instructions to the Depositary in a timely manner. To the extent permitted by the Company and applicable law and regulations and the Charter and By-laws, Holders may attend any meeting of holders of Shares or other Deposited Securities but may not vote in person at such meeting.

(13) Changes Affecting Deposited Securities. Subject to paragraphs (4) and (5), the Depositary may, in its discretion, amend this HDR or distribute additional or amended HDRs (with or without calling this HDR for exchange) or cash, securities or property on the record date set by the Depositary therefor to reflect any change in par value, split-up, consolidation, cancellation or other reclassification of Deposited Securities, any Share Distribution or Other Distribution not distributed to Holders or any cash, securities or property available to the Depositary in respect of Deposited Securities from (and the Depositary is hereby authorized to surrender any Deposited Securities to any person and, irrespective of whether such Deposited Securities are surrendered or otherwise cancelled by operation of law, rule, regulation or otherwise, to sell by public or private sale any property received in connection with) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all the assets of the Company, and to the extent the Depositary does not so amend this HDR or make a distribution to Holders to reflect any of the foregoing, or the net proceeds thereof, whatever cash, securities or property results from any of the foregoing shall constitute Deposited Securities and each HDS evidenced by this HDR shall automatically represent its pro rata interest in the Deposited Securities as then constituted.

(14) Exoneration. The Depositary, the Company, their agents and each of them shall: (a) incur no liability (i) if any present or future law, rule, regulation, fiat, order or decree of the United States, Hong Kong or any other country, or of any governmental or regulatory authority or any securities exchange or market or automated quotation system, DTC, the provisions of or governing any Deposited Securities, any present or future provision of the Charter and By-laws, any act of God, war, terrorism or other circumstance beyond its control shall prevent, delay or subject to any civil or criminal penalty any act which the Deposit Agreement or this HDR provides shall be done or performed by it or them (including, without limitation, voting pursuant to paragraph (12) hereof), or (ii) by reason of any exercise or failure to exercise any discretion given it in the Deposit Agreement or this HDR; (b) assume no liability except to perform its obligations to the extent they are specifically set forth in this HDR and the Deposit Agreement without negligence or bad faith; (c) in the case of the Depositary and its agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities or this HDR; (d) in the case of the Company and its agents hereunder be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities or this HDR, which in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense (including fees and disbursements of counsel) and liability be furnished as often as may be required; or (e) not be liable for any action or inaction by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Holder, or any other person believed by it to be competent to give such advice or information.

The Depositary shall not be liable for the acts or omissions made by any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of Deposited Securities or otherwise. The Depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any Custodian that is not a branch or affiliate of JPMorgan Chase Bank, N.A. The Depositary, its agents and the Company may rely and shall be protected in acting upon any written notice, request, direction or other document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Depositary and its agents will not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, for the manner in which any such vote is cast or for the effect of any such vote. The Depositary and its agents may own and deal in any class of securities of the Company and its affiliates and in HDRs. Notwithstanding anything to the contrary set forth in the Deposit Agreement or an HDR, the Depositary, the Company and their agents may fully respond to any

and all demands or requests for information maintained by or on its behalf in connection with the Deposit Agreement, any Holder or Holders, any HDR or HDRs or otherwise related hereto to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. None of the Depositary, the Custodian or the Company shall be liable for the failure by any Holder or owner of a beneficial interest in this HDR to obtain the benefits of credits on the basis of Tax paid against such Holder's or beneficial owner's income tax liability. The Depositary and the Company shall not incur any liability for any tax consequences that may be incurred by Holders and owners of a beneficial interest in this HDR on account of their ownership of the HDRs or HDSs. The Company has agreed to indemnify the Depositary and its agents under certain circumstances and the Depositary has agreed to indemnify the Company under certain circumstances. Neither the Company, the Depositary nor any of their respective agents shall be liable to Holders or beneficial owners of interests in HDSs for any indirect, special, punitive or consequential damages (including, without limitation, lost profits) of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought. No disclaimer of liability under the Securities Act of 1933 is intended by any provision hereof.

