
**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): February 8, 2006

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 90021

(Address of principal executive offices) (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.

(a) The disclosure set forth below under Item 5.02 (Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers) with respect to the departure of Frederick G. Silny, Senior Vice President and Chief Financial Officer of Guess?, Inc. (the "Company"), is hereby incorporated by reference into this Item 1.01.

(b) On February 9, 2006, the Company entered into an Employment Agreement (the "Employment Agreement") with Stephen Pearson, the Company's new Executive Vice President and Chief Supply Chain Officer, effective as of January 31, 2006. The Employment Agreement provides for a term of three years with an initial base salary of \$450,000 per year. Mr. Pearson will also be eligible to receive an annual incentive cash bonus and equity awards in accordance with the Company's executive incentive program. For the 2006 calendar year, Mr. Pearson shall receive a guaranteed bonus of 50% of his base salary, prorated from his first date of employment through the end of the year. The Employment Agreement also provides for an initial grant of 16,000 shares of restricted stock and options to purchase 30,000 shares of common stock. The restricted stock vests in four equal annual installments on each anniversary date of the grant until fully vested. The options have an exercise price equal to the closing price of the Company's common stock on the New York Stock Exchange on February 1, 2006, the date such options were approved by the Compensation Committee of the Board of Directors, and become exercisable in four equal annual installments on each anniversary date of the grant until fully vested.

The Employment Agreement also provides that if the Company terminates Mr. Pearson's employment for any reason other than death, disability or for cause or if Mr. Pearson resigns for good reason, Mr. Pearson shall receive severance in an amount equal to his annualized base salary for the longer of one year or the remainder of the term of the Employment Agreement, subject to a reduction of up to the entire amount upon accepting a position with another company prior to the completion of such period. The Employment Agreement also contains confidentiality and non-solicitation covenants in favor of the Company.

A copy of the Employment Agreement is furnished herewith as Exhibit 10.1.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On February 8, 2006, the Company announced that Frederick G. Silny, Senior Vice President and Chief Financial Officer, will be leaving the Company to pursue other opportunities effective May 9, 2006. The Company has initiated an executive search for a successor to Mr. Silny.

In connection with Mr. Silny's departure, the Company and Mr. Silny entered into a Separation Agreement (the "Separation Agreement") dated as of February 9, 2006, pursuant to which, among other things, Mr. Silny will receive (i) severance in the amount of \$160,295.20 to be paid in equal installments bi-weekly over a six month period following his departure on May 9, 2006, subject to a reduction of up to the entire amount upon accepting a position with another company prior to the completion of the six month period, (ii) a cash bonus with respect to the 2005 calendar year for which he is eligible under the Company's executive incentive program, (iii) a cash payment in the amount of \$300,000 payable after his departure and (iv) health and disability benefits for a six month period following his departure. The Separation Agreement also contains confidentiality and non-solicitation covenants in favor of the Company and provides that the Company and Mr. Silny each agree to a general release of the other.

A copy of the press release announcing Mr. Silny's departure is furnished herewith as Exhibit 99.1 and a copy of the Separation Agreement with Mr. Silny is furnished herewith as Exhibit 10.2.

Item 9.01. Financial Statements and Exhibits.

(c) *Exhibits*

10.1 Employment Agreement by and between the Company and Stephen Pearson, effective as of January 31, 2006

10.2 Separation Agreement by and between the Company and Frederick G. Silny, dated as of February 9, 2006

99.1 Press Release of Guess?, Inc. dated February 8, 2006 (announcing departure of Chief Financial Officer)

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: February 10, 2006

GUESS?, INC.

By: /s/ Carlos Alberini

Carlos Alberini
President and Chief Operating Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	Employment Agreement by and between the Company and Stephen Pearson, effective as of January 31, 2006
10.2	Separation Agreement by and between the Company and Frederick G. Silny, dated as of February 9, 2006
99.1	Press Release of Guess?, Inc. dated February 8, 2006 (announcing departure of Chief Financial Officer)

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“**Agreement**”) is entered into by and between Stephen Pearson (the “**Executive**”) and GUESS?, Inc., a Delaware corporation (the “**Company**”) on January 31, 2006 and shall be effective on the date that is the first day of the Executive’s employment with the Company (the “**Effective Date**”).

WHEREAS, the Company desires to provide for the service and employment of the Executive with the Company and the Executive wishes to perform services for the Company, all in accordance with the terms and conditions provided herein.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the Executive and the Company hereby agree as follows:

Section 1. **EMPLOYMENT.** The Company does hereby employ the Executive and the Executive does hereby accept employment as Executive Vice President and Chief Supply Chain Officer of the Company. In the Executive’s capacity as Executive Vice President and Chief Supply Chain Officer of the Company, the Executive shall be responsible for worldwide production, pre-production, technical services, quality control, sourcing and logistics (including warehouse operations and traffic) for the Company and all employees performing these responsibilities will report to the Executive in a manner consistent with the Company’s open door policy. The Executive shall render such services on the terms set forth herein and shall report to the President and Chief Operating Officer of the Company. The Executive agrees to devote all of his working time and efforts to the business and affairs of the Company and its subsidiaries and shall not engage in activities that interfere in any way with such performance.

Section 2. **TERM OF AGREEMENT.** Subject to Section 5 hereof, the term (the “**Term**”) of this Agreement shall commence on the Effective Date and shall continue through January 31, 2009.

Section 3. **LOCATION.** In connection with the Executive’s employment by the Company, the Executive shall be based at the headquarters of the Company in Los Angeles, California, except for required travel for the Company’s business.

Section 4. **COMPENSATION.**

(a) **BASE SALARY.** Effective as of the Effective Date, the Company shall pay the Executive a base salary (“**Base Salary**”) at an initial rate of \$450,000 per year, payable in accordance with the Company’s policies relating to

salaried employees. After twelve months of employment and annually thereafter, the Executive's Base Salary may be increased in accordance with the Company's policies relating to annual increases or as approved by the Compensation Committee of the Board (the "**Compensation Committee**") in its sole discretion. So long as Executive is employed by the Company, the Base Salary may not be decreased.

(b) GUARANTEED BONUS. With respect to the 2006 calendar year, the Company shall pay to the Executive a guaranteed annual bonus of 50% of Executive's Base Salary prorated from the Effective Date through the end of the calendar year (the "**Guaranteed Bonus**"), payable in accordance with the Company's payment dates for annual bonuses provided that the Executive has been continuously employed with the Company from the Effective Date through the applicable payment date.

