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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **May 10, 2005**

GUESS?, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-11893

(Commission File Number)

95-3679695

(IRS Employer Identification No.)

1444 S. Alameda Street Los Angeles, California
(Address of principal executive offices)

90021
(Zip Code)

Registrant's telephone number, including area code: **(213) 765-3100**

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 1.01. Entry into a Material Definitive Agreement.

On May 10, 2005, the shareholders of Guess?, Inc. (the "Company") approved the Guess?, Inc. Annual Incentive Bonus Plan (the "Plan"), designed to qualify compensation paid under the Plan to certain executive officers as performance-based compensation under Section 162(m) of the Internal Revenue Code. The Company's executive officers as well as other key employees are eligible to participate in the Plan. Pursuant to the Plan, the Compensation Committee of the Board of Directors of the Company (the "Committee") establishes objective performance goals for participants for each fiscal year. After the end of each fiscal year, the Committee must certify the attainment of goals, if any, with respect to executive officers and direct the amount of bonus to be paid to such participants in cash. The Committee, in its discretion, may reduce or eliminate any bonus to be paid to a participant, even if a corresponding goal was attained. No participant may receive more than \$3.2 million in any fiscal year as a bonus under the Plan. A copy of the Plan is incorporated herein by reference as Exhibit 10.24.

The Committee has established specific performance goals under the Plan for the 2005 fiscal year for its executive officers, the components of which include net earnings of the Company, including by segment.

Item 8.01. Other Events.

The Committee has previously approved the (1) Form of Nonqualified Stock Option Agreement to be used in connection with the grant of nonqualified stock options to certain eligible persons in accordance with the terms of the Company's 2004 Equity Incentive Plan (the "Plan") that was previously adopted and approved by the shareholders of the Company and (2) Form of Restricted Stock Award Agreement to be used in connection with the grant of restricted stock awards to certain eligible persons in accordance with the terms of the Plan. Copies of the forms of Nonqualified Stock Option Agreement and Restricted Stock Award Agreement are attached hereto as Exhibits 10.62 and 10.63, respectively, and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

- 10.24 Guess?, Inc. Annual Incentive Bonus Plan (incorporated by reference to Appendix A to the Company's Proxy Statement dated April 15, 2005, for the Annual Meeting of Stockholders held May 10, 2005)
 - 10.62 Form of Nonqualified Stock Option Agreement
 - 10.63 Form of Restricted Stock Award Agreement
-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Guess?, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 16, 2005

GUESS?, INC.

By: /s/ Maurice Marciano

Maurice Marciano
*Co-Chairman of the Board,
Co-Chief Executive Officer and
Director*

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.24	Guess?, Inc. Annual Incentive Bonus Plan (incorporated by reference to Appendix A to the Company's Proxy Statement dated April 15, 2005, for the Annual Meeting of Stockholders held May 10, 2005)
10.62	Form of Nonqualified Stock Option Agreement
10.63	Form of Restricted Stock Award Agreement

GUESS?, INC.
2004 EQUITY INCENTIVE PLAN
NONQUALIFIED STOCK OPTION AGREEMENT

THIS NONQUALIFIED STOCK OPTION AGREEMENT (this "Option Agreement") dated _____ by and between Guess?, Inc., a Delaware corporation (the "Company"), and _____ (the "Grantee") evidences the nonqualified stock option (the "Option") granted by the Company to the Grantee as to the number of shares of the Company's Common Stock first set forth below.

Number of Shares of Common Stock: (1)	_____	Award Date:	_____
Exercise Price per Share: (1)	\$ _____	Expiration Date: (1)(2)	_____
Vesting (1)(2) [The Option shall become vested as to 25% of the total number of shares of Common Stock subject to the Option on the first, second, third and fourth anniversaries of the Award Date.]			

The Option is granted under the Guess?, Inc. 2004 Equity Incentive Plan (the "Plan") and subject to the Terms and Conditions of Nonqualified Stock Option (the "Terms") attached to this Option Agreement (incorporated herein by this reference) and to the Plan. The Option has been granted to the Grantee in addition to, and not in lieu of, any other form of compensation otherwise payable or to be paid to the Grantee. Capitalized terms are defined in the Plan if not defined herein. The parties agree to the terms of the Option set forth herein. The Grantee acknowledges receipt of a copy of the Terms, the Plan and the Prospectus for the Plan.