(15) Resignation and Removal of Depositary; the Custodian. The Depositary may resign as Depositary by written notice of its election to do so delivered to the Company, such resignation to take effect upon the appointment of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement. The Depositary may at any time be removed by the Company by no less than 90 days prior written notice of such removal, to become effective upon the later of (i) the 90th day after delivery of the notice to the Depositary and (ii) the appointment of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement. The Depositary may appoint substitute or additional Custodians and the term “Custodian” refers to each Custodian or all Custodians as the context requires. The Company agrees and undertakes that upon receipt of any notice of resignation from the Depositary or its service of notice on the Depositary of the termination of its appointment, it shall as soon as practicable, notify the Stock Exchange of Hong Kong and make appropriate disclosure in accordance with the Listing Rules, including publishing an announcement of the prospective resignation, removal and/or replacement of the Depositary.

(16) Amendment. The HDRs and the Deposit Agreement may be amended by the Company and the Depositary only in accordance with this clause.

- (i) Any amendment that imposes or increases any fees or charges payable under a single head of fee/charge mentioned in paragraph 7 above in respect of one HDR (other than any imposition or increase in fees or charges in the nature of stamp duty, stock transfer or other taxes and other governmental charges, transfer or registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses, which shall become effective in accordance with paragraph 16(iii) below) (“Relevant Fees or Charges”) by 25% or HK\$1.00 (whichever is the lesser increase) or less from the Relevant Fees or Charges in effect at the time of such proposed amendment shall become effective 30 days after notice of such amendment shall have been given to the Holders and every Holder of an HDR at the time any such amendment to the Deposit Agreement so becomes effective shall be deemed, by continuing to hold such HDR, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby.
- (ii) In respect of any amendment that increases any Relevant Fees or Charges payable under a single head of fee/charge mentioned in paragraph 7 above in

respect of one HDR by more than 25% or HK\$1.00 (whichever is the lesser increase) from the Relevant Fees or Charges in effect at the time of such proposed amendment, or any amendment (including any amendment that relate to any matter set out in Rule 19B.16(a) to (t) of the Listing Rules) that, at the direction of the Company in its sole opinion and absolute discretion (which shall be exercised with reasonable care), will prejudice any substantial rights of Holders, the Depositary shall provide Holders with a notice (“**Amendment Notice**”) of the amendments and such Amendment Notice shall set out the period (which shall not be less than 21 days nor exceed 60 days from the date of the Amendment Notice) during which Holders shall be entitled to vote for or against such amendments, the record date for determining entitlement to vote, all necessary details regarding the procedures by which Holders may cast their votes, and the method and date on or by which the results of the votes will be notified to the Holders, and any Holder who does not vote (for whatever reason) in accordance with the terms and procedures set out in the Amendment Notice shall be taken to have abstained from voting. A proposal for any such amendment shall be approved by a majority of votes cast in favour, and votes must be cast by at least three Holders or, if there are fewer than three Holders, by all Holders who cast their vote. For the avoidance of doubt, the Company shall have the sole and absolute discretion (which shall be exercised with reasonable care) to determine if any amendment will prejudice the substantial rights of the Holders. Any amendments or supplements which both (i) are reasonably necessary (as agreed by the Company and the Depositary) in order for the HDSs or Shares to be traded solely in electronic book-entry form and also (ii) do not in either such case impose or increase any fees or charges to be borne by Holders, shall be deemed not to prejudice any substantial rights of Holders. The Amendment Notice and other materials related to voting for each proposed amendment under this paragraph 16(ii) will be published on the website of the Stock Exchange of Hong Kong.

- (iii) Subject, for the avoidance of doubt, to paragraph 16(ii) above in respect of amendments mentioned therein, any other amendments may be made by agreement between the Company and the Depositary and shall become effective in accordance with the terms of such agreement. Further, and without limiting the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the Deposit Agreement or the form of HDR to ensure compliance therewith, the Company and the Depositary may amend or supplement the Deposit Agreement and the HDR at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the Deposit Agreement in such circumstances may become effective before a notice of such amendment or supplement is given to Holders or within any other period of time as required for compliance.
- (iv) In no event shall any amendment impair the right of the Holder of any HDR to surrender such HDR and receive the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