(c) TARGET BONUS. Commencing with the first full fiscal year of the Company ("**Fiscal Year**") following the Effective Date, the Executive shall have the opportunity to earn a bonus ("**Target Bonus**") for each Fiscal Year as recommended by the Compensation Committee in accordance with the Company's Executive Incentive Program, as it may be amended or otherwise modified from time to time (the "**EIP**"); provided in each case that the Executive has been continuously employed with the Company from the Effective Date through the date such Target Bonus is paid by the Company pursuant to the terms of the EIP. The amount of each Target Bonus shall be set by the Compensation Committee.

(d) RESTRICTED STOCK AND STOCK OPTIONS.

(i) Restricted Stock Grant. Subject to the approval of the Compensation Committee, the Executive shall be granted 16,000 restricted shares of common stock of the Company (the "**Restricted Stock**") on the date of the approval of the Restricted Stock by unanimous written consent of the Compensation Committee. As a condition to receiving such grant of the Restricted Stock, the Executive agrees to pay to the Company in cash the aggregate amount of the par value of the Restricted Stock. The Restricted Stock shall vest over a four year period as follows: one-fourth of your Restricted Stock will vest on each anniversary date of the grant until fully vested; provided in each case that the Executive has been continuously employed with the Company from the Effective Date through the applicable vesting date. Except as otherwise provided herein, the Restricted Stock shall be subject to such terms and conditions as generally apply to restricted stock granted to other senior executive officers who participate in the Company's equity incentive plans as such terms and conditions are in effect on the Effective Date.

(ii) Initial Option Grant. Subject to the approval of the Compensation Committee, the Executive shall be granted an option (the “**Initial Option**”) to purchase 30,000 shares of common stock of the Company at a per share exercise price equal to the fair market value of the common stock of the Company on the date of the approval of the Initial Option by unanimous written consent of the Compensation Committee. The Initial Option shall vest and become exercisable over a four year period as follows: one-fourth of your options will vest on each anniversary date of the grant until fully vested; provided in each case that the Executive has been continuously employed with the Company from the Effective Date through the applicable vesting date. Except as otherwise provided herein, the Initial Option shall be subject to such terms and conditions, including provisions regarding post-termination exercisability, as generally apply to stock options granted to other senior executive officers who participate in the Company’s equity incentive plans as such terms and conditions are in effect on the Effective Date.

(e) FRINGE BENEFITS. The Executive shall be entitled to participate in any fringe, welfare and pension benefit and incentive programs adopted from time to time by the Company for the benefit of, and which generally apply to, its senior executive officers from time to time. The Executive will receive four (4) weeks of paid vacation annually. The Executive shall be eligible to participate in the Company-sponsored deferred compensation plan.

Section 5. TERMINATION.

(a) NOTICE OF TERMINATION.

(i) “**Notice of Termination**” shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provisions so indicated.

(ii) Any purported termination of the Executive’s employment by the Company or by the Executive shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 12 hereof.

(b) DATE OF TERMINATION. “**Date of Termination**” shall mean:

- (i) if the Executive's employment is terminated because of death, the date of the Executive's death,
- (ii) if the Executive's employment is terminated by the Company because of Disability, ten (10) days following the date on which the Notice of Termination is given, and
- (iii) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination, which shall not be a date prior to the date such Notice of Termination is given.

(c) ACCRUED AND UNPAID BENEFITS. Following the termination of the Executive's employment with the Company for any reason, the Executive shall receive:

- (i) any earned, but unpaid, Base Salary,
- (ii) any earned, but unpaid, Guaranteed Bonus for the 2006 calendar year,
- (iii) the cash equivalent of any accrued, but unused, vacation, and
- (iv) any accrued employee benefits, subject to the terms of the applicable employee benefit plans.

Notwithstanding anything contained in this Agreement (or any other plan, program or arrangement) to the contrary, following the termination of the Executive's employment hereunder by the Company, by the Executive for Good Reason (as defined in Section 5(g)(iii) below), or pursuant to Section 5(d) below, the Executive shall receive any other cash bonus, if applicable, earned pursuant to the specific provisions of the EIP, provided the Executive has been continuously employed with the Company from the Effective Date through the last day of the applicable Fiscal Year.

(d) DEATH. In the event that the Executive's employment hereunder is terminated by reason of the Executive's death, the Company shall pay the amounts described in Section 5(c) above and all benefits payable to the Executive, if any, under the terms of the Company's compensation and benefit plans, programs or arrangements.

(e) DISABILITY.

(i) “**Disability**” shall have the same meaning assigned to the same or a similar term pursuant to any long-term disability plan or policy of the Company in effect as of the Date of Termination. If no such plan or policy is then in effect, “Disability” shall mean that as a result of the Executive’s incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of his duties with the Company for a period of three (3) consecutive months or for any one hundred eighty (180) days within any period of twelve (12) consecutive months and that, in either case, the Executive shall not have returned to the full-time performance of his duties within thirty (30) days following the Company’s delivery of a Notice of Termination pursuant to this Section 5(a).

(ii) The Executive’s employment under this Agreement may be terminated by the Company or the Executive for Disability, subject to applicable law.

(iii) During any period prior to such termination during which the Executive is absent from the full-time performance of his duties with the Company due to Disability, the Company shall continue to pay the Executive his Base Salary at the rate in effect at the commencement of such period of Disability, and the vesting of the Initial Option, Restricted Stock and other stock awards, if any, shall continue.

(iv) Upon termination of the Executive’s employment for Disability, the Company shall pay all benefits payable to the Executive, if any, under the terms of the Company’s compensation and benefit plans, programs or arrangements.

(f) TERMINATION FOR CAUSE. The Company may terminate the Executive’s employment under this Agreement for Cause (as defined below) at any time.

(i) As used herein, termination for “**Cause**” shall mean the occurrence of any of the following, as determined by a two-thirds majority of the members of the Board:

(A) the willful failure, neglect or refusal by the Executive to perform his duties hereunder or to follow the instructions of the Board;

(B) any willful or grossly negligent act, or commission of a felony or misdemeanor, by the Executive that a two-thirds majority of the members of the Board determines may have the effect of materially injuring (monetarily or otherwise) the business or reputation of the Company or its subsidiaries or their affiliates or any division thereof;

(C) the conviction of the Executive of (or the pleading by Executive of guilty or nolo contendere to) any misdemeanor involving fraud or embezzlement or any felony;

(D) any misappropriation or embezzlement of the property of the Company or its subsidiaries or their affiliates (whether or not a misdemeanor or felony); and

(E) a material breach by the Executive of any covenant in this Agreement.

