MICHAEL KORS

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

FORM 10-K

(Mark One)

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 30, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-35368

Michael Kors Holdings Limited
(Exact Name of Registrant as Specified in Its Charter)

British Virgin Islands	**N/A**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

c/o Michael Kors Limited
Unit 1902, 19/F, Tower 6,
The Gateway, Harbour City,
Tsim Sha Tsui, Kowloon, Hong Kong
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (852) 3928-5563

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
Ordinary Shares, no par value	**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of the registrant's voting and non-voting common shares held by non-affiliates of the registrant was $8,135,032,081 as of September 29, 2012, the last business day of the registrant's most recently completed second fiscal quarter based on the closing price of the common stock on the New York Stock Exchange.

As of May 20, 2013, Michael Kors Holdings Limited had 201,500,713 ordinary shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this report, to the extent not set forth herein, is incorporated by reference from the Registrant's definitive Proxy Statement, which will be filed in June 2013, for the 2013 Annual Meeting of the Shareholders.

TABLE OF CONTENTS

		Page
	PART I	
Item 1	Business	4
Item 1A	Risk Factors	9
Item 1B	Unresolved Staff Comments	19
Item 2	Properties	19
Item 3	Legal Proceedings	19
Item 4	Mine Safety Disclosures	19
	PART II	
Item 5	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	19
Item 6	Selected Financial Data	20
Item 7	Management's Discussion and Analysis of Financial Condition and Results of Operations	22
Item 7A	Quantitative and Qualitative Disclosures About Market Risk	38
Item 8	Financial Statements and Supplementary Data	39
Item 9	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	39
Item 9A	Controls and Procedures	39
Item 9B	Other Information	39
	PART III	
Item 10	Directors, Executive Officers and Corporate Governance	39
Item 11	Executive Compensation	40
Item 12	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	40
Item 13	Certain Relationships and Related Transactions and Director Independence	40
Item 14	Principal Accountant Fees and Services	40
	PART IV	
Item 15	Exhibits and Financial Statement Schedules	40

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements in this report constitute forward-looking statements that do not directly or exclusively relate to historical facts. You should not place undue reliance on such statements because they are subject to numerous uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as "may," "will," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate" or similar expressions. The forward-looking statements contained in this report are based on assumptions that we have made in light of our management's experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors that we believe are appropriate under the circumstances. As you read and consider this report, you should understand that these statements are not guarantees of performance or results. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those in these forward-looking statements. These factors are more fully discussed in the "Risk Factors" section and elsewhere in this annual report. These risks could cause actual results to differ materially from those implied by forward-looking statements in this annual report.

You should keep in mind that any forward-looking statement made by us in this annual report speaks only as of the date on which we make it. New risks and uncertainties may come up from time to time, and it is impossible for us to predict these events or how they may affect us. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks and uncertainties, you should keep in mind that any event described in a forward-looking statement made in this annual report might not occur.

Electronic Access to Company Reports

Our investor website can be accessed at www.michaelkors.com under "Investor Relations." Our Annual Reports on Form 20-F and 10-K, and Quarterly and Current Reports filed with or furnished to the Securities and Exchange Commission (the "SEC") pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on our investor website under the caption "SEC Filings" promptly after we electronically file such materials with, or furnish such materials to, the SEC. No information contained on any of our websites is intended to be included as part of, or incorporated by reference into, this Annual Report on Form 10-K. Information relating to corporate governance at our Company, including our Corporate Governance Guidelines, our Code of Business Conduct and Ethics for all directors, officers, and employees, and information concerning our directors, Committees of the Board, including Committee charters, and transactions in Company securities by directors and executive officers, is available at our investor website under the captions "Corporate Governance" and "SEC Filings." Paper copies of these filings and corporate governance documents are available to shareholders free of charge by written request to Investor Relations, Michael Kors Holdings Limited, Unit 1902, 19/F, Tower 6, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong. Documents filed with the SEC are also available on the SEC's website at www.sec.gov.

PART I

Unless the context requires otherwise, references in this Annual Report on Form 10-K to "Michael Kors", "we", "us", "our", "the Company", "our Company" and "our business" refer to Michael Kors Holdings Limited and its wholly owned subsidiaries, unless the context requires otherwise. References to our stores, retail stores and retail segment include all of our full-price retail stores (including concessions) and outlet stores and the term "Fiscal," with respect to any year, refers to the 52-week period ending on the Saturday closest to March 31 of such year, except for "Fiscal 2010," which refers to the 53-week period ended April 3, 2010. Some differences in the numbers in the tables and text throughout this annual report may exist due to rounding. All comparable store sales are presented on a 52-week basis.

Item 1. Business

Our Company

We are a rapidly growing global luxury lifestyle brand led by a world-class management team and a renowned, award-winning designer. Since launching his namesake brand over 30 years ago, Michael Kors has featured distinctive designs, materials and craftsmanship with a jet-set aesthetic that combines stylish elegance and a sporty attitude. Mr. Kors' vision has taken the Company from its beginnings as an American luxury sportswear house to a global accessories, footwear and apparel company with a presence in over 85 countries.

We operate our business in three segments—retail, wholesale and licensing—and we have a strategically controlled global distribution network focused on company-operated retail stores, leading department stores, specialty stores and select licensing partners. In Fiscal 2013, our retail segment accounted for approximately 48.7% of our total revenue. As of March 30, 2013, our retail segment included:

- 231 North American retail stores, including concessions; and
- 73 international retail stores, including concessions, in Europe and Japan.

In Fiscal 2013, our wholesale segment accounted for approximately 47.3% of our total revenue. As of March 30, 2013, our wholesale segment included:

- wholesale sales through approximately 2,215 department store and specialty store doors in North America; and
- wholesale sales through approximately 1,034 department store and specialty store doors internationally.

A small number of our wholesale customers account for a significant portion of our net sales. Net sales to our five largest wholesale customers represented 29.3% of our total revenue for Fiscal 2013 and 27.9% of our total revenue for Fiscal 2012. Our largest wholesale customer, a large, nationally recognized U.S. department store, accounted for 14.0% of our total revenue for Fiscal 2013 and 13.3% of our total revenue for Fiscal 2012.

Our remaining revenue is generated through our licensing segment, through which we license to third parties certain production, sales and/or distribution rights through geographic licensing arrangements. In Fiscal 2013, our licensing segment accounted for approximately 4.0% of our total revenue and consisted primarily of royalties earned on licensed products and our geographic licenses.

For additional financial information regarding our segments, see the Segment Information note presented in the Notes to the Consolidated Financial Statements.

We offer two primary collections: the *Michael Kors* luxury collection and the *MICHAEL Michael Kors* accessible luxury collection. The *Michael Kors* collection establishes the aesthetic authority of our entire brand and is carried in many of our retail stores as well as in the finest luxury department stores in the world, including, among others, Bergdorf Goodman, Saks Fifth Avenue, Neiman Marcus, Holt Renfrew, Harrods, Harvey Nichols and Printemps. In 2004, we saw an opportunity to capitalize on the brand strength of the *Michael Kors* collection and address the significant demand opportunity in accessible luxury goods, and we introduced the *MICHAEL Michael Kors* collection, which has a strong focus on accessories, in addition to offering footwear and apparel. The *MICHAEL Michael Kors* collection is carried in all of our lifestyle stores as well as leading department stores throughout the world, including, among others, Bloomingdale's, Nordstrom, Macy's, Harrods, Harvey Nichols, Galeries Lafayette, Lotte, Hyundai, Isetan and Lane Crawford. Taken together, our two primary collections target a broad customer base while retaining a premium luxury image.

Industry

We operate in the global luxury goods industry. According to the *Altagamma Studies**, total global sales of luxury goods were approximately $226.6 billion in 2010, $251.5 billion in 2011, and are estimated to be approximately $277.7 billion in 2012. Over the

past ten years, the industry has grown and has remained resilient during economic downturns. In 2010, the industry showed a significant recovery with 13% growth and surpassed the pre-financial crisis peak of $222.7 billion set in 2007. In addition, according to these same studies, demand for the worldwide luxury goods industry is predicted to grow from approximately $251.5 billion in 2011 to between $314.4 billion and $327.5 billion in 2015. We believe that we are well positioned to capitalize on the continued growth of the accessories product category, as it is one of our primary product category focuses.

* Comprised of: the Worldwide Luxury Markets Monitor, Spring 2013 update, Luxury Goods Worldwide Market Study, 2012, the Luxury Goods Worldwide Market Monitor, Spring 2012 Update, Luxury Goods Worldwide Market Study, 2011, Luxury Goods Worldwide Market Study Spring 2011 Update, the Luxury Goods Worldwide Market Study, and the Altagamma 2006 Worldwide Markets Monitor (together, the "Altagamma Studies"). These studies were prepared by the Altagamma Foundation in cooperation with Bain & Company and can be obtained free of charge or at a nominal cost by contacting Bain & Company's media contacts at cheryl.krauss@bain.com or frank.pinto@bain.com. While we believe that each of these studies and publications is reliable, we have not independently verified market and industry data from third-party sources. The Altagamma Studies analyze the global luxury goods market, including the market and financial performance of more than 230 of the world's leading luxury goods companies and brands. All figures derived from the Altagamma Studies are based on an exchange rate of $1.31 to €1.00.

Geographic Information

We generate revenue globally through our segments. Through our retail and wholesale segments we sell our products in three principal geographic markets: North America, Europe and Japan. Through our licensing segment, which we license to third parties use of our brand name and trademarks, certain production, sales and/or distribution rights, we generate revenue primarily in North America.

The following table details our net sales and revenue by segment and geographic location for the fiscal years then ended (in thousands):

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Retail net sales- North America	$ 938,515	$ 573,394	$331,714
Retail net sales- Europe	101,754	43,316	11,463
Retail net sales- Japan	22,373	10,230	1,018
Wholesale net sales- North America	913,145	544,686	386,566
Wholesale net sales- Europe	118,970	65,474	27,039
Licensing Revenue- North America	86,975	65,154	45,539
	$2,181,732	$1,302,254	$803,339

Competitive Strengths

We believe that the following strengths differentiate us from our competitors:

Rapidly Growing Luxury Lifestyle Brand with Best-in-Class Growth Metrics. We believe that the Michael Kors name has become synonymous with luxurious fashion that is timeless and elegant, expressed through sophisticated accessory and ready-to-wear collections. Each of our collections exemplifies the jet-set lifestyle and features high quality designs, materials and craftsmanship. Some of the most widely recognized global trendsetters—including celebrities such as Angelina Jolie, Heidi Klum, Blake Lively, Penelope Cruz, Gwyneth Paltrow and Catherine Zeta-Jones—walk the red carpet in our collections. We have built a solid foundation for continued long-term global growth and currently enjoy best-in-class growth metrics.

Design Vision Led by World-Renowned, Award-Winning Designer. Michael Kors, a world-renowned designer, personally leads our experienced design team. Mr. Kors and his team are responsible for conceptualizing and directing the design of all of our products, and their design leadership is a unique advantage that we possess. Mr. Kors has received a number of awards which recognize the contribution Mr. Kors and his team have made to the fashion industry and our Company. Our brand image has been further enhanced by Mr. Kors' position as a judge on the six-time Emmy-nominated reality show *Project Runway,* during the 2004 season through 2012.

Poised to Take Share in the Growing Global Accessories Product Category. According to the *Altagamma Studies*, from 2005 to 2012*, the accessories product category was the fastest growing product category in the global luxury goods industry, and in 2012 the accessories product category is estimated to have generated sales of approximately $75.0 billion, representing 27% of total luxury goods sales. In 2004, we saw the opportunity to capitalize on growing accessories demand by leveraging the strength of the *Michael Kors* luxury collection, and we introduced the accessible luxury *MICHAEL Michael Kors* collection further enhancing our brand awareness within North America.

* sales for the 2012 calendar year are currently an estimate.

Proven Multi-Format Retail Segment with Significant Growth Opportunity. In Fiscal 2013, our retail segment reported net sales of $1,062.6 million and a 40.1% increase in year-over-year comparable store sales from Fiscal 2012. Within our retail segment we have three primary retail store formats: collection stores, lifestyle stores and outlet stores. Our collection stores are located in some of the world's most prestigious shopping areas, such as Madison Avenue in New York and Rodeo Drive in California, and are generally 3,200 square feet in size. Our lifestyle stores are located in some of the world's most frequented metropolitan shopping locations and leading regional shopping centers, and are generally 2,200 square feet in size. We also extend our reach to additional consumer groups through our outlet stores, which are generally 2,800 square feet in size. In addition to these three retail store formats, we operate concessions in a select number of department stores in North America and internationally.

Strong Relationships with Premier Wholesale Customers. We partner with leading wholesale customers, such as Bergdorf Goodman, Saks Fifth Avenue, Neiman Marcus, Holt Renfrew, Bloomingdale's, Nordstrom and Macy's in North America; and Harrods, Harvey Nichols, Selfridges and Galeries Lafayette in Europe. These relationships enable us to access large numbers of our key consumers in a targeted manner. In addition, we are engaged in wholesale growth initiatives that are designed to transform the Michael Kors displays at select department stores into branded "shop-in-shops." By installing customized freestanding fixtures, wall casings and components, decorative items and flooring, as well as deploying specially trained staff, we believe that our shop-in-shops provide department store consumers with a more personalized shopping experience than traditional retail department store configurations. These initiatives, among others, have helped increase total revenue for our wholesale segment from $610.2 million in Fiscal 2012 to $1,032.1 million in Fiscal 2013, representing a 69.2% year-over-year increase.

Growing Licensing Segment. The strength of our global brand has been instrumental in helping us build our licensing business. We collaborate with a select number of product licensees who produce and sell what we believe are products requiring specialized expertise that are enhanced by our brand strength. Our relationship with Fossil Partners, LP. ("Fossil"), for instance, has helped us create a line of watches and jewelry that we believe have become, and will continue to be, status items for young fashion-conscious consumers. Other product licensees include, among others, the Aramis and Designer Fragrances division of The Estée Lauder Companies Inc. ("Estée Lauder") for fragrances and Marchon Eyewear Inc. ("Marchon") for eyewear. Our relationships with our product licensees have helped us leverage our success across demographics and categories by taking advantage of their unique expertise, resulting in total revenue for licensed products increasing from $65.2 million in Fiscal 2012 to $87.0 million in Fiscal 2013. In addition, we have entered into agreements with non-manufacturing licensees who we believe have particular expertise in the distribution of fashion accessories, footwear and apparel in specific geographic territories, such as Korea, the Philippines, Singapore, Malaysia, greater China, the Middle East, Turkey, Russia, the Caribbean and Latin America.