(17) Termination. The Depositary may, and shall at the written direction of the Company, terminate the Deposit Agreement and this HDR by mailing notice of such termination to the Holders at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the Depositary shall have (i) resigned as Depositary

hereunder, notice of such termination by the Depositary shall not be provided to Holders unless a successor depositary shall not be operating hereunder within 45 days of the date of such resignation, and (ii) been removed as Depositary hereunder, notice of such termination by the Depositary shall not be provided to Holders unless a successor depositary shall not be operating hereunder on the 90th day after the Company's notice of removal was first provided to the Depositary. After the date so fixed for termination, the Depositary and its agents will perform no further acts under the Deposit Agreement and this HDR, except to receive and hold (or sell) distributions on Deposited Securities and deliver Deposited Securities being withdrawn. As soon as practicable after the expiration of six months from the date so fixed for termination, the Depositary shall sell the Deposited Securities and shall thereafter (as long as it may lawfully do so) hold in a segregated account the net proceeds of such sales, together with any other cash then held by it under the Deposit Agreement, without liability for interest, in trust for the pro rata benefit of the Holders of HDRs not theretofore surrendered. After making such sale, the Depositary shall be discharged from all obligations in respect of the Deposit Agreement and this HDR, except to account for such net proceeds and other cash. After the date so fixed for termination, the Company shall be discharged from all obligations under the Deposit Agreement and this HDR except for its obligations to the Depositary and its agents.

(18) Appointment. The Company hereby appoints the Depositary as depositary for the Deposited Securities and hereby authorizes and directs the Depositary to act on behalf of the Company in accordance with the terms set forth in the Deposit Agreement. Each Holder and each person holding an interest in HDSs, upon acceptance of any HDSs (or any interest therein) issued in accordance with the terms and conditions of the Deposit Agreement shall be deemed for all purposes to (a) be bound by the terms of the Deposit Agreement and the applicable HDR(s), and (b) appoint the Depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the Deposit Agreement and the applicable HDR(s), to adopt any and all procedures necessary to comply with applicable law and to take such action as the Depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the Deposit Agreement and the applicable HDR(s), the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof.

EXHIBIT B

FORM OF DEPOSITOR CERTIFICATE

[Certification of acquirers of HDRs or beneficial interests in HDRs upon deposit of Shares]

[DATE]

JPMorgan Chase Bank, N.A., as Depositary
One Chase Manhattan Plaza, Floor 58
New York, New York 10005

Re: COACH, INC.

Dear Sirs:

Reference is hereby made to the Deposit Agreement, dated as of November 24, 2011 (the "Deposit Agreement"), between Coach, Inc. (the "Company") and JPMorgan Chase Bank, N.A., as Depositary.

Capitalized terms used but not defined herein shall have the meanings given them in the Deposit Agreement. References to the Deposit Agreement include the certification and other procedures established by the Depositary pursuant to such agreement.

This certification and agreement is furnished in connection with the deposit of Shares and issuance of HDSs to be evidenced by one or more HDRs pursuant to Section 3 and Section 4, respectively, of the Deposit Agreement.

We acknowledge and agree (or if we are a broker-dealer, our customer has confirmed to us that it acknowledges and agrees) that by depositing the Shares, the HDRs and the HDSs evidenced thereby to be issued upon such deposit have not been registered under the U.S. Securities Act of 1933, as amended (the "Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may be re-offered, resold, pledged or otherwise transferred only in accordance with the provisions of Regulation S promulgated under the Securities Act ("Regulation S"), pursuant to registration under the Securities Act, or pursuant to an available exemption from registration under the Securities Act and in compliance with applicable laws of the states, territories and possessions of the United States governing the offer and sale of securities and we further acknowledge that hedging transactions with regard to the HDRs and HDSs evidenced thereby is not permitted unless in compliance with the Securities Act and agree not to engage in hedging transactions with regard to the HDRs and HDSs evidenced thereby unless in compliance with the Securities Act.

We certify that one of the following is true (please check appropriate box):

We are, or at the time the Shares are deposited and at the time the HDRs are issued will be, the beneficial owner of the Shares and of the HDSs evidenced by such HDR or HDRs, and (i) we are not a U.S. person (as defined in Regulation S) and are not acting for the account or benefit of a U.S. person (as defined in Regulation S) and we are located outside the United States (within the meaning of Regulation S) and acquired, or have agreed to acquire and will have acquired, the HDSs to be issued upon such deposit and evidenced by such HDRs, outside the United States (within the meaning of Regulation S), and (ii) we are not an affiliate (as such term is defined in Regulation C under the Act) of the Company or a person acting on behalf of such an affiliate (as such term is defined in Regulation C under the Securities Act).