(ii) The Company shall notify the Executive of any event or circumstance described in subsection (i) above, and, if curable, the Executive shall have thirty (30) days following such notice within which to cure such event or circumstance. If such event or circumstance is not cured within such period, the Company may terminate the Executive for Cause at any time following the end of such period or, if, after providing Executive the opportunity to be heard, the Board determines such event or circumstance is not curable, at any time after such notice and hearing.

(iii) In the event of termination for Cause, this Agreement shall terminate without further obligation by the Company, except for payment of the amounts described in Section 5(c) above.

(g) TERMINATION BY THE EXECUTIVE.

(i) For Good Reason. The Executive may terminate his employment hereunder for Good Reason (as defined below).

(ii) Without Good Reason. Except as provided in clause (iii) below, the Executive may terminate his employment hereunder voluntarily without Good Reason upon at least six (6) months' prior notice to the Company.

(iii) "Good Reason".

(A) The Executive shall have “**Good Reason**” to terminate his employment hereunder upon a failure by the Company to substantially comply with any material provision of this Agreement, without the Executive’s consent, that has not been cured within thirty (30) days after written notice of such noncompliance has been given by the Executive to the Company.

(B) Failure by the Company to substantially comply with any material provision of this Agreement shall mean:

- (1) an action by the Company resulting in a diminution of the Executive’s Base Salary,
- (2) any reduction in the Executive’s Base Salary then in effect or the failure to pay any other compensation described in Section 4 hereof or Schedule 1 hereto that is due and payable to the Executive,
- (3) the Executive being required by the Company to be based at any office or location outside the Los Angeles, California metropolitan area, or
- (4) any failure by the Company or any successor of the Company to comply with and satisfy Section 17 hereof, including any failure by any such successor to adopt and be bound by this Agreement.

Section 6. SEVERANCE.

(a) UPON TERMINATION. If the Company terminates the Executive’s employment with the Company for any reason other than (i) the Executive’s death or Disability or (ii) for Cause, or if the Executive terminates his employment with the Company for Good Reason, the Executive shall receive severance for the longer of twelve (12) months or the remainder of the Term (the “Severance Period”). During the Severance Period, the Company shall pay to the Executive on an annualized basis the Executive’s Base Salary then in effect payable in accordance with the Company’s policies relating to salaried employees.

(b) SUBSEQUENT EMPLOYMENT. As a condition to receiving any payments or benefits pursuant to Section 6(a), the Executive agrees to notify the Company if he is employed as an employee or engaged as an independent

contractor during the Severance Period. If the Executive's base salary with such subsequent employer or such subsequent engagement is equal to or greater than his Base Salary in effect on the termination date, payments due under Section 6(a) shall terminate. If such subsequent base salary is lower than the Executive's Base Salary at termination, the Company will continue to pay the Executive the difference in compensation for the remainder of the Severance Period.

(c) RELEASE OF EMPLOYMENT CLAIMS. The Executive agrees, as a condition to receipt of the payments and benefits provided for in this Section 6, that he will execute a release agreement, in a form satisfactory to the Company, releasing any and all claims arising out of the Executive's employment (other than enforcement of this Agreement and the Executive's rights under any of the Company's incentive compensation and employee benefit plans and programs to which he is entitled under this Agreement).

Section 7. CONFIDENTIALITY; NON-SOLICITATION.

(a) CONFIDENTIALITY. "**Confidential Information**" shall mean non-public information about the Company and its subsidiaries or their affiliates, and their respective clients and customers that is not disclosed by the Company or its subsidiaries for financial reporting purposes and that was learned by the Executive in the course of his employment with the Company, including, without limitation, any proprietary knowledge, trade secrets, data, formulae, information and client and customer lists and all papers, resumes and records (including computer records) of the documents containing such Confidential Information. Confidential Information does not include information regarding the Executive's own compensation and benefits.

(i) The Executive acknowledges that in his employment with the Company, he will occupy a position of trust and confidence. The Executive shall not, except as may be required to perform his duties hereunder or as required by applicable law, without limitation in time or until such information shall have become public other than by the Executive's unauthorized disclosure, disclose to others or use, whether directly or indirectly, any Confidential Information.

(ii) The Executive acknowledges that all Confidential Information is specialized, unique in nature and of great value to the Company and its subsidiaries, and that such Confidential Information gives the Company and its subsidiaries a competitive advantage. The Executive agrees to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of his employment or as

soon thereafter as possible, all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by or on behalf of or for the benefit of the Company and its subsidiaries or their affiliates or prepared by the Executive during the term of his employment by the Company, but excluding documents relating to the Executive's own compensation and benefits.

(b) NON-SOLICITATION OF CUSTOMERS AND SUPPLIERS. During the Executive's employment with the Company and during the Severance Period, if any (and, in the event of a termination by the Company for Cause or by the Executive other than for Good Reason, for a period of twenty-four (24) months following the Date of Termination), the Executive shall not, directly or indirectly, influence or attempt to influence customers or suppliers of the Company or any of its subsidiaries or their affiliates to divert their business to any business, individual, partner, firm, corporation or other entity that is then a direct competitor of the Company or its subsidiaries or their affiliates (each such competitor, a "**Competitor of the Company**"); provided, however, that if the Executive is employed by customers or suppliers of the Company following his termination of employment the normal execution of his duties in connection with such employment shall not constitute a violation of this Section 7(b).

(c) NON-SOLICITATION OF EMPLOYEES.

(i) The Executive recognizes that he will possess confidential information about other employees of the Company and its subsidiaries or their affiliates relating to their education, experience, skills, abilities, compensation and benefits, and interpersonal relationships with customers of the Company and its subsidiaries or their affiliates.

(ii) The Executive recognizes that the information he will possess about these other employees is not generally known, is of substantial value to the Company and its subsidiaries in developing their business and in securing and retaining customers, and will be acquired by him because of his business position with the Company and its subsidiaries.

(iii) The Executive agrees that, during the Executive's employment with the Company and during the period in which payments are made to the Executive during the Severance Period, if any (and, in the event of a termination by the Company for Cause or by the Executive other than for Good Reason, for a period of twenty-four (24) months following the Date of Termination) he will not, directly or indirectly, solicit or recruit any employee of the Company or its subsidiaries or their affiliates

for the purpose of being employed by him or by any Competitor of the Company on whose behalf he is acting as an agent, representative or employee and that he will not convey any such confidential information or trade secrets about other employees of the Company and its subsidiaries or their affiliates to any other person.