"GRANTEE"

GUESS?, INC.
a Delaware corporation

Signature

By: _____

Print Name

Print Name: _____

Title: _____

CONSENT OF SPOUSE

In consideration of the Company's execution of this Option Agreement, the undersigned spouse of the Grantee agrees to be bound by all of the terms and provisions hereof and of the Plan.

Signature of Spouse

Date

- (1) Subject to adjustment under Section 16 of the Plan.
- (2) Subject to early termination if the Grantee's employment terminates. See Sections 4, 6 and 7 of the Terms and Sections 14, 16 and 17 of the Plan for additional details regarding possible adjustments and acceleration of vesting in connection with a Change in Control of the Company.

TERMS AND CONDITIONS OF NONQUALIFIED STOCK OPTION

1. Vesting; Limits on Exercise; Incentive Stock Option Status.

The Option shall vest and become exercisable in percentage installments of the aggregate number of shares subject to the Option as set forth on the cover page of this Option Agreement. The Option may be exercised only to the extent the Option is vested and exercisable.

- Cumulative Exercisability. To the extent that the Option is vested and exercisable, the Grantee has the right to exercise the Option (to the extent not previously exercised), and such right shall continue, until the expiration or earlier termination of the Option.
- No Fractional Shares. Fractional share interests shall be disregarded, but may be cumulated.
- Minimum Exercise. No fewer than 100¹ shares of Common Stock may be purchased at any one time, unless the number purchased is the total number at the time exercisable under the Option.
- Nonqualified Stock Option. The Option is a nonqualified stock option and is not, and shall not be, an incentive stock option within the meaning of Section 422 of the Code.

2. Continuance of Employment/Service Required; No Employment/Service Commitment.

The vesting schedule requires continued employment or service through each applicable vesting date as a condition to the vesting of the applicable installment of the Option and the rights and benefits under this Option Agreement. Employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 4 below or under the Plan.

Nothing contained in this Option Agreement or the Plan constitutes a continued employment or service commitment by the Company or any of its Subsidiaries, affects the Grantee's status, if he or she is an employee, as an employee at will who is subject to termination without cause, confers upon the Grantee any right to remain employed by or in service to the Company or any Subsidiary or interferes in any way with the right of the Company or any Subsidiary at any time to terminate such employment or service.

3. Method of Exercise of Option.

The Option shall be exercisable by the delivery to the Secretary of the Company (or such other person as the Committee may require pursuant to such administrative exercise procedures as the Committee may implement from time to time) of:

- a written notice stating the number of shares of Common Stock to be purchased pursuant to the Option or by the completion of such other administrative exercise procedures as the Committee may require from time to time,
- payment in full for the Exercise Price of the shares to be purchased (a) in cash, cashier's or bank check to the Company, or (b) (subject to compliance with all applicable laws, rules, regulations and listing requirements and further subject to such rules as the Committee may adopt as to any non-cash payment) in shares of Common Stock already owned by the Grantee, valued at their Fair Market Value on the exercise date, provided, however, that any shares initially acquired upon exercise of a stock option or otherwise from the Company must have been owned by the Grantee for at least six (6) months before the date of such exercise, or (c) through a "cashless exercise" procedure by notice and third party payment in such manner as may be authorized by the Committee pursuant to Section 8(f) of the Plan;
- any written statements or agreements required pursuant to Section 19(g) of the Plan; and
- satisfaction of the tax withholding provisions of Section 19(a) of the Plan.

4. Termination of Option upon a Termination of Grantee's Employment or Services.

Subject to earlier termination on the Expiration Date of the Option and subject to any applicable provision of a valid employment agreement between the Company and Participant, if the Grantee ceases to be employed by or ceases to provide services to the Company or a Subsidiary, the following rules shall apply (the last day that the Grantee is employed by or provides services to the Company or a Subsidiary is referred to as the Grantee's "**Severance Date**"):

- if the Grantee's employment by the Company or a Subsidiary terminates due to his or her death, Disability or Retirement, then (a) the Grantee, his or her personal representative or beneficiary will have twelve (12) months from the Severance Date to exercise the Option (or any portion thereof) to the extent that it was exercisable on the Severance Date; provided that if the Grantee's employment terminates as a result of Disability or Retirement and he or she dies during such 12-month period, his or her beneficiary will have one year from the date of the Grantee's death to exercise the Option (or any portion thereof) to the extent it was vested on the Grantee's Severance Date, (b) the Option, to the extent not exercisable on the Severance Date, shall terminate on the Severance Date, and (c) the Option, to the extent exercisable for the 12-month period following the Severance Date (or, if applicable, the 12-month period following the Grantee's subsequent death) and not exercised during such period, shall terminate at the close of business on the last day of such 12-month period.
- if the Grantee's employment by the Company or a Subsidiary terminates for any reason other than his or her death, Retirement or Disability, then (a) the Grantee will have sixty (60) days from the Severance Date to exercise the Option (or portion thereof) to the extent that it was exercisable on the Grantee's Severance Date (b) the

Option, to the extent not exercisable on the Severance Date, shall terminate on the Severance Date, and (c) the Option, to the extent exercisable for the sixty (60) day period following the Severance Date and not exercised during such period, shall terminate at the close of business on the last day of the 60-day period.