OR

We are a broker-dealer acting on behalf of our customer; our customer has confirmed to us that it is, or at the time the Shares are deposited and at the time the HDRs are issued will be, the beneficial owner of the Shares and of the HDSs evidenced by such HDR or HDRs, and (i) it is not a U.S. person (as defined in Regulation S) and is not acting for the account or benefit of a U.S. person (as defined in Regulation S) and it is located outside the United States (within the meaning of Regulation S) and acquired, or has agreed to acquire and will have acquired, HDSs to be issued upon such deposit and evidenced by such HDR or HDRs, outside the United States (within the meaning of Regulation S), and (ii) it is not an affiliate (as such term is defined in Regulation C under the Securities Act) of the Company or a person acting on behalf of such an affiliate (as such term is defined in Regulation C under the Securities Act).

OR

We are, or at the time the Shares are deposited will be, the beneficial owner of the Shares, and are not (i) a distributor (within the meaning of Regulation S), (ii) an affiliate (as such term is defined in Regulation C under the Securities Act) of the Company or an affiliate (as such term is defined in Regulation C under the Securities Act) of a distributor (within the meaning of Regulation S) or (iii) a person acting on behalf of any of the foregoing persons, and we are depositing the Shares in the Company's HDR program in connection with a sale of the Company's HDRs in an offshore transaction pursuant to Rule 904 of Regulation S, and we will not be issued any of the Company's HDRs in connection with such deposit.

OR

We are a broker-dealer acting on behalf of our customer; our customer has confirmed to us that it is, or at the time the Shares are deposited, will be, the beneficial owner of the Shares, and that it is not (i) a distributor (within the meaning of Regulation S), (ii) an affiliate (as such term is defined in Regulation C under the Securities Act) of the Company or an affiliate (as such term is defined in Regulation C under the Securities Act) of a distributor (within the meaning of Regulation S) or (iii) a person acting on behalf of any of the foregoing persons, and it is depositing the Shares in the Company's HDR Program in connection with a sale of the Company's HDRs in an offshore transaction pursuant to Rule 904 of Regulation S, and it will not be issued any of the Company's HDRs in connection with such deposit.

Very truly yours,
[Name of Certifying Entity]

[By: _____
Name:
Title:]

EXHIBIT C

FORM OF DEED POLL

DEED POLL

THIS DEED POLL is made on November 24, 2011 in favour of Holders of Depositary Shares issued pursuant to the Deposit Agreement dated as of November 24, 2011, by (i) Coach, Inc., a corporation incorporated in the State of Maryland, the United States (the “Company”) and (ii) JPMorgan Chase Bank, N.A. (the “Depositary”).

WHEREAS:

(A) The Company has entered into a deposit agreement dated November 24, 2011, with the Depositary relating to Shares of the Company in respect of which Depositary Shares have been issued (such agreement, as amended or supplemented, being hereinafter referred to as the “Deposit Agreement”).

(B) The Company intends to allow Holders to enforce certain specified obligations of the Company under the Deposit Agreement as if they were originally parties to the Deposit Agreement.

NOW THIS DEED WITNESSETH AS FOLLOWS and is made by way of deed poll:

1. Capitalised terms used but not otherwise defined herein shall have the meanings given to them in the Deposit Agreement.
2. The Company agrees that, if the Company fails to perform any obligation imposed upon it by the provisions of the Deposit Agreement, any Holder may enforce the relevant provisions of the Deposit Agreement as if it was a party to the Deposit Agreement and in the capacity of the “Depositary” named therein in respect of the number of Deposited Securities represented by the HDSs to which the HDRs held by the Holder relate. The Company further undertakes to indemnify the Holder for any loss arising from or incurred in connection with or otherwise relating to the enforcement by such Holder, as the case may be, of any such provisions.
3. The Company and the Depositary further agree, for the avoidance of doubt, that each Holder shall be able to enforce against the Company and the Depositary the rights to which it is entitled to under the Deposit Agreement and the HDRs pursuant to and in the terms set out in Section 18 of the HDRs.
4. This Deed Poll shall enure for the benefit of the Holders and their successors or assigns of Depositary Shares and shall be deposited with and held by the Depositary.
5. This Deed Poll shall be governed by, and shall be construed in accordance with, the laws of Hong Kong.
6. The courts of Hong Kong are to have jurisdiction to settle any disputes which may arise out of or in connection with this Deed Poll, and accordingly, any legal action or proceedings arising out of or in connection with this Deed Poll (“Proceedings”) may be brought in such

courts. The Company and the Depositary each irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Holders and shall not limit the right of the Holders to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