Proven and Experienced Management Team. Our senior management team has extensive experience across a broad range of disciplines in the retail industry, including design, sales, marketing, public relations, merchandising, real estate, supply chain and finance. With over 25 years of experience in the retail industry, including at a number of public companies, and an average of ten years with Michael Kors, our senior management team has strong creative and operational experience and a successful track record. This extensive experience extends beyond our senior management team and deep into our organization.

Business Strategy

Our goal is to increase our revenue and profits and strengthen our global brand. Our business strategy includes the following:

Increase Our Brand Awareness. We intend to continue increasing brand awareness and customer loyalty in North America and internationally in a number of ways, including by:

- continuing to open new retail stores in preeminent, high-visibility locations;
- maintaining our strong advertising position in global fashion publications, growing our online advertising exposure and internet presence and continuing to distribute our store catalog featuring our new collections;
- holding our semi-annual runway shows that reinforce Mr. Kors' designer status and high-fashion image, creating excitement around the *Michael Kors* and *MICHAEL Michael Kors* collections and generating global multimedia press coverage; and
- leveraging Mr. Kors' global prestige and popularity through a variety of press activities and personal appearances.

Expand Our Retail Store Base in North America. Continue to expand our retail store base in North America. We believe that there is significant opportunity to continue expanding our retail store base in North America and to increase our North American retail store base to approximately 400 locations in the long term. We will look to open new stores predominately in high traffic areas of street and mall locations in high-income demographic areas and will adhere to our already successful retail store formats, which we believe reinforce our brand image and generate strong sales per square foot.

Expand North American Shop-in-Shop Footprint at Select Department Stores. Continue to increase our North American wholesale sales by increasing shop-in-shops. We believe that our proprietary shop-in-shop fixtures effectively communicate our brand image within the department store, enhance the presentation of our merchandise and create a more personalized shopping experience for department store customers. We plan to grow our North American shop-in-shop footprint at select department stores by continuing to convert existing wholesale door space into shop-in-shops and expanding the size of existing shop-in-shops.

Increase Global Comparable Store Sales. Continue to increase global comparable store sales with a number of initiatives already under way to increase the size and frequency of purchases by our existing customers and to attract new customers. Such initiatives include, among others, increasing the size of existing stores, creating compelling store environments and offering new products, including logo products, small leather goods, active footwear and fashion jewelry.

Grow International Retail and Wholesale Businesses. Continue our international expansion in select regions throughout Europe and other key international markets, and continue to leverage our existing operations in Europe and Japan to drive continued expansion. This includes increasing our international retail store base, including concessions, as well as increasing our wholesale doors and shop-in-shop conversions at select department stores throughout Europe.

Collections and Products

We offer two primary collections that offer accessories, footwear and apparel: the *Michael Kors* collection and the *MICHAEL Michael Kors* collection, both of which are offered through our retail and wholesale segments. We also offer licensed products primarily through our retail segment.

The Michael Kors Collection

In the *Michael Kors* collection we offer accessories, including handbags and small leather goods, many of which are made from high quality leathers and other exotic skins, footwear and apparel, including ready-to-wear womenswear and menswear. Generally, our handbags and small leather goods retail from $500 to $6,000, our footwear retails from $300 to $1,200 and our women's apparel retails from $400 to $4,000.

The MICHAEL Michael Kors Collection

The *MICHAEL Michael Kors* collection has a strong focus on accessories, in addition to offering footwear and apparel, and is carried in all of our lifestyle stores as well as leading department stores throughout the world. In the *MICHAEL Michael Kors* collection, we offer: accessories, primarily handbags, which are created to meet the fashion and functional requirements of our broad and diverse consumer base, and small leather goods, such as clutches, wallets, wristlets and cosmetic cases; footwear, exclusively in women's styles; and womenswear, including dresses, tops, jeans, pants, skirts, shorts and outerwear. Generally, our handbags retail from $200 to $800, our small leather goods retail from $45 to $200, our footwear retails from $70 to $500 and our women's apparel retails from $50 to $500.

Our Licensed Products

Watches. Fossil has been our exclusive watch licensee since April 2004. Watches are sold in our retail stores and by our licensing partner to wholesale customers in addition to select watch retailers. Generally, our watches retail for between $150 and $500.

Eyewear. Marchon has been our exclusive eyewear licensee since January 2004. Marchon has developed what we believe is a distinctive product assortment of eyewear inspired by our collections. Our eyewear products are focused on status eyewear with sunglasses serving as a key category. Eyewear is sold in our retail stores and by our licensing partner to wholesale customers in addition to select sunglass retailers and prescription eyewear providers. Generally, our eyewear retails for between $85 and $285.

Jewelry. Fossil has been our exclusive fashion jewelry licensee since December 2010. Our jewelry product line is complementary to our watches and accessories lines and is comprised of bracelets, necklaces, rings and earrings. Our jewelry is sold in our retail stores and by our licensing partner to wholesale customers in addition to other specialty stores. Generally, our jewelry retails for between $45 and $400.

Fragrances. Estée Lauder has been our exclusive women's and men's fragrance licensee since May 2003. Fragrances are sold in our retail stores and by our licensing partner to wholesale customers in addition to select fragrance retailers. Generally, our fragrances retail for between $20 and $115.

Marketing and Advertising

Our marketing strategy is to deliver a consistent message every time the consumer comes in contact with our brand through all of our communications and visual merchandising. Our image is created and executed internally by our creative marketing, visual merchandising and public relations teams, which helps ensure the consistency of our message.

In Fiscal 2013, we recognized approximately $41.9 million in advertising expense in North America and internationally. In conjunction with promoting a consistent global image, we use our extensive customer database and consumer knowledge to best target our consumers in an effort to foster marketing efficiency. We engage in a wide range of direct marketing programs, including, among others, emails, print advertising, catalogs and brochures, in order to stimulate sales in a consumer-preferred shopping venue. As part of our direct marketing strategy, our catalogs are sent to selected households to encourage consumer purchases and to build brand awareness. In addition, the growing number of visitors to our *michaelkors.com* online store provides an opportunity to increase the size of our database and to communicate with consumers to increase online and physical store sales and build brand awareness. We launched *michaelkors.com* in 2007 in partnership with Neiman Marcus. We sell merchandise to Neiman Marcus at wholesale, which is subsequently resold by Neiman Marcus through *michaelkors.com*. Neiman Marcus receives substantially all of the proceeds from these online sales.

Manufacturing and Sourcing

We contract for the purchase of finished goods principally with independent third-party manufacturing contractors, whereby the manufacturing contractor is generally responsible for the entire manufacturing process, including the purchase of piece goods and trim. Although we do not have written agreements with any of our manufacturing contractors, we believe we have mutually satisfactory relationships with them. We allocate product manufacturing among third-party agents based on their capabilities, the availability of production capacity, pricing and delivery. We have relationships with various agents who source our finished goods with numerous manufacturing contactors on our behalf. Although our relationships with our agents are generally terminable at any time, we believe we have mutually satisfactory relationships with them. In Fiscal 2013 and 2012, one third-party agent sourced approximately 14.0% and 17.0% of our finished goods purchases, respectively. In Fiscal 2013, by dollar volume, approximately 95.1% of our products were produced in Asia and Europe. See "—Import Restrictions and Other Government Regulations" and "Risk Factors"—We primarily use foreign manufacturing contractors and independent third-party agents to source our finished goods, which poses legal, regulatory, political and economic risks to our business operations."

Manufacturing contractors and agents operate under the close supervision of our global manufacturing divisions and buying agents headquartered in North America, Europe and Asia. All products are produced according to our specifications. Production staff in the United States monitor manufacturing at supplier facilities in order to correct problems prior to shipment of the final product. Quality assurance is focused upon as early as possible in the production process, allowing merchandise to be received at the distribution facilities and shipped to customers with minimal interruption.

Intellectual Property

We own the *Michael Kors* and *MICHAEL Michael Kors* trademarks, as well as other material trademark rights related to the production, marketing and distribution of our products, both in the United States and in other countries in which our products are principally sold. We also have trademark applications pending for a variety of related logos. We aggressively police our trademarks and pursue infringers both domestically and internationally. We also pursue counterfeiters domestically and internationally through leads generated internally, as well as through our network of investigators and business partners around the world.

Pursuant to an agreement entered into by Mr. Kors in connection with the acquisition by Sportswear Holdings Limited of a majority interest in the Company in 2003, Mr. Kors (i) represented that all intellectual property rights used in connection with the Company's business at such time were owned exclusively by the Company, (ii) assigned to the Company (to the extent not already assigned to and owned by the Company) exclusive worldwide rights in perpetuity to the "*Michael Kors*" name and trademark and all derivations thereof, as well as to Mr. Kors' signature and likeness, and all goodwill associated therewith, (iii) agreed not to take any action against the Company inconsistent with such ownership by the Company (including, without limitation, by asserting any privacy, publicity or moral rights) and (iv) agreed not to use, whether or not he is employed by the Company, any of such intellectual property in connection with any commercial enterprise (provided that he may use the name Michael Kors as his legal name only, and not as service mark or trade name, to identify himself personally and to engage in charitable activities and other activities that do not compete with any businesses of the Company).

Employees

At the end of Fiscal 2013, 2012 and 2011, we had approximately 6,379, 4,180 and 2,945 total employees, respectively. As of March 30, 2013, approximately 5,137 our employees were engaged in retail selling and administrative positions, and our remaining employees were engaged in other aspects of our business. None of our employees are currently covered by collective bargaining agreements and we believe that our relations with our employees are good.

Competition

We face intense competition in the product lines and markets in which we compete. Our products compete with other branded products within their product category. In our wholesale business, we compete with numerous manufacturers, importers and distributors of accessories, footwear and apparel for the limited space available for product display. Moreover, the general availability of manufacturing contractors allows new entrants easy access to the markets in which we compete, which may increase the number of our competitors and adversely affect our competitive position and our business.

In varying degrees, depending on the product category involved, we compete on the basis of style, price, customer service, quality, brand prestige and recognition, among other bases. Some of our competitors have achieved significant recognition for their brand names or have substantially greater financial, distribution, marketing and other resources than us. We believe, however, that we have significant competitive advantages because of our brand recognition and the acceptance of our brand name by consumers. See Item 1A—"Risk Factors—The markets in which we operate are highly competitive, both within North America and internationally, and increased competition based on a number of factors could cause our profitability to decline."

Seasonality

We experience certain effects of seasonality with respect to our wholesale and retail segments. Our wholesale segment experiences its greatest sales in our fourth fiscal quarter with our second and third fiscal quarters being relatively consistent as our second highest sales volume quarters. Our retail segment experiences greater sales during our third and fourth fiscal quarters as a result of Holiday season sales. In the aggregate, however, with the exception of our first fiscal quarter, which typically experiences significantly less sales volume relative to the other three quarters, we do not experience significant quarter-to-quarter fluctuations in our sales. Moreover, given our recent growth, the effects of any seasonality are further muted by incremental sales related to our new stores and shop-in-shops.

Import Restrictions and Other Governmental Regulations

Virtually all of our merchandise imported into the United States, Canada, Europe and Asia is subject to duties. In addition, most of the countries to which we ship could impose safeguard quotas to protect their local industries from import surges that threaten to create market disruption. The United States and other countries may also unilaterally impose additional duties in response to a particular product being imported at unfairly traded prices that, in such increased quantities, cause or threaten injury to the relevant domestic industry (generally known as "anti-dumping" actions). If dumping is suspected in the United States, the United States government may self-initiate a dumping case on behalf of a particular industry. Furthermore, additional duties, generally known as countervailing duties, can also be imposed by the United States government to offset subsidies provided by a foreign government to foreign manufacturers if the importation of such subsidized merchandise injures or threatens to injure a United States industry. We are also subject to other international trade agreements and regulations, such as the North American Free Trade Agreement. See Item 1A—"Risk Factors—We primarily use foreign manufacturing contractors and independent third-party agents to source our finished goods, which poses legal, regulatory, political and economic risks to our business operations."

Accessories, footwear and apparel sold by us are also subject to regulation in the United States and other countries by governmental agencies, including, in the United States, the Federal Trade Commission and the Consumer Products Safety Commission. These regulations relate principally to product labeling, licensing requirements, flammability testing and product safety. We are also subject to environmental laws, rules and regulations. Similarly, accessories, footwear and apparel sold by us are also subject to import regulations in the United States and other countries concerning the use of wildlife products for commercial and non-commercial trade, including the U.S. Fish and Wildlife Service. We do not estimate any significant capital expenditures for environmental control matters either in the current fiscal year or in the near future. Our licensed products and licensing partners are also subject to regulation. Our agreements require our licensing partners to operate in compliance with all applicable laws and regulations, and we are not aware of any violations that could reasonably be expected to have a material adverse effect on our business or operating results.

Although we have not suffered any material restriction from doing business in desirable markets in the past, we cannot assure that significant impediments will not arise in the future as we expand product offerings and introduce additional trademarks to new markets.

Item 1A. Risk Factors

You should carefully read this entire report, including, without limitation, the following risk factors and the section of this annual report entitled "Note Regarding Forward-Looking Statements." Any of the following factors could materially adversely affect our business, financial condition and operating results. Additional risks and uncertainties not currently known to us or that we currently view as immaterial may also materially adversely affect our business, financial condition and operating results.

The accessories, footwear and apparel industries are heavily influenced by general macroeconomic cycles that affect consumer spending, and a prolonged period of depressed consumer spending could have a material adverse effect on our business, financial condition and operating results.

The accessories, footwear and apparel industries have historically been subject to cyclical variations, recessions in the general economy and uncertainties regarding future economic prospects that can affect consumer spending habits. Purchases of discretionary luxury items, such as our products, tend to decline during recessionary periods, when disposable income is lower. The success of our operations depends on a number of factors impacting discretionary consumer spending, including general economic conditions, consumer confidence, wages and unemployment, housing prices, consumer debt, interest rates, fuel and energy costs, taxation and political conditions. A continuation or worsening of the current weakness in the economy may negatively affect consumer and wholesale purchases of our products and could have a material adverse effect on our business, financial condition and operating results.

We face risks associated with operating in international markets.

We operate on a global basis, with approximately 17.5% of our total revenue coming from operations outside of the U.S during Fiscal 2013. The current political and economic instability and changing macroeconomic conditions in major international markets, including Europe and Japan, have resulted in significant macroeconomic risks including high rates of unemployment, high fuel prices, currency volatility and continued global economic uncertainty driven in part by the European debt crisis, among other factors. These risks, combined with expectations of slower global economic growth as well as a decrease in consumer confidence in Europe, may adversely affect discretionary consumer spending in the international markets in which we operate, which could negatively affect sales of our products in these markets. In addition, if the global macroeconomic environment, including the economic situation in Europe, continues to be weak or worsens, our gross margin rates may be negatively impacted.

A material disruption in our information technology systems could have a material adverse effect on our business, financial condition and results of operations.