In all events the Option is subject to earlier termination on the Expiration Date of the Option. The Committee shall be the sole judge of whether the Grantee continues to render employment or services for purposes of this Option Agreement.

5. Non-Transferability.

The Option and any other rights of the Grantee under this Option Agreement or the Plan are nontransferable and exercisable only by the Grantee, except as set forth in Section 15 of the Plan.

6. Adjustments Upon Changes in Capitalization.

As provided in Section 16(b) of the Plan, in the event of any change in the outstanding Common Stock by reason of a stock dividend, recapitalization, reorganization, merger, consolidation, stock split, combination or exchange of shares, the Committee shall, in such manner, to such extent (if any) and at such times as it deems necessary make adjustments in the number of shares subject to the Option and the Exercise Price and the securities deliverable upon exercise of the Option and such other adjustments, consistent with the foregoing, as it deems appropriate. All rights of the Grantee hereunder are subject to such adjustments and other provisions of the Plan.

7. Change in Control.

As provided in Section 17 of the Plan, in the event of a Change in Control and except as the Committee (as constituted immediately prior to such Change in Control) may otherwise determine in its sole discretion, (a) the Option shall become fully exercisable as of the date of the Change in Control, whether or not then exercisable, and (b) in the case of a Change in Control involving a merger of, or consolidation involving, the Company in which the Company (i) is not the surviving corporation (the "Surviving Entity") or (ii) becomes a wholly owned subsidiary of the Surviving Entity or any Parent thereof, the Option, to the extent not exercised, (a "Predecessor Option") will be converted into an option (a "Substitute Option") to acquire common stock of the Surviving Entity or its Parent which Substitute Option will have substantially the same terms and conditions as the Predecessor Option, with appropriate adjustments as to the number and kind of shares and exercise price subject thereto.

8. Notices.

Any notice required or permitted under this Agreement shall be deemed given when personally delivered, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to the Grantee either at the address on record with the Company or such other address as may be designated by Grantee in writing to the Company; or to the Company, Attention: Angelina Orona, Stock Plan Administrator, 1444 South Alameda Street, Los Angeles, California 90021, or such other address as the Company may designate in writing

to the Grantee. Any such notice shall be given only when received, but if the Grantee is no longer employed by the Company or a Subsidiary, shall be deemed to have been duly given five business days after the date mailed in accordance with the foregoing provisions of this Section 8.

9. Plan.

The Option and all rights of the Grantee under this Option Agreement are subject to, and the Grantee agrees to be bound by, all of the terms and conditions of the Plan, incorporated herein by this reference. In the event of a conflict or inconsistency between the terms and conditions of this Option Agreement and of the Plan, the terms and conditions of the Plan shall govern. The Grantee agrees to be bound by the terms of the Plan and this Option Agreement (including these Terms). The Grantee acknowledges having read and understood the Plan, the Prospectus for the Plan, and this Option Agreement. Unless otherwise expressly provided in other sections of this Option Agreement, provisions of the Plan that confer discretionary authority on the Board or the Committee do not and shall not be deemed to create any rights in the Grantee unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Committee so conferred by appropriate action of the Board or the Committee under the Plan after the date hereof.

10. Entire Agreement.

This Option Agreement (including these Terms) and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Option Agreement may be amended pursuant to Section 18 of the Plan. Such amendment must be in writing and signed by the Company. The Company may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Grantee hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

11. Governing Law.

This Option Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflict of law principles thereunder.

12. Effect of this Agreement.

This Option Agreement shall be assumed by, be binding upon and inure to the benefit of any successor or successors to the Company.

13. Counterparts.

This Option Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

14. Section Headings.

The section headings of this Option Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

RESTRICTED STOCK AGREEMENT

This **RESTRICTED STOCK AGREEMENT** (the "Agreement"), dated as of _____, (the "Date of Grant"), is entered into by and between GUESS?, INC., a Delaware corporation (the "Company"), and _____ (the "Grantee").