7. The Company irrevocably appoints Coach Hong Kong Limited, of Suite 3301, 33rd Floor Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong as its agent in Hong Kong to receive service of process in any Proceedings in Hong Kong. If for any reason the Company does not have such an agent in Hong Kong, it will promptly appoint a substitute process agent and notify the Holders and the Depositary of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

8. This Deed Poll and the obligations of the parties hereto shall be conditional upon the Deposit Agreement becoming unconditional in accordance with its terms within 60 days from the date of the Deposit Agreement. If this condition is not fulfilled, this Deed Poll shall forthwith terminate and neither the Company nor the Depositary shall have any right against or obligation towards the other party or any of the Holders.

SEALED WITH THE COMMON SEAL of)
COACH, INC.)
and SIGNED by)
)
)
in the presence of)

SEALED WITH THE COMMON SEAL of)
JPMorgan Chase Bank, N.A.)
and SIGNED by)
)
)
in the presence of)

E. DEED POLL

DEED POLL

THIS DEED POLL is made on November 24, 2011 in favour of Holders of Depositary Shares issued pursuant to the Deposit Agreement dated as of November 24, 2011, by (i) Coach, Inc., a corporation incorporated in the State of Maryland, the United States (the “Company”) and (ii) JPMorgan Chase Bank, N.A. (the “Depositary”).

WHEREAS:

- (A) The Company has entered into a deposit agreement dated November 24, 2011, with the Depositary relating to Shares of the Company in respect of which Depositary Shares have been issued (such agreement, as amended or supplemented, being hereinafter referred to as the “Deposit Agreement”).
- (B) The Company intends to allow Holders to enforce certain specified obligations of the Company under the Deposit Agreement as if they were originally parties to the Deposit Agreement.

NOW THIS DEED WITNESSETH AS FOLLOWS and is made by way of deed poll:

1. Capitalised terms used but not otherwise defined herein shall have the meanings given to them in the Deposit Agreement.
2. The Company agrees that, if the Company fails to perform any obligation imposed upon it by the provisions of the Deposit Agreement, any Holder may enforce the relevant provisions of the Deposit Agreement as if it was a party to the Deposit Agreement and in the capacity of the “Depositary” named therein in respect of the number of Deposited Securities represented by the HDSs to which the HDRs held by the Holder relate. The Company further undertakes to indemnify the Holder for any loss arising from or incurred in connection with or otherwise relating to the enforcement by such Holder, as the case may be, of any such provisions.
3. The Company and the Depositary further agree, for the avoidance of doubt, that each Holder shall be able to enforce against the Company and the Depositary the rights to which it is entitled to under the Deposit Agreement and the HDRs pursuant to and in the terms set out in Section 18 of the HDRs.
4. This Deed Poll shall enure for the benefit of the Holders and their successors or assigns of Depositary Shares and shall be deposited with and held by the Depositary.
5. This Deed Poll shall be governed by, and shall be construed in accordance with, the laws of Hong Kong.
6. The courts of Hong Kong are to have jurisdiction to settle any disputes which may arise out of or in connection with this Deed Poll, and

accordingly, any legal action or proceedings arising out of or in connection with this Deed Poll (“Proceedings”) may be brought in such courts. The Company and the Depositary each irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Holders and shall not limit the right of the Holders to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

7. The Company irrevocably appoints Coach Hong Kong Limited, of Suite 3301, 33rd Floor Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong as its agent in Hong Kong to receive service of process in any Proceedings in Hong Kong. If for any reason the Company does not have such an agent in Hong Kong, it will promptly appoint a substitute process agent and notify the Holders and the Depositary of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.
8. This Deed Poll and the obligations of the parties hereto shall be conditional upon the Deposit Agreement becoming unconditional in accordance with its terms within 60 days from the date of the Deposit Agreement. If this condition is not fulfilled, this Deed Poll shall forthwith terminate and neither the Company nor the Depositary shall have any right against or obligation towards the other party or any of the Holders.

SEALED WITH THE COMMON SEAL of)
COACH, INC.)
and SIGNED by)
)
)
in the presence of)

SEALED WITH THE COMMON SEAL of)
JPMorgan Chase Bank, N.A.)
and SIGNED by)
)
)
in the presence of)