We rely extensively on our information technology ("IT") systems to track inventory, manage our supply chain, record and process transactions, manage customer communications, summarize results and manage our business. The failure of our IT systems to operate properly or effectively, problems with transitioning to upgraded or replacement systems, or difficulty in integrating new systems, could adversely affect our business. In addition, our IT systems may be subject to damage and/or interruption from power outages, computer, network and telecommunications failures, computer viruses, hackers, security breaches, usage errors by our employees and bad acts by our customers and website visitors. If our IT systems are damaged or cease to function properly, we may have to make a significant investment to fix or replace them, and we may suffer loss of critical data (including our customer data) and interruptions or delays in our operations in the interim. Any significant disruption in our IT systems could harm our reputation and credibility, and could have a material adverse effect on our business, financial condition and operating results.

Privacy breaches and other cyber security risks related to our e-commerce business could negatively affect our reputation, credibility and business.

We are responsible for storing data relating to our customers and employees and rely on third parties for the operation of parts of our e-commerce website, *michaelkors.com*, and for the various social media tools and websites we use as part of our marketing strategy. During the last quarter of our fiscal 2014 year, we expect to take over more of the direct operations of our e-commerce website and will be processing and storing customer transaction data on systems that are owned and operated by us, or that are operated by our third-party providers. Consumers, lawmakers and consumer advocates alike are increasingly concerned over the security of personal information transmitted over the Internet, consumer identity theft and privacy. In addition to taking the necessary precautions ourselves, we require that third-party service providers implement reasonable security measures to protect our customers' identity and privacy. We do not, however, control these third-party service providers and cannot guarantee that no electronic or physical computer break-ins and security breaches will occur in the future. Likewise, our systems and technology are subject to the risk of system failures, viruses, "hackers" and other causes that are out of our control. Any perceived or actual unauthorized disclosure of personally identifiable information regarding our customers or website visitors could harm our reputation and credibility, reduce our e-commerce net sales, impair our ability to attract website visitors and reduce our ability to attract and retain customers, and expose us to significant related liability. Finally, we could incur significant costs in complying with the multitude of state, federal and foreign laws regarding the use and unauthorized disclosure of personal information, to the extent they are applicable. We also may incur significant costs in our implementation of additional security measures to comply with applicable laws and industry standards and to further protect customer data.

We may not be able to respond to changing fashion and retail trends in a timely manner, which could have a material adverse effect on our brand, business, financial condition and operating results.

The accessories, footwear and apparel industries have historically been subject to rapidly changing fashion trends and consumer preferences. We believe that our success is largely dependent on our brand image and ability to anticipate and respond promptly to

changing consumer demands and fashion trends in the design, styling, production, merchandising and pricing of products. If we do not correctly gauge consumer needs and fashion trends and respond appropriately, consumers may not purchase our products and our brand name and brand image may be impaired. Even if we react appropriately to changes in fashion trends and consumer preferences, consumers may consider our brand image to be outdated or associate our brand with styles that are no longer popular or trend-setting. Any of these outcomes could have a material adverse effect on our brand, business, financial condition and operating results.

The markets in which we operate are highly competitive, both within North America and internationally, and increased competition based on a number of factors could cause our profitability to decline.

We face intense competition from other domestic and foreign accessories, footwear and apparel producers and retailers, including, among others, Coach, Burberry, Ralph Lauren, Hermès, Louis Vuitton, Gucci, Marc Jacobs, Chloé, Tori Burch and Prada. Competition is based on a number of factors, including, without limitation, the following:

- anticipating and responding to changing consumer demands in a timely manner;
- establishing and maintaining favorable brand-name recognition;
- determining and maintaining product quality;
- maintaining key employees;
- maintaining and growing market share;
- developing quality and differentiated products that appeal to consumers;
- establishing and maintaining acceptable relationships with retail customers;
- pricing products appropriately;
- providing appropriate service and support to retailers;
- optimizing retail and supply chain capabilities;
- determining size and location of retail and department store selling space; and
- protecting intellectual property.

In addition, some of our competitors may be significantly larger and more diversified than us and may have significantly greater financial, technological, manufacturing, sales, marketing and distribution resources than we do. Their greater capabilities in these areas may enable them to better withstand periodic downturns in the accessories, footwear and apparel industries, compete more effectively on the basis of price and production and more quickly develop new products. The general availability of manufacturing contractors and agents also allows new entrants easy access to the markets in which we compete, which may increase the number of our competitors and adversely affect our competitive position and our business. Any increased competition, or our failure to adequately address any of these competitive factors, could result in reduced sales, which could adversely affect our business, financial condition and operating results.

Competition, along with such other factors as consolidation and changes in consumer spending patterns, could also result in significant pricing pressure. These factors may cause us to reduce our sales prices to our wholesale customers and retail consumers, which could cause our gross margins to decline if we are unable to appropriately manage inventory levels and/or otherwise offset price reductions with comparable reductions in our operating costs. If our sales prices decline and we fail to sufficiently reduce our product costs or operating expenses, our profitability may decline, which could have a material adverse effect on our business, financial condition and operating results.

The departure of our founder, members of our executive management and other key employees could have a material adverse effect on our business.

We depend on the services and management experience of our founder and executive officers, who have substantial experience and expertise in our business. In particular, Mr. Kors, our Honorary Chairman and Chief Creative Officer, has provided design and executive leadership to the Company since its inception. He is instrumental to our marketing and publicity strategy and is closely identified with both the brand that bears his name and our Company in general. Our ability to maintain our brand image and leverage the goodwill associated with Mr. Kors' name may be damaged if we were to lose his services. Mr. Kors has the right to terminate his employment with us without cause. In addition, the leadership of John D. Idol, our Chairman and Chief Executive Officer, and Joseph B. Parsons, our Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer, has been a critical element of our success. We also depend on other key employees involved in our licensing, design and advertising operations. Competition for qualified personnel in the apparel industry is intense, and competitors may use aggressive tactics to recruit our executive officers and key employees. Although we have entered into employment agreements with Mr. Kors and certain of our other executive officers, including Mr. Idol and Mr. Parsons, we may not be able to retain the services of such individuals in the future. The loss of services of one or more of these individuals or any negative public perception with respect to, or relating to, the loss of one or more of these individuals could have a material adverse effect on our business, financial condition and operating results.

The growth of our business depends on the successful execution of our growth strategies, including our efforts to open and operate new retail stores and increase the number of department stores and specialty stores that sell our products.

As part of our growth strategy, we intend to open and operate new retail stores and shop-in-shops within select department stores, both domestically and internationally. Our ability to successfully open and operate new retail stores, including concessions, and shop-in-shops depends on many factors, including, among others, our ability to:

- identify new markets where our products and brand image will be accepted or the performance of our retail stores, including concessions, and shop-in-shops will be considered successful;
- negotiate acceptable lease terms, including desired tenant improvement allowances, to secure suitable store locations;
- hire, train and retain personnel and field management;
- assimilate new personnel and field management into our corporate culture;
- source sufficient inventory levels; and
- successfully integrate new retail stores, including concessions, and shop-in-shops into our existing operations and information technology systems.

We will encounter pre-operating costs and we may encounter initial losses when new retail stores, including concessions, and shop-in-shops commence operations. While we expect to open a number of additional retail stores, including concessions, and shop-in-shops in the future, there can be no assurance that we will open the planned number, that we will recover the expenditure costs associated with opening these new retail stores, including concessions, and shop-in-shops or that the operation of these new venues will be successful or profitable. Any such failure could have a material adverse effect on our business, financial condition and operating results.

We face additional risks with respect to our strategy to expand internationally, including our efforts to further expand our operations in European countries and in Japan as well as other Asian countries. In some of these countries we do not yet have significant operating experience, and in most of these countries we face established competitors with significantly more operating experience in those locations. Many of these countries have different operational characteristics, including, but not limited to, employment and labor, transportation, logistics, real estate (including lease terms) and local reporting or legal requirements. Furthermore, consumer demand and behavior, as well as tastes and purchasing trends may differ in these countries and, as a result, sales of our product may not be successful, or the margins on those sales may not be in line with those we currently anticipate. In addition, in many of these countries there is significant competition to attract and retain experienced and talented employees. If our international expansion plans are unsuccessful, it could have a material adverse effect on our business, financial condition and operating results.

We have grown rapidly in recent years and we have limited operating experience at our current scale of operations; if we are unable to manage our operations at our current size or are unable to manage any future growth effectively, our brand image and financial performance may suffer.

We have expanded our operations rapidly and have limited operating experience at our current size. If our operations continue to grow, we will be required to continue to expand our sales and marketing, product development and distribution functions, to upgrade our management information systems and other processes and to obtain more space for our expanding administrative support and other headquarter personnel. Our continued growth could strain our existing resources, and we could experience operating difficulties, including the availability of desirable locations and the negotiation of acceptable lease terms, difficulties in hiring, training and managing an increasing number of employees, difficulties in obtaining sufficient raw materials and manufacturing capacity to produce our products and delays in production and shipments. These difficulties could result in the erosion of our brand image and could have a material adverse effect on our business, financial condition and operating results.

We are dependent on a limited number of distribution facilities. If one or more of our distribution facilities experiences operational difficulties or becomes inoperable, it could have a material adverse effect on our business, financial condition and operating results.

We operate a limited number of distribution facilities. Our ability to meet the needs of our wholesale customers and our own retail stores depends on the proper operation of these distribution facilities. If any of these distribution facilities were to shut down or otherwise become inoperable or inaccessible for any reason, we could suffer a substantial loss of inventory and/or disruptions of deliveries to our wholesale customers and retail stores. In addition, we could incur significantly higher costs and longer lead times associated with the distribution of our products during the time it takes to reopen or replace the damaged facility. Any of the foregoing factors could have a material adverse effect on our business, financial condition and operating results.

In addition, during Fiscal 2013 we transitioned our California distribution facilities from three separate warehouses totaling approximately 350,000 square feet to an approximately 600,000 square foot distribution center in Whittier, California. We believe this expansion and consolidation allows us to significantly increase our distribution capabilities and efficiency. We began operations in this facility prior to March 31, 2012, and were fully transitioned into this facility at the end of the first quarter of Fiscal 2013. Soon after the transition, we implemented a new warehouse management system that further supports our efforts to operate with increased efficiency and flexibility. There are risks inherent in operating in a new distribution environment and implementing a new warehouse management system, including operational difficulties that may arise with such transitions. We may experience shipping delays should there be any disruptions in our new warehouse management system or the warehouse itself.

As we expand our store base, we may be unable to maintain the same comparable store sales or average sales per square foot that we have in the past, which could cause our share price to decline.

As we expand our store base, we may not be able to maintain the levels of comparable store sales that we have experienced historically. In addition, we may not be able to maintain our historic average sales per square foot as we move into new markets. If our future comparable store sales or average sales per square foot decline or fail to meet market expectations, the price of our ordinary shares could decline. In addition, the aggregate results of operations of our stores have fluctuated in the past and can be expected to continue to fluctuate in the future. A variety of factors affect both comparable store sales and average sales per square foot, including, among others, fashion trends, competition, current economic conditions, pricing, inflation, the timing of the release of new merchandise and promotional events, changes in our merchandise mix, the success of marketing programs and weather conditions. If we misjudge the market for our products, we may incur excess inventory for some of our products and miss opportunities for other products. These factors may cause our comparable store sales results and average sales per square foot in the future to be materially lower than recent periods and our expectations, which could harm our results of operations and result in a decline in the price of our ordinary shares.

We are subject to risks associated with leasing retail space under long-term, non-cancelable leases and are required to make substantial lease payments under our operating leases; any failure to make these lease payments when due could materially adversely affect our business, financial condition and operating results.

We do not own any of our store facilities; instead, we lease all of our stores under operating leases. Our leases generally have terms of 10 years with no renewal options. Our leases generally require a fixed annual rent, and most require the payment of additional rent if store sales exceed a negotiated amount. Generally, our leases are "net" leases, which require us to pay all of the costs of insurance, taxes, maintenance and utilities. We generally cannot cancel these leases at our option. Payments under these operating leases account for a significant portion of our operating costs. For example, as of March 30, 2013, we were party to operating leases associated with our stores as well as other corporate facilities requiring future minimum lease payments aggregating to $405.9 million through Fiscal 2018 and approximately $282.7 million thereafter through Fiscal 2029. We expect that any new stores we open under operating leases will have terms similar to those contained in leases we have entered previously, which will further increase our operating lease expenses.

Our substantial operating lease obligations could have significant negative consequences, including, among others:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring a substantial portion of our available cash to pay our rental obligations, thus reducing cash available for other purposes;
- limiting our flexibility in planning for or reacting to changes in our business or in the industry in which we compete; and
- placing us at a disadvantage with respect to some of our competitors.

We depend on cash flow from operations to pay our lease expenses and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities, and sufficient funds are not otherwise available to us, we may not be able to service our operating lease expenses, grow our business, respond to competitive challenges or fund our other liquidity and capital needs.

Our current and future licensing arrangements may not be successful and may make us susceptible to the actions of third parties over whom we have limited control.

We have entered into a select number of product licensing agreements with companies that produce and sell, under our trademarks, products requiring specialized expertise. We have also entered into a number of select licensing agreements pursuant to which we have granted third parties certain rights to distribute and sell our products in certain geographical areas, including, among others, South Korea, the Philippines, Singapore, Malaysia, the Middle East, Russia, Turkey, Latin America and the Caribbean. In addition, we have entered into similar licensing agreements with entities that are indirectly owned by certain of our current

shareholders, including Mr. Kors, Mr. Idol and Sportswear Holdings Limited, pursuant to which we have granted such entities certain rights to distribute and sell our products in China, Hong Kong, Macau and Taiwan. See Note 16 to our financial statements—"Agreements with Shareholders and Related Party Transactions." In the future, we may enter into additional licensing arrangements. Although we take steps to carefully select our licensing partners, such arrangements may not be successful. Our licensing partners may fail to fulfill their obligations under their license agreements or have interests that differ from or conflict with our own, such as the timing of new store openings, the pricing of our products and the offering of competitive products. In addition, the risks applicable to the business of our licensing partners may be different than the risks applicable to our business, including risks associated with each such partner's ability to:

- obtain capital;
- exercise operational and financial control over its business;
- manage its labor relations;
- maintain relationships with suppliers;
- manage its credit and bankruptcy risks; and
- maintain customer relationships.

Any of the foregoing risks, or the inability of any of our licensing partners to successfully market our products or otherwise conduct its business, may result in loss of revenue and competitive harm to our operations in regions or product categories where we have entered into such licensing arrangements.

We rely on our licensing partners to preserve the value of our brands. Although we attempt to protect our brands through, among other things, approval rights over store location and design, product design, production quality, packaging, merchandising, distribution, advertising and promotion of our stores and products, we may not be able to control the use by our licensing partners of each of our licensed brands. The misuse of our brands by a licensing partner could have a material adverse effect on our business, financial condition and operating results.