RECITALS

WHEREAS, the Company maintains the Guess?, Inc. 2004 Equity Incentive Plan (the "Plan").

WHEREAS, the Compensation Committee of the Company's Board of Directors (the "Committee") has determined to grant a restricted stock award (the "Award") to the Grantee under the Plan in order to increase Grantee's participation in the success of the Company;

NOW, THEREFORE, the parties hereto agree as follows:

1. **Definitions; Incorporation of Plan Terms.** Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. The Award and all rights of the Grantee under this Agreement are subject to, and the Grantee agrees to be bound by, all of the terms and conditions of the Plan, incorporated herein by this reference. In the event of any conflict or inconsistency between the Plan and this Award Agreement, the Plan shall govern.
 2. **Grant of Restricted Stock.** The Grantee shall be entitled to purchase [] restricted shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), pursuant to the terms and conditions of this Agreement (the "Restricted Stock").
 3. **Purchase Price.** The Grantee shall pay to the Company, in cash, an aggregate purchase price of \$[] (the "Purchase Price"), which amount is equal to the aggregate amount of the par value of the Restricted Stock. Such payment of the Purchase Price shall be made to the Company within 15 days after the date hereof.
 4. **Restricted Period.** Subject to Sections 7 and 8 below, the Award shall vest and restrictions shall lapse as to (i) [] of the total number of shares of the Restricted Stock on [], (ii) [] of the total number of shares of the Restricted Stock on [] and (iii) [] of the total number of shares of the Restricted Stock on []; provided that Grantee has been continuously employed with the Company from the date hereof through each applicable vesting date (the "Restricted Period"). Employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 7 below or under the Plan.
 5. **Rights of a Stockholder.** From and after the Date of Grant and for so long as the Restricted Stock is held by or for the benefit of the Grantee, the Grantee shall have all the rights of a stockholder of the Company with respect to the Restricted Stock, including but
-

not limited to the right to receive dividends, if applicable, and the right to vote such shares.

6. Adjustments Upon Specified Events. Upon the occurrence of certain events relating to the Company's Common Stock contemplated by Section 16(b) of the Plan, the Committee will make adjustments, if appropriate, in the number and kind of securities subject to the Award. If any adjustment is made under Section 16(b) of the Plan, the restrictions applicable to the shares of Restricted Stock shall continue in effect with respect to any consideration or other securities (the "Restricted Property") and, for the purposes of this Award Agreement, "Restricted Stock" shall include "Restricted Property," unless the context otherwise requires) received in respect of such Restricted Stock. Such Restricted Property shall vest at such times in such proportion as the shares of Restricted Stock to which the Restricted Property is attributable. To the extent that the Restricted Property includes any cash (other than regular cash dividends provided for in Section 5 hereof), such cash shall be invested, pursuant to policies established by the Committee, in interest bearing, FDIC-insured (subject to applicable insurance limits) deposits of a depository institution selected by the Committee, the earnings on which shall be added to and become a part of the Restricted Property.
7. Effect of Cessation of Employment.
 - A. Forfeiture After Certain Events. Unless the Committee determines otherwise in its sole discretion, if the employment of the Grantee by the Company, a Parent or a Subsidiary shall terminate for any reason, whether with or without cause, voluntarily or involuntarily, any of the shares of the Restricted Stock that remain subject to the Restricted Period on the date of the Grantee's termination of employment shall be forfeited.
 - B. Return of Shares; Refund of Purchase Price. Upon the occurrence of any forfeiture of shares of Restricted Stock hereunder, such unvested, forfeited shares and related Restricted Property shall be automatically transferred to the Company, without any other action by the Grantee, or the Grantee's beneficiary or personal representative, as the case may be, and the Company shall refund the Purchase Price to the Grantee (or the Grantee's beneficiary or personal representative); no additional consideration shall be paid by the Company with respect to such transfer. No interest shall be credited with respect to nor shall any other adjustments be made to the Purchase Price for fluctuations in the fair market value of the Common Stock either before or after the transfer date. The Company may exercise its powers under Section 10(D) hereof and take any other action necessary or advisable to evidence such transfer. The Grantee, or the Grantee's beneficiary or personal representative, as the case may be, shall deliver any additional documents of transfer that the Company may request to confirm the transfer of such unvested, forfeited shares and related Restricted Property to the Company.
8. Change in Control. As provided in Section 17 of the Plan, in the event of a Change in Control and except as the Committee (as constituted immediately prior to such Change in Control) may otherwise determine in its sole discretion, the Restricted Period shall lapse with respect to all of the shares of Restricted Stock and shall thereon become fully vested.