(d) REMEDIES. In the event of a breach or threatened breach of this Section 7, the Executive agrees that the Company shall be entitled to apply for injunctive relief in a court of appropriate jurisdiction to remedy any such breach or threatened breach, the Executive acknowledging that damages would be inadequate and insufficient. Without limiting the foregoing and in addition to whatever other rights and remedies the Company may have at equity or in law, if the Executive breaches any of the provisions contained in this Section 7, all benefits and payments payable pursuant to Section 7 hereof shall cease and all outstanding stock options, Restricted Stock or other stock awards shall be forfeited.

(e) SURVIVAL OF PROVISIONS. The obligations contained in this Section 7 shall, to the extent provided in this Section 7, survive the termination or expiration of the Executive's employment with the Company and, as applicable, shall be fully enforceable thereafter in accordance with the terms of this Agreement. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 7 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

Section 8. NO VIOLATION OF THIRD-PARTY RIGHTS.

(a) The Executive hereby represents, warrants and covenants to the Company that the Executive:

(i) shall not, in the course of his employment or his consultancy with the Company, infringe upon or violate any proprietary rights of any third party (including, without limitation, any third party confidential relationships, patents, copyrights, mask works, trade secrets or other proprietary rights);

(ii) is not a party to any agreements with third parties that prevent him from fulfilling the terms of employment and the obligations of this Agreement or which would be breached as a result of his execution of this Agreement; and

(iii) agrees to respect any and all valid obligations which he may now have to prior employers or to others relating to confidential information, inventions or discoveries which are the property of those prior employers or others, as the case may be.

(b) The Executive agrees to indemnify and save harmless the Company from any loss, claim, damage, cost or expense of any kind (including, without limitation, attorney fees) to which the Company may be subjected by virtue of a breach by the Executive of any of the foregoing representations, warranties and covenants.

Section 9. RELOCATION EXPENSES. The Executive shall be entitled to the relocation benefits described in Schedule 1 hereto.

Section 10. REIMBURSEMENT FOR LEGAL FEES. The Company shall reimburse the Executive for reasonable legal fees and expenses incurred by the Executive in connection with the negotiation and preparation of this Agreement; provided that the aggregate amount of such reimbursement shall not exceed \$5,000 and the Executive has furnished to the Company evidence satisfactory to the Company relating to such legal fees and expenses.

Section 11. WITHHOLDING; OFFSET.

(a) The Company shall make such deductions and withhold such amounts from each payment made to the Executive hereunder as may be required from time to time by law, governmental regulation or order.

(b) The Company shall have the right to offset any amounts that are due and payable to the Company by the Executive upon or after the Executive's termination of employment with the Company for any reason from any amounts due to the Executive pursuant to this Agreement; provided, however, that the Company may not offset any amounts payable by the Executive to the Company in connection with any breach of contract or breach of fiduciary duty claim that has not been entered as a judgment.

Section 12. NOTICES. All notices and other communications under this Agreement shall be in writing and shall be given by hand, facsimile or first-class mail, certified or registered with return receipt requested, and shall be deemed to have been duly given three (3) days after mailing or twenty-four (24) hours after transmission of a facsimile to the respective persons named below:

- (a) If to the Company: GUESS ?, Inc.
1444 South Alameda Street
Los Angeles, California 90021
Attention: Carlos Alberini
Facsimile: 213-765-0911
- (b) If to the Executive: Stephen Pearson

Either party may change such party's address for notices by notice duly given pursuant hereto.

Section 13. DISPUTE RESOLUTION; ATTORNEYS' FEES. The Company and the Executive agree that any dispute arising as to the parties' rights and obligations hereunder, other than with respect to Section 7 hereof, shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association then in effect. Each party shall have the right, in addition to any other relief granted by such arbitrator (or by any court with respect to relief granted with respect to Section 7 hereof), to reasonable attorneys' fees based on a determination by the arbitrator (or, with respect to Section 7 hereof, the court) of the extent to which each party has prevailed as to the material issues raised in determination of the dispute.

Section 14. GOVERNING LAW. This Agreement and the legal relations thus created between the parties hereto shall be governed by and construed under and in accordance with the laws of the State of California, without regard to its conflicts of law principles.

Section 15. TERMINATION OF PRIOR AGREEMENTS. This Agreement terminates and supersedes any and all prior agreements and understandings between the parties with respect to the Executive's employment and compensation by the Company.

Section 16. WAIVER; MODIFICATION. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Agreement shall not be modified in any respect except by a writing executed by each party hereto.

Section 17. ASSIGNMENT; SUCCESSORS. This Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder; provided that, in the event of the merger, consolidation, transfer or sale of all or substantially all of the assets of the Company with or to any other individual or entity or any similar event, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties and obligations of the Company hereunder.

Section 18. SEVERABILITY. Except as provided in Section 7(e) hereof, in the event that a court of competent jurisdiction determines that any portion of this Agreement is in violation of any statute or public policy, only the portions of this Agreement that violate such statute or public policy shall be stricken. All portions of this Agreement that do not violate any statute or public policy shall continue in full force and effect. Furthermore, any court order striking any portion of this Agreement shall modify the stricken terms as little as possible to give as much effect as possible to the intentions of the parties under this Agreement.

Section 19. HEADINGS. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 20. COUNTERPARTS. This Agreement may be executed in counterparts (including counterparts delivered by facsimile), each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Section 21. REPRESENTATION BY COUNSEL; INTERPRETATION. Each party acknowledges that it has had the opportunity to be represented by counsel in connection with this Agreement. Any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the party that drafted it has no application and is expressly waived.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has hereunto signed this Agreement on the date first above written.

GUESS ?, INC.

/s/ Carlos Alberini 2/9/06

By: Carlos Alberini
Title: President and Chief Operating
Officer

/s/ Stephen Pearson 2/9/06

STEPHEN PEARSON

SCHEDULE 1

RELOCATION POLICY

1. Reimbursement for Relocation Expenses. The Company shall reimburse the Executive in accordance with the Company's relocation policy for the Executive's reasonable relocation-related costs and expenses; provided that the Executive has furnished to the Company evidence satisfactory to the Company relating to such costs and expenses.

2. Miscellaneous. The Company shall provide Executive with temporary corporate housing for up to one hundred eighty (180) days from the Effective Date and shall provide or reimburse Executive for up to five round-trip coach airfare tickets and up to 5 one-way coach airfare tickets for relocation purposes.