A substantial portion of our revenue is derived from a small number of large wholesale customers, and the loss of any of these wholesale customers could substantially reduce our total revenue.

A small number of our wholesale customers account for a significant portion of our net sales. Net sales to our five largest wholesale customers represented 29.3% of our total revenue for Fiscal 2013 and 27.9% of our total revenue for Fiscal 2012. Our largest wholesale customer, a large, nationally recognized U.S. department store, accounted for 14.0% of our total revenue for Fiscal 2013 and 13.3% of our total revenue for Fiscal 2012. We do not have written agreements with any of our wholesale customers, and purchases generally occur on an order-by-order basis. A decision by any of our major wholesale customers, whether motivated by marketing strategy, competitive conditions, financial difficulties or otherwise, to decrease significantly the amount of merchandise purchased from us or our licensing partners, or to change their manner of doing business with us or our licensing partners, could substantially reduce our revenue and have a material adverse effect on our profitability. During the past several years, the retail industry has experienced a great deal of consolidation and other ownership changes, and we expect such changes will continue. In addition, store closings by our wholesale customers decrease the number of stores carrying our products, while the remaining stores may purchase a smaller amount of our products and/or may reduce the retail floor space designated for our brands. In the future, retailers may further consolidate, undergo restructurings or reorganizations, realign their affiliations or reposition their stores' target markets. Any of these types of actions could decrease the number of stores that carry our products or increase the ownership concentration within the retail industry. These changes could decrease our opportunities in the market, increase our reliance on a smaller number of large wholesale customers and decrease our negotiating strength with our wholesale customers. These factors could have a material adverse effect on our business, financial condition and operating results.

Increases in the cost of raw materials could increase our production costs and cause our operating results and financial condition to suffer.

The costs of raw materials used in our products are affected by, among other things, weather, consumer demand, speculation on the commodities market, the relative valuations and fluctuations of the currencies of producer versus consumer countries and other factors that are generally unpredictable and beyond our control. We are not always successful in our efforts to protect our business from the volatility of the market price of raw materials, and our business can be materially affected by dramatic movements in prices of raw materials. The ultimate effect of this change on our earnings cannot be quantified, as the effect of movements in raw materials prices on industry selling prices are uncertain, but any significant increase in these prices could have a material adverse effect on our business, financial condition and operating results.

We primarily use foreign manufacturing contractors and independent third-party agents to source our finished goods, which poses legal, regulatory, political and economic risks to our business operations.

Our products are primarily produced by, and purchased or procured from, independent manufacturing contractors located mainly in countries in Asia, Europe and Central and South America. A manufacturing contractor's failure to ship products to us in a

timely manner or to meet the required quality standards could cause us to miss the delivery date requirements of our customers for those items. The failure to make timely deliveries may cause customers to cancel orders, refuse to accept deliveries or demand reduced prices, any of which could have a material adverse effect on us. In addition, any of the following factors could negatively affect our ability to produce or deliver our products and, as a result, could have a material adverse effect on our business, financial condition and operating results:

- political or labor instability, labor shortages or increases in costs of labor or production in countries where manufacturing contractors and suppliers are located;
- significant delays or disruptions in delivery of our products due to labor disputes or strikes at U.S. ports of entry;
- political or military conflict involving the United States, which could cause a delay in the transportation of our products and raw materials and increase transportation costs;
- heightened terrorism security concerns, which could subject imported or exported goods to additional, more frequent or more thorough inspections, leading to delays in deliveries or impoundment of goods for extended periods of time or could result in increased scrutiny by customs officials for counterfeit goods, leading to lost sales, increased costs for our anti-counterfeiting measures and damage to the reputation of our brands;
- a significant decrease in availability or an increase in the cost of raw materials;
- disease epidemics and health-related concerns, which could result in closed factories, reduced workforces, scarcity of raw materials and scrutiny or embargoing of goods produced in infected areas;
- the migration and development of manufacturing contractors, which could affect where our products are or are planned to be produced;
- imposition of regulations, quotas and safeguards relating to imports and our ability to adjust in a timely manner to changes in trade regulations, which, among other things, could limit our ability to produce products in cost-effective countries that have the labor and expertise needed;
- increases in the costs of fuel, travel and transportation;
- imposition of duties, taxes and other charges on imports;
- significant fluctuation of the value of the United States dollar against foreign currencies; and
- restrictions on transfers of funds out of countries where our foreign licensees are located.

We do not have written agreements with any of our third-party manufacturing contractors. As a result, any single manufacturing contractor could unilaterally terminate its relationship with us at any time. In Fiscal 2013, our largest manufacturing contractor, who primarily produces its products in China and who we have worked with for the last nine years, accounted for the production of 31.8% of our finished products. Our inability to promptly replace manufacturing contractors that terminate their relationships with us or cease to provide high quality products in a timely and cost-efficient manner could have a material adverse effect on our business, financial condition and operating results.

In addition, we use third-party agents to source our finished goods with numerous manufacturing contractors on our behalf. Any single agent could unilaterally terminate its relationship with us at any time. In Fiscal 2013, our largest third-party agent, whose primary place of business is Hong Kong and who we have worked with for the last nine years, sourced approximately 14.0% of our purchases of finished goods. Our inability to promptly replace agents that terminate their relationships with us or cease to provide high quality service in a timely and cost-efficient manner could have a material adverse effect on our business, financial condition and operating results.

If we fail to comply with labor laws, or if our manufacturing contractors fail to use acceptable, ethical business practices, our business and reputation could suffer.

We are subject to labor laws governing relationships with employees, including minimum wage requirements, overtime, working conditions and citizenship requirements. Compliance with these laws and regulations may lead to increased costs and operational complexity and may increase our exposure to governmental investigations or litigation.

In addition, we require our manufacturing contractors to operate in compliance with applicable laws, rules and regulations regarding working conditions, employment practices and environmental compliance. Additionally, we impose upon our business partners operating guidelines that require additional obligations in those three areas in order to promote ethical business practices, and our staff and third parties we retain for such purposes periodically visit and monitor the operations of our manufacturing contractors to determine compliance. However, we do not control our manufacturing contractors or their labor and other business practices. If one of our manufacturing contractors violates applicable labor or other laws, rules or regulations or implements labor or other business practices that are generally regarded as unethical in the United States, the shipment of finished products to us could be interrupted, orders could be cancelled, relationships could be terminated and our reputation could be damaged. Any of these events could have a material adverse effect on our business, financial condition and operating results.

Our business is subject to risks associated with importing products.

There are risks inherent to importing our products. Virtually all of our merchandise imported into the United States, Canada, Europe and Asia is subject to duties and most of the countries to which we ship could impose safeguard quotas to protect their local industries from import surges that threaten to create market disruption. The United States and other countries may also unilaterally impose additional duties in response to a particular product being imported at unfairly traded prices that, in such increased quantities, cause or threaten injury to the relevant domestic industry (generally known as "anti-dumping" actions). If dumping is suspected in the United States, the United States government may self-initiate a dumping case on behalf of a particular industry. Furthermore, additional duties, generally known as countervailing duties, can also be imposed by the United States government to offset subsidies provided by a foreign government to foreign manufacturers if the importation of such subsidized merchandise injures or threatens to injure a United States industry**.** In addition, accessories, footwear and apparel sold by us are also subject to import regulations in the United States and other countries concerning the use of wildlife products for commercial and non-commercial trade, including the U.S. Fish and Wildlife Service ("F&W"). F&W requires that we obtain a license to import animal and fauna that are subject to regulation by F&W and can revoke (or refuse to renew) this license, seize and possibly destroy our shipments and/or fine the Company for F&W violations. The imposition of duties and quotas, the initiation of an anti-dumping action and/or the repercussions of F&W violations could have a material adverse effect on our business, financial condition and operating results.

Restrictive covenants in our credit agreement may restrict our ability to pursue our business strategies.

We have a $200.0 million senior unsecured credit facility (the "2013 Credit Facility") under which Michael Kors (USA), Inc. ("MKUSA"), Michael Kors (Europe) B.V., Michael Kors (Canada) Co. and Michael Kors (Switzerland) GmbH, our indirect wholly owned subsidiaries, are borrowers and we are a parent guarantor. The credit agreement governing the terms of the 2013 Credit Facility restricts, among other things, asset dispositions, mergers and acquisitions, dividends, share repurchases and redemptions, other restricted payments, indebtedness, loans and investments, liens and affiliate transactions. Our credit agreement also contains customary events of default, including a change in control of the Company. In addition, our credit agreement contains financial covenants such as requiring an adjusted leverage ratio of 3.5 to 1.0 (with the ratio being total consolidated indebtedness plus 8.0 times consolidated rent expense to EBITDA plus consolidated rent expense) and a fixed charge coverage ratio of 2.0 to 1.0 (with the ratio being EBITDA plus consolidated rent expense to the sum of fixed charges plus consolidated rent expense). See credit discussion in "Management's Discussion and Analysis— Liquidity". These covenants, among other things, limit our ability to fund our future working capital needs and capital expenditures, engage in future acquisitions or development activities, or otherwise realize the value of our assets and opportunities fully because of the need to dedicate a portion of our cash flow from operations to payments on debt.

We may be unable to protect our trademarks and other intellectual property rights, and others may allege that we infringe upon their intellectual property rights.

Our trademarks and other intellectual property rights are important to our success and our competitive position. We are susceptible to others imitating our products and infringing on our intellectual property rights. Our brand enjoys significant worldwide consumer recognition, and the generally higher pricing of our products creates additional incentive for counterfeiters and those seeking to infringe on our products. Such counterfeiting and other infringement could dilute our brand and harm our business.

The actions we take to establish and protect our trademarks and other intellectual property rights may not be adequate to prevent imitation of our products by others or other infringement of our intellectual property rights. Our trademark applications may fail to result in registered trademarks or provide the scope of coverage sought, and others may seek to invalidate our trademarks or block sales of our products as a violation of their trademarks and intellectual property rights. In addition, others may assert rights in, or ownership of, trademarks and other intellectual property rights of ours or in trademarks that are similar to ours or trademarks that we license and/or market, and we may not be able to successfully resolve these types of conflicts to our satisfaction. In some cases, trademark owners may have prior rights to our trademarks or similar trademarks. Furthermore, certain foreign countries may not protect trademarks and other intellectual property rights to the same extent as do the laws of the United States.

From time to time, in the ordinary course of our business, we become involved in opposition and cancellation proceedings with respect to trademarks similar to some of our brands. Any litigation or dispute involving the scope or enforceability of our intellectual property rights or any allegation that we infringe upon the intellectual property rights of others could be costly and time-consuming and could result, if determined adversely to us, in harm to our competitive position.

Our business is exposed to foreign currency exchange rate fluctuations.

Our results of operations for our international subsidiaries are exposed to foreign exchange rate fluctuations as the financial results of the applicable subsidiaries are translated from the local currency into U.S. dollars during the process of financial statement consolidation. If the U.S. dollar strengthens against foreign currencies, the translation of these foreign currency denominated transactions could impact our consolidated results of operations. In addition, we have intercompany notes amongst certain of our non-U.S. subsidiaries, which may be denominated in a currency other than the local currency of a particular reporting entity. As a result of using a currency other than the functional currency of that subsidiary, results of these operations may be adversely affected during times of significant fluctuation between the functional currency of that subsidiary and the currency in which the note is denominated in.

Future sales of our ordinary shares, or the perception in the public markets that these sales may occur, may depress the price of our ordinary shares.

Sales of a substantial number of our ordinary shares in the public market, or the perception that such sales may occur, could have a material adverse effect on the price of our ordinary shares. Pursuant to the shareholders agreement our pre-IPO shareholders, including Michael Kors, John D. Idol and Sportswear Holdings Limited (an entity owned by two of our directors, Messrs. Silas K. F. Chou and Lawrence S. Stroll), have demand and piggyback rights that will require us to file registration statements registering their ordinary shares or to include sales of such ordinary shares in registration statements that we may file for ourselves or other shareholders. In the event such registration rights are exercised and a large number of ordinary shares are sold in the public market, such sales could reduce the trading price of our ordinary shares. In addition, the perception that these sales might occur could cause the market price of our ordinary shares to decrease significantly.

Provisions in our organizational documents may delay or prevent our acquisition by a third party.

Our Memorandum of Association and Articles of Association (together, as amended from time to time, our "Memorandum and Articles of Association") contains several provisions that may make it more difficult or expensive for a third party to acquire control of us without the approval of our board of directors. These provisions also may delay, prevent or deter a merger, acquisition, tender offer, proxy contest or other transaction that might otherwise result in our shareholders receiving a premium over the market price for their ordinary shares. These provisions include, among others:

- our board of directors' ability to amend the Memorandum and Articles of Association to create and issue, from time to time, one or more classes of preference shares and, with respect to each such class, to fix the terms thereof by resolution;
- provisions relating to the multiple classes and three-year terms of directors, the manner of election of directors, removal of directors and the appointment of directors upon an increase in the number of directors or vacancy on our board of directors;
- restrictions on the ability of shareholders to call meetings and bring proposals before meetings;
- elimination of the ability of shareholders to act by written consent; and
- the requirement of the affirmative vote of 75% of the shares entitled to vote to amend certain provisions of our Memorandum and Articles of Association.

These provisions of our Memorandum and Articles of Association could discourage potential takeover attempts and reduce the price that investors might be willing to pay for our ordinary shares in the future, which could reduce the market price of our ordinary shares.

Rights of shareholders under British Virgin Islands law differ from those under United States law, and, accordingly, our shareholders may have fewer protections.

Our corporate affairs are governed by our Memorandum and Articles of Association, the BVI Business Companies Act, 2004 (as amended, the "BVI Act") and the common law of the British Virgin Islands. The rights of shareholders to take legal action against our directors, actions by minority shareholders and the fiduciary responsibilities of our directors under British Virgin Islands law are to a large extent governed by the common law of the British Virgin Islands and by the BVI Act. The common law of the British Virgin Islands is derived in part from comparatively limited judicial precedent in the British Virgin Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the British Virgin Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under British Virgin Islands law are not as clearly established as they would be under statutes or judicial precedents in some jurisdictions in the United States. In particular, the British Virgin Islands has a less developed body of securities laws as compared to the United States, and some states (such as Delaware) have more fully developed and judicially interpreted bodies of corporate law. As a result of the foregoing, holders of our ordinary shares may have more difficulty in protecting their interests through actions against our management, directors or major shareholders than they would as shareholders of a U.S. company.

The laws of the British Virgin Islands provide limited protection for minority shareholders, so minority shareholders will have limited or no recourse if they are dissatisfied with the conduct of our affairs.