9. Restrictions on Transfer. Prior to the lapse of the Restricted Period, neither the Restricted Stock, nor any interest therein, amount payable in respect thereof or Restricted Property shall be sold, transferred, pledged, hypothecated or otherwise disposed of by the Grantee; provided, however, that such transfer restrictions shall not apply to (i) transfers to the Company or (ii) transfers by will or descent and distribution. Grantee agrees that the Restricted Stock will not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws.
10. Stock Certificates.
- A. *Book Entry Form.* The Company shall, in its discretion, issue the shares of Restricted Stock subject to the Award either: (i) in certificate form as provided in Section 10(B) below; or (ii) in book entry form, registered in the name of the Grantee with notations regarding the applicable restrictions on transfer imposed under this Agreement.
- B. *Certificates to be Held by Company; Legend.* Any certificates representing shares of Restricted Stock that may be delivered to the Grantee by the Company prior to the lapse of restrictions shall be immediately redelivered by the Grantee to the Company to be held by the Company until the restrictions on such shares shall have lapsed and the shares shall thereby have become vested or the shares represented thereby have been forfeited hereunder. Such certificates shall bear the following legend:
- “The ownership of this certificate and the shares of stock evidenced hereby and any interest therein are subject to substantial restrictions on transfer under an Agreement entered into between the registered owner and Guess?, Inc. A copy of such Agreement is on file in the office of the Secretary of Guess?, Inc.”*
- C. *Delivery of Certificates Upon Lapse of Restricted Period.* Promptly after the lapse of the Restricted Period as to any shares of Restricted Stock pursuant to Section 4 and the satisfaction of any and all related tax withholding obligations pursuant to Section 11, the Company shall, as applicable, either remove the notations on any shares of Restricted Stock issued in book entry form which have vested or deliver to the Grantee a certificate or certificates evidencing the number of shares of Restricted Stock which have vested (or, in either case, such lesser number of shares as may be permitted pursuant to Section 11). The Grantee (or the Beneficiary or Personal Representative of the Grantee in the event of the Grantee’s death or incapacity, as the case may be) shall deliver to the Company any representations or other documents or assurances as the Company may deem necessary or reasonably desirable to ensure compliance with all applicable legal and regulatory requirements. The shares so delivered shall no longer be restricted shares hereunder.
- D. *Stock Power; Power of Attorney.* Concurrent with the execution and delivery of this Agreement, the Grantee shall deliver to the Company an executed stock power in the form attached hereto as Exhibit A, in blank, with respect to the Restricted Stock. The Grantee, by acceptance of the Award, shall be deemed to appoint, and does so appoint by execution of this Agreement, the Company and each of its authorized representatives as the Grantee’s attorney(s) in fact to effect

any transfer of unvested, forfeited shares (or shares otherwise reacquired by the Company hereunder) to the Company as may be required pursuant to the Plan or this Agreement and to execute such documents as the Company or such representatives deem necessary or advisable in connection with any such transfer.

- E. *Postponement of Issuance.* Notwithstanding any other provisions of this Agreement, the issuance or delivery of any shares of Common Stock (whether subject to restrictions or unrestricted) may be postponed for such period as may be required to comply with applicable requirements of any national securities exchange or any requirements under any law or regulation applicable to the issuance or delivery of such shares. The Company shall not be obligated to issue or deliver any shares of Stock if the issuance or delivery thereof shall constitute a violation of any provision of any law or of any regulation of any governmental authority or any national securities exchange.
11. Withholding of Tax. The Company shall reasonably determine the amount of any federal, state, local or other income, employment, or other taxes which the Company or any of its affiliates may reasonably be obligated to withhold with respect to the grant, vesting, making of an election under Section 83(b) of the Internal Revenue Code of 1986, as amended (the “Code”), or other event with respect to the Restricted Stock. The Company may, in its sole discretion, withhold and/or reacquire a sufficient number of shares of Restricted Stock in connection with the vesting of such shares at their then Fair Market Value (determined either as of the date of such withholding or as of the immediately preceding trading day, as determined by the Company in its discretion) to satisfy the amount of any such withholding obligations that arise with respect to the vesting of such shares. The Company may take such action(s) without notice to the Grantee and shall remit to the Grantee the balance of any proceeds from withholding and/or reacquiring such shares in excess of the amount reasonably determined to be necessary to satisfy such withholding obligations. The Grantee shall have no discretion as to the satisfaction of tax withholding obligations in such manner. If, however, the Grantee makes an election under Section 83(b) of the Code with respect to the Restricted Stock, if any other withholding event occurs with respect to the Restricted Stock other than the vesting of such stock, or if the Company for any reason does not satisfy the withholding obligations with respect to the vesting of the Restricted Stock as provided above in this Section 11, the Company shall be entitled to require a cash payment by or on behalf of the Grantee and/or to deduct from other compensation payable to the Grantee the amount of any such withholding obligations.
12. Compliance. Grantee hereby agrees to cooperate with the Company, regardless of Grantee’s employment status with the Company, to the extent necessary for the Company to comply with applicable state and federal laws and regulations relating to the Restricted Stock.
13. Notices. Any notice required or permitted under this Agreement shall be deemed given when personally delivered, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to the Grantee either at the address on record with the Company or such other address as may be designated by Grantee in writing to the Company; or to the Company, Attention: Angelina Orona, Stock Plan Administrator,