3. Tax Gross Up. The Company shall provide to Executive a tax "gross up" equivalent to the income tax liability he incurs with respect to the payments and reimbursements contemplated in these provisions 1, 2 and 3 of this Schedule 1, such that the net effect on Executive shall be that he does not pay any income tax on such contemplated payments and reimbursements.

SEPARATION AGREEMENT

This Separation Agreement (hereinafter "Agreement"), dated as of February 9, 2006, which by mutual agreement between the parties hereto shall be effective as of May 9, 2006 (the "Effective Date"), is made and entered into between GUESS?, INC., a Delaware corporation (hereinafter "GUESS"), and Frederick G. Silny (hereinafter "EMPLOYEE"), and is made in light of the following:

EMPLOYEE is employed by GUESS as Senior Vice President and Chief Financial Officer and the parties anticipate that such employment will terminate on the Effective Date. The parties hereto desire to resolve all pending issues and/or claims between them, regarding the employment of EMPLOYEE, the performance of EMPLOYEE's duties as an employee of GUESS, and the termination of EMPLOYEE's employment with GUESS.

The parties hereto acknowledge that each has denied, and continues to deny, any claims existing or asserted by the other, but that GUESS and EMPLOYEE desire to bring matters relating to EMPLOYEE's employment with GUESS to a conclusion. Therefore, the parties make this Agreement, and expressly recognize that the making of this Agreement does not in any way constitute an admission of wrongdoing or liability on the part of either party.

1. Each party represents and warrants to the other party that it (a) has not filed any complaints, lawsuits, charges and/or other claims against the other party, or any of the Releasees identified in Paragraph 4 below, with any court or government agency or entity based upon or arising out of or in any way related to EMPLOYEE's employment, the termination of EMPLOYEE's employment, or any acts or events which occurred prior to EMPLOYEE's execution of this Agreement; and (b) has not assigned any such action, cause of action, claim, judgment, obligation, damage or liability or authorized any other person or entity to assert such on such party's behalf.

EMPLOYEE further represents and warrants that EMPLOYEE has not at any time sustained physical or mental injury arising out of EMPLOYEE's employment, or the termination thereof, with GUESS through the date of execution of this Agreement.

2. In consideration of covenants undertaken and releases given herein by EMPLOYEE, GUESS agrees to: (a) pay EMPLOYEE the sum of One Hundred Sixty Thousand Two Hundred Ninety-Five and 20/100 Dollars (\$160,295.20), less all legally required withholdings for taxes and other related obligations, which sum represents a twenty-six (26) weeks severance to be paid in equal installments on regularly scheduled paydays commencing on the first of such paydays following the Effective Date, subject to the terms set forth in this Paragraph 2; (b) pay COBRA premiums for medical and dental benefits for EMPLOYEE and continue all of EMPLOYEE's Exec-U-Care benefits and disability benefits on the same terms and conditions as existed on EMPLOYEE's termination date from June 1,

2006 through November 30, 2006; (c) pay EMPLOYEE the performance-based Cash Bonus Opportunity, if any, for which EMPLOYEE is eligible pursuant to the Annual Incentive Bonus Plan, to be paid in accordance with, and subject to, GUESS's normal approval procedures and payment terms; and (d) pay EMPLOYEE a one-time cash payment in the amount of Three Hundred Thousand and 00/100 Dollars (\$300,000.00), less all legally required withholdings for taxes and other related obligations to be paid in full within five (5) days of the later of (i) receipt by GUESS of this Agreement executed by EMPLOYEE or (ii) the Effective Date, subject to the terms set forth in this Paragraph 2.

Should EMPLOYEE find and begin employment or any consulting position prior to November 7, 2006 at a salary or remuneration equal to or greater than EMPLOYEE's salary at GUESS as of May 9, 2006, payments under clause (a) and (b) of this Paragraph 2 shall be discontinued. If EMPLOYEE accepts and begins employment or any consulting position prior to November 7, 2006 at a salary or remuneration lower than the above referenced GUESS salary, GUESS will pay EMPLOYEE the difference in compensation from the date of such employment through November 7, 2006 in lieu of payments under clause (a) and (b) of this Paragraph 2. Should EMPLOYEE fail to work full-time for GUESS up to and including May 9, 2006 (other than by reason of termination by GUESS without cause), payments under clauses (a), (b) and (d) of this Paragraph 2 shall be null and void.

EMPLOYEE acknowledges that GUESS is not obligated to provide the above-referenced consideration to EMPLOYEE under its normal policies and procedures. EMPLOYEE also acknowledges that no other monetary payments shall be made to EMPLOYEE in return for entering into this Agreement and no other monies are owed to EMPLOYEE by GUESS or by any of the Releasees identified in Paragraph 4 below, other than the payment GUESS will make to EMPLOYEE on the last day of his employment for earned unpaid salary and unused accrued vacation time, if any.

3. In consideration of the covenants undertaken herein by GUESS, EMPLOYEE agrees: (a) not to attempt to induce, directly or indirectly, any present or future employee of GUESS to abandon EMPLOYEE's employment with GUESS and commence employment with any other employer for a period of two (2) years following the Effective Date; (b) to continue to comply with the terms of GUESS's Confidentiality Agreement which is attached hereto as Exhibit A and made a part hereof ("Confidentiality Agreement"); (c) that GUESS may enforce the confidentiality provisions of the Confidentiality Agreement in connection with EMPLOYEE's conduct as if EMPLOYEE were still an employee of GUESS, to the extent permitted by law; (d) to return any and all GUESS property to GUESS promptly upon the Effective Date; and (e) that EMPLOYEE will remain available for questions concerning EMPLOYEE's position if requested by GUESS. EMPLOYEE agrees that the provisions of this paragraph are necessary and reasonable.

EMPLOYEE agrees to notify GUESS's Legal Department in the event that EMPLOYEE is contacted by anyone in connection with either GUESS or any officers, directors or employees of GUESS. In particular, EMPLOYEE acknowledges and agrees that EMPLOYEE is obligated to cooperate with GUESS and its counsel, at the sole cost and

expense of GUESS, in connection with any subpoenas, process, or any actual or potential litigation matters related in any way to GUESS or any officers, directors, or employees of GUESS. EMPLOYEE further acknowledges and agrees that any material breach of this provision that remains uncured after two (2) business days of actual receipt by EMPLOYEE of written notice regarding such breach will require the return of any severance amount paid by GUESS under this Agreement.