Under the laws of the British Virgin Islands, there is limited statutory law for the protection of minority shareholders other than the provisions of the BVI Act dealing with shareholder remedies (as summarized under Item 10- "Additional Information-Memorandum and Articles of Association"). The principal protection under statutory law is that shareholders may bring an action to enforce the constituent documents of a British Virgin Islands company and are entitled to have the affairs of the company conducted in accordance with the BVI Act and the memorandum and articles of association of the company. As such, if those who control the company have persistently disregarded the requirements of the BVI Act or the provisions of the company's memorandum and articles of association, then the courts will likely grant relief. Generally, the areas in which the courts will intervene are the following: (i) an act complained of which is outside the scope of the authorized business or is illegal or not capable of ratification by the majority; (ii) acts that constitute fraud on the minority where the wrongdoers control the company; (iii) acts that infringe on the personal rights of the shareholders, such as the right to vote; and (iv) acts where the company has not complied with provisions requiring approval of a special or extraordinary majority of shareholders, which are more limited than the rights afforded to minority shareholders under the laws of many states in the United States.

It may be difficult to enforce judgments against us or our executive officers and directors in jurisdictions outside the United States.

Under our Memorandum and Articles of Association, we may indemnify and hold our directors harmless against all claims and suits brought against them, subject to limited exceptions. Furthermore, to the extent allowed by law, the rights and obligations among or between us, any of our current or former directors, officers and employees and any current or former shareholder will be governed exclusively by the laws of the British Virgin Islands and subject to the jurisdiction of the British Virgin Islands courts, unless those rights or obligations do not relate to or arise out of their capacities as such. Although there is doubt as to whether United States courts would enforce these provisions in an action brought in the United States under United States securities laws, these provisions could make judgments obtained outside of the British Virgin Islands more difficult to enforce against our assets in the British Virgin Islands or jurisdictions that would apply British Virgin Islands law.

British Virgin Islands companies may not be able to initiate shareholder derivative actions, thereby depriving shareholders of one avenue to protect their interests.

British Virgin Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States. The circumstances in which any such action may be brought, and the procedures and defenses that may be available in respect of any such action, may result in the rights of shareholders of a British Virgin Islands company being more limited than those of shareholders of a company organized in the United States. Accordingly, shareholders may have fewer alternatives available to them if they believe that corporate wrongdoing has occurred. The British Virgin Islands courts are also unlikely to recognize or enforce judgments of courts in the United States based on certain liability provisions of United States securities law or to impose liabilities, in original actions brought in the British Virgin Islands, based on certain liability provisions of the United States securities laws that are penal in nature. There is no statutory recognition in the British Virgin Islands of judgments obtained in the United States, although the courts of the British Virgin Islands will generally recognize and enforce the non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits. This means that even if shareholders were to sue us successfully, they may not be able to recover anything to make up for the losses suffered.

Legislation has been introduced that would, if enacted, treat us as a U.S. corporation for U.S. federal income tax purposes.

On February 7, 2012, U.S. Senator Carl Levin introduced legislation in the U.S. Senate entitled the "Cut Loopholes Act." U.S. Senator Levin and U.S. Representative Lloyd Doggett originally introduced similar legislative proposals in 2009 and similar legislation was proposed in 2010 and 2011. If enacted, this legislation would, among other things, cause us to be treated as a U.S. corporation for U.S. tax purposes, as generally any entity whose shares are publicly traded on an established securities market, or whose gross assets are $50 million or more, if the "management and control" of such a corporation is, directly or indirectly, is treated as occurring primarily within the United States. The proposed legislation provides that a corporation will be so treated if substantially all of the executive officers and senior management of the corporation who exercise day-to-day responsibility for making decisions involving strategic, financial and operational policies of the corporation are located primarily within the United States. To date, this legislation has not been approved by either the House of Representatives or the Senate. However, we can provide no assurance that this legislation or similar legislation will not ultimately be adopted. Any such modification to the U.S. federal income tax laws that affects the tax residency of a non-U.S. company managed and controlled in the United States could adversely affect the U.S. federal taxation of some or all of our income and the value of our ordinary shares.

Failure to maintain adequate financial and management processes and controls could lead to errors in our financial reporting, which could harm our business and cause a decline in the price of our ordinary shares.

As a public company we are required to document and test our internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify the effectiveness of our internal controls on management's

assessment and on the effectiveness of our internal control over financial reporting in our annual reports. If our management is unable to certify the effectiveness of our internal controls or if our independent registered public accounting firm cannot render an opinion on management's assessment and on the effectiveness of our internal control over financial reporting, or if material weaknesses in our internal controls are identified, we could be subject to regulatory scrutiny and a loss of public confidence, which could harm our business and cause a decline in the price of our ordinary shares.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The following table sets forth the location, use and size of our significant distribution and corporate facilities as of March 30, 2013, all of which are leased. The leases expire at various times through Fiscal 2026, subject to renewal options.

Location	Use	Approximate Square Footage
Whittier, CA	Distribution	613,375
New York, NY	Corporate Offices	123,358
Montreal, Quebec	Canadian Corporate Office and Distribution	100,702
East Rutherford, NJ	Corporate Offices	43,336
Secaucus, NJ	Distribution	22,760

As of March 30, 2013, we also occupied 273 leased retail stores worldwide (excluding concessions). We consider our properties to be in good condition generally and believe that our facilities are adequate for our operations and provide sufficient capacity to meet our anticipated requirements.

Other than fixed assets related to our stores (e.g. leasehold improvements, fixtures, etc.) and computer equipment, we do not own any material property.

Item 3. Legal Proceedings

We are involved in various routine legal proceedings incident to the ordinary course of our business. We believe that the outcome of all pending legal proceedings in the aggregate will not have a material adverse effect on our business, financial condition or operating results.

Item 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

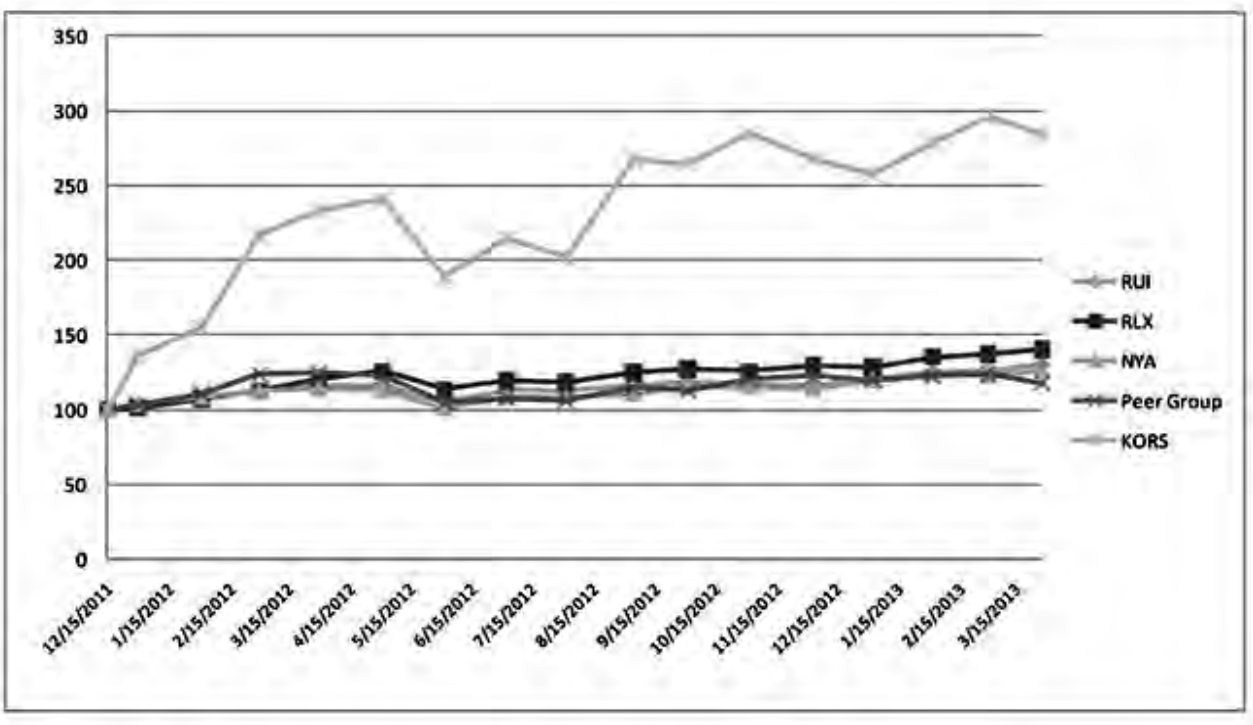
Market Information

Since our IPO on December 15, 2011, our ordinary shares have traded on the NYSE under the symbol "KORS". At March 30, 2013, there were 201,454,408 ordinary shares outstanding, and the closing sale price of our ordinary shares was $56.79. Also as of that date, we had approximately 94 ordinary shareholders of record. The table below sets forth the high and low closing sale prices of our ordinary shares for the periods indicated:

	High	Low
Fiscal 2012 Quarter Ended:		
December 31, 2011	$27.58	$23.51
March 31, 2012	$50.69	$25.50
Fiscal 2013 Quarter Ended:		
June 30, 2012	$49.50	$35.50
September 29, 2012	$57.35	$37.77
December 29, 2012	$58.62	$46.66
March 30, 2013	$65.10	$49.00

Share Performance Graph

The line graph below compares the cumulative total shareholder return on our ordinary shares with the Russell 1000 Index (RUI), Standard & Poor's 500 Index, S&P Retail Index (RLX) and the NYSE Composite Index (NYA), and a peer group index of companies that we believe are closest to ours for the period covering our initial public offering on December 15, 2011 through March 30, 2013, the last day of the our fiscal year. The graph assumes an investment of $100 made at the closing of trading on December 15, 2011, in (i) our ordinary shares, (ii) the shares comprising the RUI, (iii) the shares comprising the RLX and (iv) the shares comprising the NYA. The peer group consists of the following: Coach, Inc., Guess, Inc., PVH Corp., Limited Brands, Inc., and Ralph Lauren Corporation. All values assume reinvestment of the full amount of all dividends, if any, into additional shares of the same class of equity securities at the frequency with which dividends are paid on such securities during the applicable time period.



Item 6. Selected Financial Data

The following table sets forth selected historical consolidated financial and other data for Michael Kors Holdings Limited and its consolidated subsidiaries for the periods presented. The statements of operations data for Fiscal 2013, 2012 and 2011 and the balance sheet data as of the end of Fiscal 2013 and 2012 have been derived from our audited consolidated financial statements included elsewhere in this report. The statements of operations data for Fiscal 2010 and Fiscal 2009 and the balance sheet data as of the end of Fiscal 2011 and Fiscal 2010 have been derived from our audited consolidated financial statements, which are not included in this report. The balance sheet data as of the end of Fiscal 2009 have been derived from our unaudited consolidated financial statements, which are not included in this report.

The selected historical consolidated financial data below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes included elsewhere in this annual report.

	Fiscal Years Ended				
	March 30, 2013	March 31, 2012	April 2, 2011	April 3, 2010	March 28, 2009
	(data presented in thousands, except for shares and per share data)				
Statement of Operations Data:					
Net sales	$ 2,094,757	$ 1,237,100	$ 757,800	$ 483,452	$ 377,058
Licensing revenue	86,975	65,154	45,539	24,647	20,016
Total revenue	2,181,732	1,302,254	803,339	508,099	397,074
Cost of goods sold	875,166	549,158	357,274	241,365	208,283
Gross profit	1,306,566	753,096	446,065	266,734	188,791
Selling, general and administrative expenses	621,536	464,568	279,822	191,717	147,490
Depreciation and amortization	54,291	37,554	25,543	18,843	14,020
Impairment of long-lived assets	725	3,292	3,834	—	3,043
Total operating expenses	676,552	505,414	309,199	210,560	164,553
Income from operations	630,014	247,682	136,866	56,174	24,238
Interest expense	1,524	1,495	1,861	2,057	1,600
Foreign currency loss (income)	1,363	(2,629)	1,786	(830)	391
Income before provision for income taxes	627,127	248,816	133,219	54,947	22,247
Provision for income taxes	229,525	101,452	60,713	15,699	9,208
Net income	397,602	147,364	72,506	39,248	13,039
Net income applicable to preference shareholders	—	21,227	15,629	8,460	2,811
Net income available for ordinary shareholders	$ 397,602	$ 126,137	$ 56,877	$ 30,788	$ 10,228
Weighted average ordinary shares outstanding(1):					
Basic	196,615,054	158,258,126	140,554,377	140,554,377	140,554,377
Diluted	201,540,144	189,299,197	179,177,268	179,177,268	179,177,268
Net income per ordinary share(2):					
Basic	$ 2.02	$ 0.80	$ 0.40	$ 0.22	$ 0.07
Diluted	$ 1.97	$ 0.78	$ 0.40	$ 0.22	$ 0.07

(1) Gives effect to the corporate reorganization completed by the Company and certain of its affiliates in July 2011 (the "Reorganization") and the 3.8-to-1 split of our ordinary shares (the "Share Split") that occurred on November 30, 2011. See Note 1 to the financial statements— Business and Basis of Presentation.

(2) Basic net income per ordinary share is computed by dividing net income available for ordinary shareholders by basic weighted average ordinary shares outstanding. Diluted net income per ordinary share assumes the conversion of preference shares to ordinary shares and is computed by dividing net income by diluted weighted average ordinary shares outstanding.

	Fiscal Years Ended				
	March 30, 2013	March 31, 2012	April 2, 2011	April 3, 2010	March 28, 2009
	(data presented in thousands, except for share and store data)				
Operating Data:					
Comparable retail store sales growth	40.1%	39.2%	48.2%	19.2%	6.3%
Retail stores at end of period	304	237	166	106	74
Balance Sheet Data (as of the end of period dated above):					
Working capital	$ 824,941	$ 299,057	$ 117,673	$ 51,263	$ 13,739
Total assets	$ 1,289,565	$ 674,425	$ 399,495	$ 281,852	$ 218,463
Revolving line of credit	$ —	$ 22,674	$ 12,765	$ 43,980	$ 39,440
Note payable to parent	$ —	$ —	$ 101,650	$ 103,500	$ 103,500
Shareholders' equity	$ 1,047,246	$ 456,237	$ 125,320	$ 49,011	$ 11,475
Number of ordinary shares	201,454,408	192,731,390	140,554,377	140,554,377	140,554,377
Number of preference shares	—	—	10,163,920	10,163,920	10,163,920

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of our Financial Condition and Results of Operations should be read in conjunction with the consolidated financial statements and notes thereto included as part of this Annual Report on Form 10-K. This discussion contains forward-looking statements that are based upon current expectations. We sometimes identify forward-looking statements with such words as "may," "expect," "anticipate," "estimate," "seek," "intend," "believe" or similar words concerning future events. The forward-looking statements contained herein, include, without limitation, statements concerning future revenue sources and concentration, gross profit margins, selling and marketing expenses, capital expenditures, general and administrative expenses, capital resources, new stores, additional financings or borrowings and additional losses and are subject to risks and uncertainties including, but not limited to, those discussed in this report that could cause actual results to differ materially from the results contemplated by these forward-looking statements. We also urge you to carefully review the risk factors set forth in "Item 1A – Risk Factors."