1444 South Alameda Street, Los Angeles, California 90021, or such other address as the Company may designate in writing to the Grantee.

- 14. Failure to Enforce Not a Waiver. The failure of the Company or the Grantee to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.
- 15. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of Delaware.
- 16. Amendments. This Agreement may be amended or modified at any time by an instrument in writing signed by both parties.
- 17. Agreement Not a Contract of Employment. Neither the grant of the Restricted Stock, this Agreement nor any other action taken in connection herewith shall constitute or be evidence of any agreement or understanding, express or implied, that the Grantee is an employee of the Company or any subsidiary of the Company.
- 18. Committee's Powers. No provision contained in this Agreement shall in any way terminate, modify or alter, or be construed or interpreted as terminating, modifying or altering any of the powers, rights or authority vested in the Committee or, to the extent delegated, in its delegate pursuant to the terms of the Plan or resolutions adopted in furtherance of the Plan, including, without limitation, the right to make certain determinations and elections with respect to the Restricted Stock.
- 19. Section 83(b) Election. The Grantee hereby acknowledged that, with respect to the grant of the Restricted Stock, an election may be filed by the Grantee with the Internal Revenue Service, within 30 days, of the Date of Grant, electing pursuant to Section 83(b) of the Code, to be taxed currently on the fair market value of the Restricted Stock on the Date of Grant.

THE GRANTEE HEREBY ACKNOWLEDGES THAT IT IS THE GRANTEE'S SOLE RESPONSIBILITY AND NOT THE RESPONSIBILITY OF THE COMPANY TO TIMELY FILE AN ELECTION UNDER SECTION 83(b) OF THE CODE, EVEN IF THE GRANTEE REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THIS FILING ON THE GRANTEE'S BEHALF.

- 20. Termination of this Agreement. Upon termination of this Agreement, all rights of the Grantee hereunder shall cease.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by a duly authorized officer and the Grantee has hereunto set his or her hand as of the date and year first above written.

**GUESS?, INC.,
a Delaware corporation**

By: _____

Print Name: _____

Its: _____

GRANTEE

Signature

Print Name

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Restricted Stock Agreement by Guess?, Inc., a Delaware corporation, I, _____, the spouse of the Grantee therein named, do hereby join with my spouse in executing the foregoing Restricted Stock Agreement and do hereby agree to be bound by all of the terms and provisions thereof and of the Plan.

Dated: _____

Signature of Spouse

Print Name

STOCK POWER

FOR VALUE RECEIVED and pursuant to that certain Restricted Stock Agreement between Guess?, Inc., a Delaware corporation (the "Company"), and the individual named below (the "Individual") dated as of _____, _____, the Individual hereby sells, assigns and transfers to the Company, an aggregate _____ shares of Common Stock of the Company, standing in the Individual's name on the books of the Company and represented by stock certificate number(s) _____ to which this instrument is attached, and hereby irrevocably constitutes and appoints _____ as his or her lawful attorney in fact and agent to transfer such shares on the books of the Company, with full power of substitution in the premises.

Dated: _____

Signature

Print Name

(Instruction: Please do not fill in any blanks other than the signature line. The purpose of the assignment is to enable the Company to exercise its rights set forth in the Restricted Stock Agreement in connection with the forfeiture of any restricted shares subject thereto without requiring additional signatures on the part of the Individual.)