4. In consideration of the covenants undertaken herein by the parties, each party also hereby covenants not to sue and fully releases and discharges the other, all of its divisions, and all of its parent, successor, subsidiary and affiliated companies and entities, and each of their respective divisions, officers, directors, shareholders, partners, limited partners, agents, employees, representatives, successors, independent contractors, payroll companies, attorneys, insurers, licensees and assigns, past and present (all of which and whom are collectively referred to as "Releasees"), with respect to and from, any and all claims, demands, rights, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden, which the releasing party now owns or holds, or has at anytime heretofore owned or held, or may in the future hold against said Releasees, or any of them, arising out of, grounded upon, or in any way connected with EMPLOYEE's employment relationship with GUESS, the separation from that employment, or any other transactions, occurrences, acts or omissions or any loss, damages or injury whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of the Releasees, or any of them, committed or omitted prior to the date of this Agreement, excluding any claims, demands, rights, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or nature in law arising out of or related to EMPLOYEE's fraud, gross negligence or willful misconduct, which are hereby expressly excluded from the above covenants ("Claim or Claims"). EMPLOYEE's release of any such Claim or Claims includes, but is not limited to, any action arising out of any foreign, federal, state or local constitution, statute, ordinance, regulation, or common law, including, but not limited to, any Claims arising under the Age Discrimination In Employment Act; Title VII of the Civil Rights Act of 1964; the Equal Pay Act; the American with Disabilities Act; the Family and Medical Leave Act; the Employee Retirement Income Security Act; the Worker Adjustment and Retraining Notification Act; the California Fair Employment and Housing Act; all provisions of the California Labor Code; all provisions of the California Government Code; NLRB charges or Claims of discrimination based on "union" status; the Orders of the California Industrial Welfare Commission regulating wages, hours and working conditions; any other foreign, federal, state or local laws, prohibiting employment discrimination or otherwise regulating employment, including but not limited to, any Claim or Claims for discrimination, failure to prevent discrimination, failure to prevent retaliation, harassment, failure to prevent harassment, assault, battery, misrepresentation, fraud, deceit, invasion of privacy, breach of contract, breach of collective bargaining agreement, breach of quasi-contract, breach of implied contract, an accounting, wrongful or constructive discharge, breach of the covenant of good faith and fair dealing, libel, slander, negligent or intentional infliction of emotional distress,

violation of public policy, negligent supervision, negligent retention, negligence, or interference with business opportunity or with contracts; and any Claim or Claims for vacation pay, severance pay, bonus or similar benefit, sick leave, pension, retirement, retirement bonus, holiday pay, life insurance, health or medical insurance, reimbursement of health or medical costs; provided, however, that this release shall not affect any rights EMPLOYEE has been granted pursuant to this Agreement.

5. EMPLOYEE expressly acknowledges and agrees that this Agreement includes a waiver and release of all claims which EMPLOYEE has or may have under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C., §621, et seq. (“ADEA”). The following terms and conditions apply to and are part of the waiver and release of ADEA claims under this Agreement.

The waiver and release of claims under the ADEA contained in this Agreement does not cover rights or claims that may arise after the date on which EMPLOYEE signs this Agreement. EMPLOYEE has been advised to consult a lawyer before signing this Agreement. EMPLOYEE is granted twenty-one (21) days after EMPLOYEE is presented with this Agreement to decide whether or not to sign this Agreement. EMPLOYEE will have the right to revoke the waiver and release of claims under the ADEA within seven (7) days of signing this Agreement, and this Agreement shall not become effective or enforceable until this revocation period has expired. EMPLOYEE hereby acknowledges and agrees that EMPLOYEE is knowingly and voluntarily waiving and releasing EMPLOYEE’s rights and claims only in exchange for consideration (something of value) in addition to anything of value to which EMPLOYEE is already entitled.

6. EMPLOYEE understands, acknowledges and agrees that the California Civil Code section 1542 states as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

EMPLOYEE hereby expressly waives the benefit of the foregoing statute.

7. Should any part, term or provision of this Agreement, with the exception of the releases embodied in Paragraphs 4, 5 and 6, be declared or determined by any Court or other tribunal of appropriate jurisdiction to be invalid or unenforceable such term or provision shall be deemed stricken and severed from this Agreement and any and all other terms of the Agreement shall remain in full force and effect to the fullest extent permitted by law. The releases embodied in Paragraph 4, 5 and 6 are the essence of this Agreement and should any of these paragraphs be deemed invalid or unenforceable, this Agreement may be declared null and void and any consideration received under this Agreement shall be returned to the Company.

8. The parties hereto acknowledge and agree that this Agreement and any other agreements specifically referred to herein constitute and contain the entire agreement and understanding concerning the subject matter between the parties and supersedes and replaces all prior and contemporaneous negotiations and proposed agreements, whether written or oral. Each of the parties warrants that no other party or any agent or attorney or any other party has made any promise, representation or warranty whatsoever not contained herein to induce each party to execute this Agreement and the other documents referred to herein. Each of the parties represents that it has not executed this Agreement or any other documents referred to herein in reliance on any promise, representation or warranty not contained herein.

9. The parties hereto acknowledge and agree that the language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any of the parties.

10. This Agreement shall, in all respects, be interpreted, construed and governed by and under the domestic laws of the State of California. Any judicial proceeding brought to interpret or enforce this Agreement shall be brought in the County of Los Angeles, State of California.

11. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Los Angeles, California, in accordance with the Rules Resolution of Employment Disputes of the American Arbitration Association then in effect.

12. Should any action be brought to enforce any of the terms or conditions of this Agreement, the prevailing party shall be entitled to recover all reasonable costs and expenses incurred in the prosecution or defense of this action, including attorneys' fees.

13. Each party hereby agrees that for a period of one (1) year following the Effective Date, any communication, whether oral or written, made by it or on its behalf to any person or entity, which relates in any way to the other party will: (a) be, to the best of the party's knowledge, truthful, and (b) not intentionally or negligently criticize, disparage or, in any manner, undermine the reputation or business practices of the other party or any of its affiliates, directors, officers, management or employees. Notwithstanding the above, EMPLOYEE acknowledges that any such communication by EMPLOYEE is subject to and governed by the terms of the Confidentiality Agreement referenced in Section 3 above.

14. EMPLOYEE acknowledges that EMPLOYEE has carefully read and fully understands this Agreement, and that EMPLOYEE has had the opportunity to ask GUESS about any questions, concerns or issues in connection with this Agreement, or its terms. EMPLOYEE further acknowledges that EMPLOYEE has had the opportunity, and taken it to the extent EMPLOYEE deemed appropriate and necessary, to consult legal counsel of EMPLOYEE's choice, in connection with this Agreement and consents to all of the terms and provisions contained herein knowingly, voluntarily and without any reservation whatsoever.