Overview

Our Business

We are a rapidly growing global luxury lifestyle brand led by a world-class management team and a renowned, award-winning designer. Since launching his namesake brand over 30 years ago, Michael Kors has featured distinctive designs, materials and craftsmanship with a jet-set aesthetic that combines stylish elegance and a sporty attitude. Mr. Kors' vision has taken the Company from its beginnings as an American luxury sportswear house to a global accessories, footwear and apparel company with a presence over 85 countries. As a highly recognized luxury lifestyle brand in North America, with accelerating awareness in targeted international markets, we have experienced exceptional sales momentum and intend to continue along this course as we grow our business. We have also expanded our distribution capabilities beyond wholesale into retail which account for a major portion of our total revenue.

We operate our business in three segments—retail, wholesale and licensing—and we have a strategically controlled global distribution network focused on company-operated retail stores, leading department stores, specialty stores and select licensing partners. As of March 30, 2013, our retail segment included 231 North American retail stores, including concessions, and 73 international retail stores, including concessions, in Europe and Japan. As of March 30, 2013, our wholesale segment included wholesale sales through approximately 2,215 department store and specialty store doors in North America and wholesale sales through approximately 1,034 department store and specialty store doors internationally. Our remaining revenue is generated through our licensing segment, through which we license to third parties certain production, sales and/or distribution rights. During Fiscal 2013, our licensing segment accounted for approximately 4.0% of our total revenue and consisted primarily of royalties earned on licensed products and our geographic licenses.

We offer two primary collections: the *Michael Kors* luxury collection and the *MICHAEL Michael Kors* accessible luxury collection. The *Michael Kors* collection establishes the aesthetic authority of our entire brand and is carried in many of our retail stores as well as in the finest luxury department stores in the world. In 2004, we introduced the *MICHAEL Michael Kors* collection, which has a strong focus on accessories, in addition to offering footwear and apparel, and addresses the significant demand opportunity in accessible luxury goods. Taken together, our two collections target a broad customer base while retaining a premium luxury image.

Trends and Uncertainties

Broaden Distribution Capabilities Beyond Wholesale into Retail. Over the years, we have successfully broadened our distribution capabilities beyond wholesale into retail, and we believe that this trend will continue as our retail store network grows at a faster rate than wholesale. We believe that retail allows greater control over the shopping environment, merchandise selection and many other aspects of the shopping experience that attracts and retains loyal customers and increases sales.

Establishing brand identity and enhancing global presence. We intend to continue to increase our international presence and global brand recognition through the formation of various joint ventures with international partners, and continuing with our international licensing arrangements. We feel this is an efficient method for continued penetration into the global luxury goods market, especially for markets we have yet to establish a substantial presence.

Costs of Manufacturing. Our industry is subject to volatility in costs related to certain raw materials used in the manufacturing of our products. This volatility applies primarily to costs driven by commodity prices, which can increase or decrease dramatically over a short period of time. These fluctuations may have a material impact on our sales, results of operations and cash flows to the extent they occur. We use commercially reasonable efforts to mitigate these effects by sourcing our products as efficiently as possible. In addition, manufacturing labor costs are also subject to degrees of volatility based on local and global economic conditions. We use commercially reasonable efforts to source from localities that suit our manufacturing standards and result in more favorable labor driven costs to our products.

Demand for Our Accessories and Related Merchandise. Our performance is affected by trends in the luxury goods industry, as well as shifts in demographics and changes in lifestyle preferences. Currently, demand for our products is predicted to grow. According to the *Altagamma Studies, demand for* the worldwide luxury goods industry is predicted to grow from approximately $251.5 billion in 2011 to between $314.4 billion and $327.5 billion in 2015. The accessories product category represented 27% of total sales for the worldwide luxury goods industry in 2010 and was the fastest growing product category between 2005 and 2011, growing at a compound annual rate of 9.9%. We believe that we are well positioned to capitalize on the continued growth of the accessories product category, as it is one of our primary product category focuses.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Critical accounting policies are those that are the most important portrayal of our financial condition and results of operations, and that require our most difficult, subjective and complex judgments as a result of the need to make estimates about the effect of matters that are inherently uncertain. While our significant accounting policies are described in more detail in the notes to our financial statements, our most critical accounting policies, discussed below, pertain to revenue recognition, impairment of long-lived assets, goodwill, share-based compensation and income taxes. In applying such policies, we must use some amounts that are based upon our informed judgments and best estimates. Estimates, by their nature, are based upon judgments and available information. The estimates that we make are based upon historical factors, current circumstances and the experience and judgment of management. We evaluate our assumptions and estimates on an ongoing basis.

Revenue Recognition

We recognize retail store revenue upon sale of our products to retail consumers, net of estimated returns. Wholesale revenue is recognized net of estimates for sales returns, discounts, markdowns and allowances, after merchandise is shipped and title and risk of loss are transferred to our wholesale customers. To arrive at net sales for retail, gross sales are reduced by actual returns and by a provision for estimated future customer returns, which is based on management's review of historical and current customer returns. The amounts reserved for retail sales returns were $3.1 million, $1.7 million, and $2.3 million at March 30, 2013, March 31, 2012 and April 2, 2011, respectively. To arrive at net sales for wholesale, gross sales are reduced by provisions for estimated future returns, based on current expectations, trade discounts, markdowns, allowances, operational chargebacks, as well as for certain cooperative selling expenses. Total sales reserves for wholesale were $43.0 million, $30.4 million and $25.2 million at March 30, 2013, March 31, 2012, and April 2, 2011, respectively.

Royalty revenue generated from product licenses, which includes contributions for advertising, is based on reported sales of licensed products bearing our trademarks, at rates specified in the license agreements. These agreements are also subject to contractual minimum levels. Royalty revenue generated by geography-specific licensing agreements is recognized as earned under the licensing agreements based on reported sales by licensees applicable to specified periods as outlined in the agreements. These agreements allow for the use of our trademarks to sell our branded products in certain geographic regions.

Long-lived Assets

All long-lived assets are recorded at cost less accumulated amortization or depreciation. For the purposes of impairment testing the group our long-lived assets according to their lowest level of use, such as aggregating and capitalizing all construction costs related to a retail store into leasehold improvements and those related to our wholesale business into shop-in-shops. Our leasehold improvements are typically amortized over the life of the store lease, and our shop-in-shops are amortized over a three year period. We evaluate all long-lived assets, including fixed assets and intangible assets with finite useful lives, for impairment whenever events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable. If the sum of our estimated undiscounted future cash flows is less than the carrying value, we recognize an impairment loss, measured as the amount by which the carrying value exceeds the fair value of the asset. These estimates of cash flow require significant management judgment and certain assumptions about future volume, sales and expense growth rates, devaluation and inflation. As such, these estimates may differ from actual cash flows. For Fiscal 2013, Fiscal 2012 and Fiscal 2011, we recorded charges for impairments on fixed assets and intangible assets related to our retail segment of $0.7, $3.3 million and $3.8 million, respectively.

Goodwill

On an annual basis, or whenever impairment indicators exist, we perform an impairment assessment of goodwill. In the absence of any impairment indicators, goodwill is assessed during the fourth quarter of each fiscal year. These assessments are made with regards to reporting units within our wholesale and licensing segments, which are based on our current operating projections. Judgments regarding the existence of impairment indicators are based on market conditions and operational performance of the business. Future events could cause us to conclude that impairment indicators exist and therefore that goodwill is impaired. Prior to

Fiscal 2012, we performed our impairment testing for goodwill using the fair value approach, employing both the discounted cash flow method and market multiples method to determine the fair value of our reporting units ("step one"). These methods utilized both our historical results and projected future results. During Fiscal 2012, we adopted a new accounting pronouncement related to goodwill impairment analysis, which allows entities to initially perform a qualitative analysis ("step zero") of the fair value of its reporting units to determine whether it is necessary to undertake a quantitative ("two step") goodwill analysis. In the fourth quarter of Fiscal 2013, we used this new guidance in our annual impairment analysis for goodwill, and concluded that the carrying amounts of all reporting units did not exceed their respective fair values.

We will continue to perform this initial qualitative analysis in future years. Should the results of this assessment result in either ambiguous or unfavorable conclusion we will perform additional quantitative testing consistent with the fair value approach mentioned above. The valuation methods used in the fair value approach, discounted cash flow and market multiples methods, require our management to make certain assumptions and estimates regarding certain industry trends and future profitability of our reporting units. If the carrying amount of a reporting unit exceeds its fair value, we would compare the implied fair value of the reporting unit goodwill with its carrying value. To compute the implied fair value, we would assign the fair value of the reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. If the carrying value of the reporting unit goodwill exceeded the implied fair value of the reporting unit goodwill, we would record an impairment loss to write down such goodwill to its implied fair value. The valuation of goodwill is affected by, among other things, our business plan for the future and estimated results of future operations.

We have assessed our goodwill for impairment in our fourth quarter for the periods presented. There are no impairment charges related to goodwill for any of the fiscal periods presented.

Share-based Compensation

We grant share-based awards to certain of our employees and directors. These awards are measured at the grant date based on the fair value as calculated using the Black-Scholes option pricing model and are recognized as expense over the requisite service period, based on attainment of certain vesting requirements, as well as our completion of an initial public offering. Determining the fair value of share-based awards at the grant date requires considerable judgment, including estimating expected volatility, expected term and risk-free rate.

Our expected volatility is based on the average volatility rates of similar actively traded companies over the past 4.5-9.5 years, which is our range of estimated expected holding periods. The expected holding period for a performance based option is based on the period to expiration which is generally 9-10 years. This approach was chosen as it directly correlates to our service period. The expected holding period for time-based vesting options is based on the simplified method using the vesting term of generally 4 years and the contractual term of 7 years, resulting in a holding periods ranging from 4.5-4.75 years. The simplified method was chosen as a means to determine the Company's holding period as prior to December 2011 there was no historical option exercise experience due to the Company being privately held. The risk-free rate is derived from the zero-coupon U.S. Treasury Strips yield curve, the period of which relates to the grant's holding period. If factors change and we employ different assumptions, the fair value of future awards and resulting share-based compensation expense may differ significantly from what we have estimated in the past.

Expense related to equity compensation during Fiscal 2013 and 2012 was approximately $20.9 million and $27.0 million, respectively. There was no expense related to equity compensation for periods prior to Fiscal 2012, as all of our equity grants were not exercisable due to an initial public offering ("IPO") being one of the vesting requirements. The weighted average grant date fair value of share options granted during Fiscal 2013, Fiscal 2012, and Fiscal 2011 was $20.66, $8.01, and $3.08, respectively.

Derivative Financial Instruments

We use forward currency exchange contracts to manage exposure to fluctuations in foreign currency for certain of our transactions. We are exposed to risks on certain purchase commitments to foreign suppliers based on the value of the functional currency relative to the local currency of the supplier on the date of the commitment. As such, we enter into forward currency contracts that generally mature in 18 months or less and are consistent with the related purchase commitments. These contracts are recorded at fair value in our consolidated balance sheets as either an asset or liability, and are derivative contracts to hedge cash flow risks. Certain of these contracts, are designated as hedges for accounting purposes, while the balance of these contracts are undesignated. Accordingly, the changes in the fair value of those contracts not designated as hedges for accounting purposes, are, at the balance sheet date and upon maturity (settlement), recorded in our cost of sales or operating expenses, in our consolidated statements of operations, as applicable to the transactions for which the forward exchange contracts were established. Regarding those contracts which are designated as hedges for accounting purposes, any portion of those contracts deemed ineffective would be charged to earnings, in the same manner as those contracts charged to earnings above, in the period the ineffectiveness was determined.

For Fiscal 2013 the Company recorded a gain of $1.4 million relating to these contracts, as a component of operations. For fiscal years ended 2012 and 2011, respectively, amounts representing a gain of $2.6 million and a loss of, $2.5 million were charged to operations. The following table details the fair value of these contracts as of March 30, 2013 and March 31, 2012 (in thousands):

	March 30, 2013	March 31, 2012
Prepaid expenses and other current assets	$ 1,367	$ 1,318
Accrued expenses and other current liabilities	$ (71)	$ (276)

Income Taxes

Deferred income tax assets and liabilities reflect temporary differences between the tax basis and financial reporting basis of our assets and liabilities and are determined using the tax rates and laws in effect for the periods in which the differences are expected to reverse. We periodically assess the realizability of deferred tax assets and the adequacy of deferred tax liabilities, based on the results of local, state, federal or foreign statutory tax audits or our own estimates and judgments.

Realization of deferred tax assets associated with net operating loss and tax credit carryforwards is dependent upon generating sufficient taxable income prior to their expiration in the applicable tax jurisdiction. We periodically review the recoverability of our deferred tax assets and provide valuation allowances as deemed necessary to reduce deferred tax assets to amounts that more-likely-than-not will be realized. This determination involves considerable judgment and our management considers many factors when assessing the likelihood of future realization of deferred tax assets, including recent earnings results within various taxing jurisdictions, expectations of future taxable income, the carryforward periods remaining and other factors. Changes in the required valuation allowance are recorded in income in the period such determination is made. Deferred tax assets could be reduced in the future if our estimates of taxable income during the carryforward period are significantly reduced or alternative tax strategies are no longer viable.

We recognize the impact of an uncertain income tax position taken on our income tax returns at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. The effect of an uncertain income tax position will not be taken into account if the position has less than a 50% likelihood of being sustained. Our tax positions are analyzed periodically (at least quarterly) and adjustments are made as events occur that warrant adjustments for those positions. We record interest expense and penalties payable to relevant tax authorities as income tax expense.

Recent Accounting Pronouncements

We have considered all new accounting pronouncements, and other than the recent pronouncement discussed below, have concluded that there are no new pronouncements that have a material impact on our results of operations, financial condition or cash flows based on current information.

In February 2013, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Updated 2013-02 “Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income” (“ASU 2013-02”). ASU 2013-02 requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. The ASU is effective for annual periods and interim periods within those periods beginning after December 15, 2012. For the twelve months ended March 30, 2013, the amounts reclassified out of accumulated other comprehensive income were de minimis.