15. Either facsimile or original signatures shall be binding. EMPLOYEE's signature is binding when received by GUESS.

EMPLOYEE

GUESS?, INC.

/s/ Frederick G. Silny
Frederick G. Silny

By: /s/ Carlos Alberini
Carlos Alberini
President

Dated: February 9, 2006

Dated: February 9, 2006

EXHIBIT A
CONFIDENTIALITY AGREEMENT



GUESS?, INC.

CONFIDENTIALITY AGREEMENT

This Agreement is between GUESS?, INC. ("GUESS?"), a Delaware corporation, and the employee ("Associate") who has signed below.

BACKGROUND

- GUESS? is a clothing manufacturer and designer. In the course of developing its business and goodwill, GUESS? has developed and continues to develop techniques and other information that it uses in the manufacturing, styling, pricing and selling of its apparel products. This information, and all other information concerning the operation of GUESS? business is and always has been kept confidential by GUESS? and is and always has been a trade secret of GUESS?. By this Agreement, GUESS? desires to maintain and preserve the confidentiality of its trade secrets and other confidential information regarding its business from any unauthorized disclosures (hereinafter-CONFIDENTIAL INFORMATION).
- Associate is to be employed by GUESS?. The purpose of Associate's relationship with GUESS? is to perform personal services to GUESS?. In order to enable Associate to perform such services, GUESS? may disclose or authorize the disclosure of trade secrets and other confidential information to Associate and the Associate may develop additional trade secrets and confidential information during employment by GUESS? which shall become part of this CONFIDENTIAL INFORMATION.

AGREEMENT

Therefore, in consideration of GUESS? employment or continuing employment of Associate and the wages or salary paid to Associate, it is agreed:

1. This agreement is in effect during period of employment or continuing employment of Associate by GUESS?, INC.
2. During employment, Associate may receive, develop, otherwise acquire, have access to or become acquainted with CONFIDENTIAL INFORMATION relating to the business of GUESS?. Associate understands that the term CONFIDENTIAL INFORMATION shall include, but not be limited to, all drawings, designs, patterns, devices, methods, techniques, compilations, processes, product specifications, future plans, discounts, manufacturing costs, financial information, cost and suppliers; costs of materials; the prices GUESS? obtains or has obtained, or at which it sells or has sold its apparel products, manufacturing and sales costs; written business records, documents specifications, plans and compilations of information, reports, correspondence, sales records, account lists, budgets, indexes, invoices, telephone records, or any other material relating in any manner whatsoever to the customer, sales representatives or employees (including the salaries of employees other than Associate and their abilities) of GUESS?. If it is determined that any of the information identified above is, in whole or in part, not entitled to protection as a trade secret, it shall be confidential information this is protected by this Agreement.
 - a. Associate agrees that all CONFIDENTIAL INFORMATION, or any copy, extract or summary, whether originated or prepared by Associate or by or for GUESS? is and shall remain the exclusive property of GUESS?.
3. Associate shall not disclose to others, either directly or indirectly, or take or use for Associate's own purposes or the purposes of others, the CONFIDENTIAL INFORMATION of GUESS?. Associate shall not disclose the name of any employee, customer, sales representative or independent contractor of GUESS? to any third party, unless the disclosure occurs during Associate's employment with GUESS? and is reasonably required by Associate's position with GUESS?. These restrictions shall apply to (1) trade secrets or confidential information conceived by or belonging to third parties which are in GUESS?' possession, and (2) trade secrets or confidential information conceived, originated, discovered or developed by Associate within the scope of Associate's employment.
4. Any invention, improvement, development, copyrightable matter, design, idea or suggestion conceived, made, devised or developed by Associate, solely or jointly with others:
 - a. During regular working hours or with the use of GUESS? equipment, supplies, facilities, CONFIDENTIAL INFORMATION or trade secrets.
 - b. During the term of Associate's employment whether during regular working hours or not, which relate to business of GUESS?; or
 - c. during the term of Associate's employment and after which embodies, uses or is the result of any CONFIDENTIAL INFORMATION of GUESS? which Associate has knowledge of, shall be disclosed to GUESS? by Associate and become the sole property of GUESS?.
5. As to each invention, improvement, development, copyrightable matter, design, idea, suggestion or other matter described above, Associate unqualifiedly assigns to GUESS? all rights, including foreign patent and priority rights, which Associate has. Associate agrees that, upon request by GUESS?, Associate shall promptly execute all instruments and documents requested by GUESS?, including but not limited to applications for Letters Patent and assignment of the rights thereto. This Agreement does not apply to any invention, which qualifies fully under the provisions of Section 2870 of the California Labor Code.
6. Upon the termination of Associate's employment, or whenever required by GUESS?, Associate shall immediately deliver to GUESS? all property and materials in Associate's possession or under Associate's control belonging to GUESS?, including, but not limited to, all physical embodiments of CONFIDENTIAL INFORMATION.
7. Associate shall obtain prior written permission pursuant to GUESS? policies and procedures to publish or cause to be published any article, book, textbook, play, tape recordings or any other form of communication concerning GUESS? or the business of GUESS?, GUESS? may grant or withhold this permission in its sole subjective discretion.

8. Throughout the duration of Associate's employment with GUESS?, or any time thereafter, EMPLOYEE shall not disrupt, damage, impair or interfere with the business of GUESS? in any manner, including, and without limitation, for a period of twenty four (24) months after the termination of Associate's employment with GUESS?, by directly or indirectly soliciting, encouraging or inducing an employee to leave the employ of GUESS?, or by inducing an employee, a consultant, a sales representative or another independent contractor to end that person's relationship with GUESS?, by raiding GUESS?' employees or sales representatives, or otherwise soliciting, disrupting or interfering with its relationship with customers, agents,

representatives or vendors, or otherwise. Associate is not, however, restricted from being employed by or engaged in any type of business following the termination of Associate's employment relationship with GUESS?.