Segment Information

We generate revenue through three business segments: retail, wholesale and licensing. The following table presents our revenue and income from operations by segment for the fiscal years then ended (in thousands):

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Revenue:			
Net sales: Retail	$1,062,642	$ 626,940	$344,195
Wholesale	1,032,115	610,160	413,605
Licensing	86,975	65,154	45,539
Total revenue	$2,181,732	$1,302,254	$803,339
Income from operations:			
Retail	$ 315,654	$ 121,851	$ 61,194
Wholesale	269,323	85,000	48,241
Licensing	45,037	40,831	27,431
Income from operations	$ 630,014	$ 247,682	$136,866

Retail

From the beginning of Fiscal 2007, when we first undertook our major retail growth initiative, through March 30, 2013, we have leveraged our successful retail store formats by opening a total of 294 new stores. During this time period, we have grown our North American retail presence significantly, increasing our North American store count by 221 stores, as well as increasing our international store count by 73 stores.

The following table presents the growth in our network of retail stores during Fiscal 2013, Fiscal 2012 and Fiscal 2011:

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Full price retail stores including concessions:			
Number of stores	201	158	113
Increase during period	43	45	50
Percentage increase vs. prior year	27.2%	39.8%	79.4%
Total gross square footage	410,681	316,649	224,427
Average square footage per store	2,043	2,004	1,986
Outlet stores:			
Number of stores	103	79	53
Increase during period	24	26	10
Percentage increase vs. prior year	30.4%	49.1%	23.3%
Total gross square footage	291,407	219,407	146,286
Average square footage per store	2,829	2,777	2,760

Wholesale

We sell our products directly to department stores across North America and Europe to accommodate consumers who prefer to shop at major department stores. In addition, we sell to specialty stores for those consumers who enjoy the boutique experience afforded by such stores. We continue to focus our sales efforts and drive sales in existing locations by enhancing presentation, primarily through the creation of more shop-in-shops with our proprietary fixtures that effectively communicate our brand and create a more personalized shopping experience for consumers. We tailor our assortments through wholesale product planning and allocation processes to better match the demands of our department store customers in each local market.

The following table presents the growth in our network of wholesale doors during Fiscal 2013, Fiscal 2012 and Fiscal 2011:

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Number of full-price wholesale doors	3,249	2,677	2,032
Increase during year	572	645	432
Percentage increase vs. prior year	21.4%	31.7%	27.0%

Licensing

We generate revenue through product and geographic licensing arrangements. Our product license agreements allow third parties to use our brand name and trademarks in connection with the manufacturing and sale of a variety of products, including watches, fragrances, eyewear and jewelry. In our product licensing arrangements, we take an active role in the design process, marketing and distribution of products under our brands. Our geographic licensing arrangements allow third parties to use our tradenames in connection with the retail and/or wholesale sales of our branded products in specific geographic regions.

Key Performance Indicators and Statistics

We use a number of key indicators of operating results to evaluate our performance, including the following (dollars in thousands):

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Total revenue	$2,181,732	$1,302,254	$803,339
Gross profit as a percent of total revenue	59.9%	57.8%	55.5%
Income from operations	$ 630,014	$ 247,682	$136,866
Retail net sales - North America	$ 938,515	$ 573,394	$331,714
Retail net sales - Europe	$ 101,754	$ 43,316	$ 11,463
Retail net sales - Japan	$ 22,373	$ 10,230	$ 1,018
Increase in comparable store net sales - North America	39.6%	39.8%	48.7%
Increase in comparable store net sales - Europe	51.3%	21.8%	13.7%
Increase in comparable store net sales - Japan*	14.7%	35.1%	n/a
Wholesale net sales - North America	$ 913,145	$ 544,686	$386,566
Wholesale net sales - Europe	$ 118,970	$ 65,474	$ 27,039

* Where n/a is used, stores in that region were not open for the requisite comparable period.

General Definitions for Operating Results

Net sales consist of sales from comparable retail stores and non-comparable retail stores, net of returns and markdowns, as well as those made to our wholesale customers, net of returns, discounts, markdowns and allowances.

Comparable store sales include sales from a store that has been opened for one full year after the end of the first month of its operations. All comparable store sales are presented on a 52-week basis.

Licensing revenue consists of fees charged on sales of licensed products to our licensees as well as contractual royalty rates for the use of our trademarks in certain geographic territories.

Cost of goods sold includes the cost of inventory sold, freight-in on merchandise and foreign currency exchange gains/losses related to forward contracts for purchase commitments.

Gross profit is total revenue (net sales plus licensing revenue) minus cost of goods sold.

Selling, general and administrative expenses consist of warehousing and distribution costs, rent for our distribution centers, store payroll, store occupancy costs (such as rent, common area maintenance, real estate taxes and utilities), information technology and systems costs, corporate payroll and related benefits, advertising and promotion expense and other general expenses.

Depreciation and amortization includes depreciation and amortization of fixed and definite-lived intangible assets.

Impairment charges consist of charges to write-down both fixed and intangible assets to fair value.

Income from operations consists of gross profit minus total operating expenses.

Interest expense, net represents interest and fees on our revolving credit facilities (see "Liquidity and Capital Resources" for further detail on our credit facilities) and amortization of deferred financing costs, offset by interest earned on highly liquid investments (investments purchased with an original maturity of three months or less, classified as cash equivalents), the amounts of which are not material for all periods presented.

Foreign currency gain represents unrealized income or loss from the re-measurement of monetary assets and liabilities denominated in currencies other than the functional currencies of our subsidiaries.

Results of Operations

Comparison of Fiscal 2013 with Fiscal 2012

The following table details the results of our operations for Fiscal 2013 and Fiscal 2012 and expresses the relationship of certain line items to total revenue as a percentage (dollars in thousands):

	Fiscal Years Ended					
	March 30, 2013	March 31, 2012	$ Change	% Change	% of Total Revenue for Fiscal 2013	% of Total Revenue for Fiscal 2012
Statements of Operations Data:						
Net sales	$2,094,757	$1,237,100	$857,657	69.3%		
Licensing revenue	86,975	65,154	21,821	33.5%		
Total revenue	2,181,732	1,302,254	879,478	67.5%		
Cost of goods sold	875,166	549,158	326,008	59.4%	40.1%	42.2%
Gross profit	1,306,566	753,096	553,470	73.5%	59.9%	57.8%
Selling, general and administrative expenses	621,536	464,568	156,968	33.8%	28.5%	35.7%
Depreciation and amortization	54,291	37,554	16,737	44.6%	2.5%	2.9%
Impairment of long-lived assets	725	3,292	(2,567)	–78.0%	0.0%	0.3%
Total operating expenses	676,552	505,414	171,138	33.9%	31.0%	38.8%
Income from operations	630,014	247,682	382,332	154.4%	28.9%	19.0%
Interest expense, net	1,524	1,495	29	1.9%	0.1%	0.1%
Foreign currency loss (gain)	1,363	(2,629)	3,992	–151.8%	0.1%	–0.2%
Income before provision for income taxes	627,127	248,816	378,311	152.0%	28.7%	19.1%
Provision for income taxes	229,525	101,452	128,073	126.2%	10.5%	7.8%
Net income	$ 397,602	$ 147,364	$250,238	169.8%		

Total Revenue

Total revenue increased $879.5 million, or 67.5%, to $2,181.7 million for the fiscal year ended March 30, 2013, compared to $1,302.3 million for the fiscal year ended March 31, 2012. The increase was the result of an increase in our comparable and non-comparable retail store sales and wholesale sales, as well as increases in our licensing revenue.

The following table details revenues for our three business segments (dollars in thousands):

	Fiscal Years Ended				% of total Revenue for Fiscal	% of total Revenue for Fiscal
	March 30, 2013	March 31, 2012	$ Change	% Change	2013	2012
Revenue:						
Net sales: Retail	$1,062,642	$ 626,940	$435,702	69.5%	48.7%	48.1%
Wholesale	1,032,115	610,160	421,955	69.2%	47.3%	46.9%
Licensing	86,975	65,154	21,821	33.5%	4.0%	5.0%
Total revenue	$2,181,732	$1,302,254	$879,478	67.5%		

Retail

Net sales from our retail stores increased $435.7 million, or 69.5%, to $1,062.6 million for Fiscal 2013, compared to $626.9 million for Fiscal 2012. We operated 304 retail stores, including concessions, as of March 30, 2013, compared to 237 retail stores, including concessions, as of March 31, 2012. During Fiscal 2013, our comparable store sales growth increased $246.6 million, or 40.1%, from Fiscal 2012. The growth in our comparable store sales was primarily due to an increase in sales of our accessories line and watches during Fiscal 2013. In addition, our non-comparable store sales were $189.1 million during Fiscal 2013, which was primarily the result of opening 67 new stores since March 31, 2012.

Wholesale

Net sales to our wholesale customers increased $422.0 million, or 69.2%, to $1,032.1 million for Fiscal 2013, compared to $610.2 million for Fiscal 2012. The increase in our wholesale net sales occurred primarily as a result of increased sales of our accessories line during Fiscal 2013, as we continue to enhance our presence in department and specialty stores by converting more doors to shop-in-shops, and in continuing our expansion of our European operations. Net wholesale sales from our European operations increased approximately 81.7% during Fiscal 2013 compared to Fiscal 2012, due largely to an increase in full-price doors to 1,034 from 650 in the same period last year.

Licensing

Royalties earned on our licensing agreements increased $21.8 million, or 33.5%, to $87.0 million for Fiscal 2013, compared to $65.2 million for Fiscal 2012. The increase in royalties was primarily due to royalties earned on licensing agreements related to sales of watches.

Gross Profit

Gross profit increased $553.5 million, or 73.5%, to $1,306.6 million during Fiscal 2013, compared to $753.1 million for Fiscal 2012. Gross profit as a percentage of total revenue increased to 59.9% during Fiscal 2013, compared to 57.8% during Fiscal 2012. This increase in gross profit margin in the aggregate was primarily due to a decrease in sales allowances and markdowns, as well as experiencing a more favorable product mix, during Fiscal 2013 as compared to Fiscal 2012. This contributed to an increase in gross profit margin in our retail and wholesale segments individually by approximately 220 basis points and 300 basis points, respectively. The increase in gross profit margin in our retail segment was due primarily to sales of higher margin product as well as a decrease in markdowns given during Fiscal 2013 as compared to Fiscal 2012. The increase in gross profit margin in our wholesale segment resulted largely from a decrease in discounts and allowances given during Fiscal 2013 as compared to Fiscal 2012.

Total Operating Expenses

Total operating expenses increased $171.1 million, or 33.9%, to $676.6 million during Fiscal 2013, compared to $505.4 million for Fiscal 2012. Total operating expenses decreased to 31.0% as a percentage of total revenue for Fiscal 2013, compared to 38.8% for Fiscal 2012. The components that comprise total operating expenses are explained below:

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $157.0 million, or 33.8%, to $621.5 million during Fiscal 2013, compared to $464.6 million for Fiscal 2012. The dollar increase was primarily due to increases in our retail occupancy and salary costs of $101.8 million, increases in promotional costs (which consist of advertising, marketing and various promotional costs) of $20.0 million and increases in corporate employee-related costs of $25.5 million. The increase in our retail occupancy and payroll costs was primarily due to the opening of an additional 67 retail stores during Fiscal 2013. Advertising costs increased primarily due

to our expansion into new markets during Fiscal 2013, including domestic and international. The increase in our corporate employee-related costs was due primarily to an increase in our corporate staff to accommodate our North American and international growth. Selling, general and administrative expenses as a percentage of total revenue decreased to 28.5% during Fiscal 2013, compared to 35.7% for Fiscal 2012. The decrease as a percentage of total revenue was primarily due to achieving economies of scale during Fiscal 2013, as compared to Fiscal 2012, as our revenue increased at a greater rate relative to our fixed costs.

Depreciation and Amortization

Depreciation and amortization increased $16.7 million, or 44.6%, to $54.3 million during Fiscal 2013, compared to $37.6 million for Fiscal 2012. Dollar increases in depreciation and amortization were primarily due to the build-out of 67 new retail locations during this fiscal year, new shop-in-shop locations, and investments made in our information systems infrastructure to accommodate our growth. Depreciation and amortization decreased to 2.5% as a percentage of total revenue during Fiscal 2013, compared to 2.9% for Fiscal 2012.

Impairment on Long-Lived Assets

We recognized an impairment charge of approximately $0.7 million on fixed assets related to one of our retail locations during Fiscal 2013. We recognized an impairment charge of approximately $3.3 million on fixed assets related to two of our retail locations during Fiscal 2012.

Income from Operations

As a result of the foregoing, income from operations increased $382.3 million, or 154.4%, to $630.0 million during Fiscal 2013, compared to $247.7 million for Fiscal 2012. Income from operations as a percentage of total revenue increased to 28.9% during Fiscal 2013, compared to 19.0% for Fiscal 2012.

The following table details income from operations for our three business segments (dollars in thousands):

	Fiscal Years					
	March 30, 2013	March 31, 2012	$ Change	% Change	% of Net Sales/ Revenue for Fiscal 2013	% of Net Sales/ Revenue for Fiscal 2012
Income from Operations:						
Retail	$315,654	$121,851	$193,803	159.0%	29.7%	19.4%
Wholesale	269,323	85,000	184,323	216.9%	26.1%	13.9%
Licensing	45,037	40,831	4,206	10.3%	51.8%	62.7%
Income from operations	$630,014	$247,682	$382,332	154.4%	28.9%	19.0%

Retail

Income from operations for our retail segment increased $193.8 million, or 159.0%, to $315.7 million during Fiscal 2013, compared to $121.9 million for Fiscal 2012. Income from operations as a percentage of net retail sales for the retail segment increased approximately 10.3% as a percentage of net retail sales to 29.7% during Fiscal 2013. The increase as a percentage of net sales was due to an approximately 7.0% decrease in operating expenses as a percentage of net retail sales, as well as to the increase in gross profit margin as a percentage of net retail sales, discussed above. The decrease in operating expenses as a percentage of net retail sales resulted from the increase in our net retail sales during Fiscal 2013, which grew at a greater rate relative to expenses and more than offset the additional expenses incurred during the period such as those discussed above in selling, general and administrative expenses.

Wholesale

Income from operations for our wholesale segment increased $184.3 million, or 216.9%, to $269.3 million during Fiscal 2013, compared to $85.0 million for Fiscal 2012. Income from operations as a percentage of net wholesale sales for the wholesale segment increased approximately 12.2% as a percentage of net wholesale sales to 26.1%. This increase was primarily due to an approximately 9.0% decrease in operating expenses as a percentage of wholesale sales, as well as to result of the aforementioned increase in gross profit margin as a percentage of net wholesale sales during Fiscal 2013 compared to Fiscal 2012. The decrease in operating expenses as a percentage of net wholesale sales resulted from the increase in our net wholesale sales during Fiscal 2013, which grew at a greater rate relative to expenses and more than offset the additional expenses incurred during the period such as those discussed above in selling, general and administrative expenses.