9. Associate shall not do anything, which conflicts with the interest of GUESS? during the term of Associate's employment. Associate shall avoid conflicts of interest and shall refer questions about potential conflicts to Associate's supervisor.
- a. Associate, during the term of employment, shall not perform any services or accept any employment with any organization, which does business with GUESS? or is a competitor of GUESS?. This prohibition includes acting as an advisor or consultant, unless that activity is required as part of the Associate's work for GUESS?.
 - b. Associate must immediately disclose in writing to the Human Resources Department any financial interest Associate or Associate's immediate family has, during the term of employment, in any firm, which does business with GUESS? or which competes with GUESS?.
 - c. Associate and Associate's immediate family are not to, during the term of employment, accept gifts from any person of firm doing business with GUESS?. The meaning of gifts for purposes of this Agreement includes the acceptance of lavish entertainment and free travel and lodging.
 - d. Associate, during the term of employment, shall not give, offer or promise anything of value to any representative of a company with which GUESS? does business.
10. Associate and GUESS? agree that the CONFIDENTIAL INFORMATION of GUESS?, is of a special, unique unusual, extraordinary, and intellectual character, which gives it a particular value. The loss of which would cause irreparable damage and cannot be reasonably compensated in damages. If Associate breaches or attempts to breach any of the provisions of this agreement, GUESS? shall be entitled to injunctive and other equitable relief to prevent a breach of this Agreement, or any of the provisions thereof.
11. The employment relationship between GUESS? and Associate is at the Mutual consent of Associate and GUESS? and is not for a fixed term. Accordingly, either Associate or GUESS? can end the employment relationship at will, at any time, with or without cause or advance notice. No one in the company has the right to alter the nature of the employment relationship without a written agreement. There are not any express or implied agreements that affect or impair the ability of Associate or GUESS? to terminate the employment relationship at will.
12. Nothing in this Agreement shall limit Associate's right to discuss the amount of Associate's own wages with others or to restrict Associate's disclosure or use of any information that GUESS? is not legally capable of protecting under this Agreement.
13. The provisions of this Agreement are severable, and if any one or more are determined to be unenforceable by a court of law, in whole or in part, the remaining provisions shall still be binding and enforceable. Moreover, if any court determines that any of the provisions, or any part thereof, are unenforceable because of the duration or geographic scope of such provision, as the case may be and, it is reduced form, such provision shall then be enforceable.
14. The failure of a party to insist upon strict adherence to any term of this Agreement, or to object to any failure to comply with any provision of this Agreement, shall not (a) be a waiver of that term or provision, (b) prevent that party from enforcing that term or provision, or (c) prevent that party from enforcing that term of provision by any claim of delay.

This agreement replaces all previous agreements, whether written or oral, relating to the above subject matter, and cannot be changed orally. By signing below the Associate acknowledges that he or she has read it, understands it, and agrees to each of its provisions.

/s/ Fredrick G. Silny
Associate Signature

Fredrick G. Silny
Print Name

11/12/01
Date

Confidentiality Agreement



For Immediate Release

CONTACTS:

Paul Marciano
Co-Chairman-CEO
(213) 765-3509

Carlos Alberini
President &
Chief Operating Officer
(213) 765-3582

GUESS?, INC.

ANNOUNCES ORGANIZATIONAL CHANGES AND GLOBAL

STRUCTURE REALIGNMENT

LOS ANGELES, CA, February 8, 2006 - Guess?, Inc. (NYSE:GES) today announced several organizational changes.

FREDERICK G. SILNY, Senior Vice President and Chief Financial Officer, who will be leaving the Company to pursue other opportunities, will remain as CFO until May 9, 2006. Then Carlos Alberini will assume the responsibilities of this position until it is filled.

Paul Marciano, Co-Chairman-CEO, commented, "In the past five years, Fred has contributed tremendously to the growth and expansion of Guess and overall is a great partner to the executive team of Guess. We will miss him a lot and my brother, Maurice Marciano, and I wish him our very best."

The Company also announced new appointments and promotions:

- **STEPHEN PEARSON** joined Guess?, Inc. in the capacity of **Executive Vice President, Chief Supply Chain Officer**, a newly created position, responsible for worldwide production, preproduction, technical services, quality control, sourcing and logistics. Prior to joining Guess?, Inc., Mr. Pearson was Executive Vice President, Merchandising, Design, Development and Supply Chain for the J. Jill Group, since 2003. He previously spent over twenty years with the Gap Stores, Inc. in various capacities in stores, merchandising and production areas and three years with Freeborders, as Executive Vice President, Business Development, helping companies with overall product strategy and systems implementations.
- **LAURENT MARCHAL** has agreed to join the Company as **President of Guess Canada**. This is also a new position. Mr. Marchal spent the last five years with Zara Canada as its Managing Director with full country performance accountability. Prior to Zara, Mr. Marchal was Executive Vice President and then President and Chief Executive Officer with Sodexo Canada. Mr. Marchal previously spent several years with Arc International and Banque Nationale de Paris and Credit Lyonnais in Canada.

Stephen Pearson and Laurent Marchal will report directly to Carlos Alberini.

- **HARRIET SUSTARSIC** has been promoted to **Senior Vice President, General Merchandise Manager, Retail Division**. Ms. Sustarsic joined Guess in 2004. Before that, she was President and Chief Merchandising Officer with Charlotte Russe Holdings, Inc., where she spent ten years.
- **WENDY KLARIK**, who joined Guess?, Inc. in 2003, has been promoted to **Senior Vice President, General Merchandise Manager, Factory Division**. Previously, she was Vice President, Merchandising at the Warner Brothers Organization and before that, spent several years in Robinson and Bullock Department Stores.

The above two positions report directly to Paul Marciano.

ON THE INTERNATIONAL FRONT:

- Guess?, Inc. announced the promotion of **GIULIANO SARTORI** to **Vice President, International Licensing Business Development**. Mr. Sartori will relocate to the Guess Europe headquarters in Florence, Italy. He joined Guess in 2004. He previously was Vice President, Retail and Licensing for Max Studio and also spent ten years with the Benetton Group.
- **STEPHANE LABELLE** has been named **Senior Vice President, Licensing Products for Guess Europe**. He has been with Guess Europe for nine years and is located at the Guess Europe showroom in Milan, Italy. Previously, he was the head of Zara France for eight years.
- **TERENCE TSANG, Senior Vice President, Corporate Business Development**, has been appointed to lead Guess business development of the Asia region and India, effective March 1, 2006. He will be based in Hong Kong. Mr. Tsang spent seven years with Guess in various executive capacities between 1992 and 1999 and rejoined Guess in July, 2005. He previously was Executive Vice President, Chief Financial Officer of Ashworth, Inc.

The above positions report directly to Paul Marciano.

Guess?, Inc. designs, markets, distributes and licenses a lifestyle collection of contemporary apparel, accessories and related consumer products. At January 28, 2006, the Company owned and operated 311 retail stores in the United States and Canada. The Company also distributes its products through better department and specialty stores around the world. For more information about the Company, please visit www.guess.com.