Licensing

Income from operations for our licensing segment increased $4.2 million, or 10.3%, to $45.0 million during Fiscal 2013, compared to $40.8 million for Fiscal 2012. Income from operations as a percentage of licensing revenue for the licensing segment decreased approximately 10.9% as a percentage of revenue to 51.8%. This decrease is primarily the result of an increase in advertising expense during Fiscal 2013 as compared to Fiscal 2012, as we launched several new advertising initiatives, including social media and other web-based mediums for increasing brand awareness, during the year. The increase in advertising expenses was offset in part by the aforementioned increase in sales licensing revenue.

Interest Expense, net

Interest expense was approximately $1.5 million for both Fiscal 2013 and Fiscal 2012, as average daily balance were not significantly differently year over year.

Foreign Currency Loss (Gain)

We recognized a foreign currency loss of $1.4 million during Fiscal 2013, as compared to a foreign currency gain of $2.6 million during Fiscal 2012. The foreign currency loss during Fiscal 2013, relative to the foreign currency gain during Fiscal 2012, was primarily due to the strengthening of the U.S. dollar relative to the Japanese Yen, which impacted the re-measurement of Yen-denominated intercompany loans with certain of our subsidiaries. Conversely, during Fiscal 2012 there were larger U.S. dollar denominated intercompany loan balances with certain of our non-U.S. subsidiaries (whose functional currency was the Euro), which were impacted by the U.S. dollar's strengthening against the Euro during that period.

Provision for Income Taxes

We recognized $229.5 million of income tax expense during Fiscal 2013, compared with $101.5 million for Fiscal 2012. Our effective tax rate for Fiscal 2013 was 36.6%, compared to 40.8% for Fiscal 2012. The decrease in our effective tax rate resulted primarily due to a decrease in our U.S. blended state income tax rate, as well as a greater portion of our income being recognized in jurisdictions with lower statutory income tax rates during Fiscal 2013 as compared to Fiscal 2012.

Our effective tax rate may fluctuate from time to time due to the effects of changes in U.S. state and local taxes, tax rates in foreign jurisdictions, and certain other nondeductible expenses (such as fees related to a public offering) and income earned in certain non-U.S. entities with significant net operating loss carryforwards. In addition, factors such as the geographic mix of earnings, enacted tax legislation and the results of various global tax strategies, may also impact our effective tax rate in future periods.

Net Income

As a result of the foregoing, our net income increased $250.2 million, or 169.8%, to $397.6 million during Fiscal 2013, compared to $147.4 million for Fiscal 2012.

Comparison of Fiscal 2012 with Fiscal 2011

The following table details the results of our operations for Fiscal 2012 and Fiscal 2011 and expresses the relationship of certain line items to total revenue as a percentage (dollars in thousands):

	Fiscal Years Ended					
	March 31, 2012	April 2, 2011	$ Change	% Change	% of Total Revenue for Fiscal 2012	% of Total Revenue for Fiscal 2011
Statement of Operations Data:						
Net sales	$1,237,100	$757,800	$479,300	63.2%		
Licensing revenue	65,154	45,539	19,615	43.1%		
Total revenue	1,302,254	803,339	498,915	62.1%		
Cost of goods sold	549,158	357,274	191,884	53.7%	42.2%	44.5%
Gross profit	753,096	446,065	307,031	68.8%	57.8%	55.5%
Selling, general and administrative expenses	464,568	279,822	184,746	66.0%	35.7%	34.8%
Depreciation and amortization	37,554	25,543	12,011	47.0%	2.9%	3.2%
Impairment of long-lived assets	3,292	3,834	(542)		0.3%	0.5%
Total operating expenses	505,414	309,199	196,215	63.5%	38.8%	38.5%
Income from operations	247,682	136,866	110,816	81.0%	19.0%	17.0%
Interest expense, net	1,495	1,861	(366)	–19.7%	0.1%	0.2%
Foreign currency (gain) loss	(2,629)	1,786	(4,415)	–247.2%	–0.2%	0.2%
Income before provision for income taxes	248,816	133,219	115,597	86.8%	19.1%	16.6%
Provision for income taxes	101,452	60,713	40,739	67.1%	7.8%	7.6%
Net income	$ 147,364	$ 72,506	$ 74,858	103.2%		

Total Revenue

Total revenue increased $498.9 million, or 62.1%, to $1,302.3 million for the fiscal year ended March 31, 2012, compared to $803.3 million for the fiscal year ended April 2, 2011. The increase was the result of an increase in our comparable and non-comparable retail store sales and wholesale sales, as well as increases in our licensing revenue.

The following table details revenues for our three business segments (dollars in thousands):

	Fiscal Years Ended					
	March 31, 2012	April 2, 2011	$ Change	% Change	% of total Revenue for Fiscal 2012	% of total Revenue for Fiscal 2011
Revenue:						
Net sales: Retail	$ 626,940	$344,195	$282,745	82.1%	48.1%	42.8%
Wholesale	610,160	413,605	196,555	47.5%	46.9%	51.5%
Licensing	65,154	45,539	19,615	43.1%	5.0%	5.7%
Total revenue	$1,302,254	$803,339	$498,915	62.1%		

Retail

Net sales from our retail stores increased $282.7 million, or 82.1%, to $626.9 million for Fiscal 2012, compared to $344.2 million for Fiscal 2011. We operated 237 retail stores, including concessions, as of March 31, 2012, compared to 166 retail stores, including concessions, as of April 2, 2011. During Fiscal 2012, our comparable store sales growth increased $132.7 million, or 39.2%, from Fiscal 2011. The growth in our comparable store sales was primarily due to an increase in sales of our accessories line and watches during Fiscal 2012. In addition, our non-comparable store sales were $150.1 million during Fiscal 2012, which was primarily the result of opening 71 new stores since April 2, 2011.

Wholesale

Net sales to our wholesale customers increased $196.6 million, or 47.5%, to $610.2 million for Fiscal 2012, compared to $413.6 million for Fiscal 2011. The increase in our wholesale net sales occurred primarily as a result of increased sales of our accessories line during Fiscal 2012, as well as our continued efforts to work with our wholesale partners to enhance our presence in their department and specialty stores by converting more doors to shop-in-shops, and working with existing retailers in optimizing our presence in their stores.

Licensing

Royalties earned on our licensing agreements increased $19.6 million, or 43.1%, to $65.2 million for Fiscal 2012, compared to $45.5 million for Fiscal 2011. The increase in royalties was primarily due to royalties earned on licensing agreements related to sales of watches.

Gross Profit

Gross profit increased $307.0 million, or 68.8%, to $753.1 million during Fiscal 2012, compared to $446.1 million for Fiscal 2011. Gross profit as a percentage of total revenue increased to 57.8% during Fiscal 2012, compared to 55.5% during Fiscal 2011. This increase in gross profit margin in the aggregate was primarily due to the growth in our retail net sales relative to our overall total revenue growth during the period, as our retail net sales generate higher gross profit margins relative to those of wholesale. In addition, gross profit margin increased in our retail and wholesale segments individually by approximately 89 basis points and 184 basis points, respectively. The increase in gross profit margin in our retail segment was due primarily to a decrease in markdowns during Fiscal 2012 compared to Fiscal 2011. The increase in gross profit margin in our wholesale segment resulted largely from an increase in gross profit margin contribution from our European wholesale sales which benefited from both the revaluation of foreign currency exchange contracts during Fiscal 2012, and from sales of higher margin product during Fiscal 2012 as compared to Fiscal 2011.

Total Operating Expenses

Total operating expenses increased $196.2 million, or 63.5%, to $505.4 million during Fiscal 2012, compared to $309.2 million for Fiscal 2011. Total operating expenses increased to 38.8% as a percentage of total revenue for Fiscal 2012, compared to 38.5% for Fiscal 2011. The components that comprise total operating expenses are explained below:

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $184.7 million, or 66.0%, to $464.6 million during Fiscal 2012, compared to $279.8 million for Fiscal 2011. The dollar increase was primarily due to increases in our retail occupancy and salary costs of $91.6 million, increases in professional fees of approximately $8.7 million, which include fees related to our private and public offerings, increases in advertising and promotional costs of $9.2 million and increases in corporate employee-related costs of $60.6 million. The increase in our retail occupancy and payroll costs was primarily due to the opening of an additional 71 retail stores during Fiscal 2012. Advertising costs increased primarily due to our expansion into new markets during Fiscal 2012, including domestic and international. The increase in our corporate employee-related costs was due primarily to the equity based compensation charge of approximately $27.0 million, as well as a $10.7 million charge related to the redemption of employee share options during our private placement in the second fiscal quarter of Fiscal 2012. The equity based compensation charge represented approximately $10.6 million of expenses which would have been recognized in prior fiscal years had an IPO occurred prior to Fiscal 2012. Selling, general and administrative expenses as a percentage of total revenue increased to 35.7% during Fiscal 2012, compared to 34.8% for Fiscal 2011. The increase as a percentage of total revenue was primarily due to equity compensation expense recognized during Fiscal 2012.

Depreciation and Amortization

Depreciation and amortization increased $12.0 million, or 47.0%, to $37.6 million during Fiscal 2012, compared to $25.5 million for Fiscal 2011. Dollar increases in depreciation and amortization were primarily due to the build-out of 71 new retail locations during this fiscal year as compared to 60 locations for the prior fiscal year, new shop-in-shop locations, and investments made in our information systems infrastructure to accommodate our growth. Depreciation and amortization decreased to 2.9% as a percentage of total revenue during Fiscal 2012, compared to 3.2% for Fiscal 2011.

Impairment on Long-Lived Assets

We recognized an impairment charge of approximately $3.3 million on fixed assets related to two of our retail locations during Fiscal 2012. For Fiscal 2011 impairment charges of $3.8 million were comprised of an impairment charge on fixed assets of $2.1 million related to two of our retail locations, and an impairment charge on definite-lived intangible assets for lease rights of $1.8 million related to one of those locations.

Income from Operations

As a result of the foregoing, income from operations increased $110.8 million, or 81.0%, to $247.7 million during Fiscal 2012, compared to $136.9 million for Fiscal 2011. Income from operations as a percentage of total revenue increased to 19.0% during Fiscal 2012, compared to 17.0% for Fiscal 2011.

The following table details income from operations for our three business segments (dollars in thousands):

	Fiscal Years Ended				% of Net Sales/ Revenue for	% of Net Sales/ Revenue for
	March 31, 2012	April 2, 2011	$ Change	% Change	Fiscal 2012	Fiscal 2011
Income from Operations:						
Retail	$121,851	$ 61,194	$ 60,657	99.1%	19.4%	17.8%
Wholesale	85,000	48,241	36,759	76.2%	13.9%	11.7%
Licensing	40,831	27,431	13,400	48.8%	62.7%	60.2%
Income from operations	$247,682	$136,866	$110,816	81.0%	19.0%	17.0%

Retail

Income from operations for our retail segment increased $60.7 million, or 99.1%, to $121.9 million during Fiscal 2012, compared to $61.2 million for Fiscal 2011. Income from operations as a percentage of net retail sales for the retail segment increased approximately 1.6% as a percentage of net retail sales to 19.4% during Fiscal 2012. The increase as a percentage of net sales was due to the increase in gross profit margin as a percentage of net retail sales, discussed above, in addition to an approximately 0.6% decrease in operating expenses as a percentage of net retail sales. The decrease in operating expenses as a percentage of net retail sales resulted from the increase in our net retail sales during Fiscal 2012, which grew at a greater rate relative to expenses and more than offset the additional expenses incurred during the period such as those discussed above in selling, general and administrative expenses, as well as the charges related to the impairment of long-lived assets.

Wholesale

Income from operations for our wholesale segment increased $36.8 million, or 76.2%, to $85.0 million during Fiscal 2012, compared to $48.2 million for Fiscal 2011. Income from operations as a percentage of net wholesale sales for the wholesale segment increased approximately 2.2% as a percentage of net wholesale sales to 13.9%. This increase was primarily the result of the aforementioned increase in gross profit margin as a percentage of net wholesale sales during Fiscal 2012 compared to Fiscal 2011.

Licensing

Income from operations for our licensing segment increased $13.4 million, or 48.8%, to $40.8 million during Fiscal 2012, compared to $27.4 million for Fiscal 2011. Income from operations as a percentage of licensing revenue for the licensing segment increased approximately 2.5% as a percentage of revenue to 62.7%. This increase is primarily the result of the aforementioned increase in sales of licensed products, while our operating expenses remained relatively fixed during Fiscal 2012, as compared to Fiscal 2011.

Interest Expense, net

Interest expense decreased $0.4 million, or 19.7%, to $1.5 million during Fiscal 2012, compared to $1.9 million for Fiscal 2011. The decrease in interest expense was primarily due to the decrease in the average balance on our revolving credit facility during Fiscal 2012 as compared to Fiscal 2011, as well as a decrease in interest rates experienced during the period.

Foreign Currency (Gain) Loss

We recognized a foreign currency gain of $2.6 million during Fiscal 2012, as compared to a foreign currency loss of $1.8 million during Fiscal 2011. The gain during Fiscal 2012 was primarily due to the strengthening of the U.S. dollar relative to the Euro, which impacted the re-measurement of intercompany loans with certain of our European subsidiaries, which are denominated in U.S. dollars. We expect the impact resulting from the re-measurement of these loans to diminish in future periods as certain of these intercompany loans were assumed by subsidiaries whose functional currency is the U.S. dollar, and as such are no longer subject to currency re-measurement.

Provision for Income Taxes

We recognized $101.5 million of income tax expense during Fiscal 2012, compared with $60.7 million for Fiscal 2011. Our effective tax rate for Fiscal 2012 was 40.8%, compared to 45.6% for Fiscal 2011. The decrease in our effective tax rate resulted primarily from the following: decrease in statutory income tax rates applicable to certain of our non-U.S. subsidiaries; and a decrease in our U.S. blended state income tax rate, as well as a greater portion of our income being recognized in jurisdictions with lower statutory income tax rates during Fiscal 2012 as compared to Fiscal 2011. This decrease was offset in part by the impairment charges recognized during Fiscal 2012, which yielded no income tax benefits.

Our effective tax rate may fluctuate from time to time due to the effects of changes in U.S. state and local taxes, tax rates in foreign jurisdictions, and certain other nondeductible expenses (such as fees related to a public offering) and income earned in certain non-U.S. entities with significant net operating loss carryforwards. In addition, factors such as the geographic mix of earnings, enacted tax legislation and the results of various global tax strategies, may also impact our effective tax rate in future periods.

Net Income

As a result of the foregoing, our net income increased $74.9 million, or 103.2%, to $147.4 million during Fiscal 2012, compared to $72.5 million for Fiscal 2011.

Liquidity and Capital Resources

Liquidity

Our primary sources of liquidity are the cash flows generated from our operations, along with borrowings available under our 2013 Credit Facility (see below discussion regarding "Senior Unsecured Revolving Credit Facility") and available cash and cash equivalents. Our primary use of this liquidity is to fund our ongoing cash requirements, including working capital requirements, global retail store expansion and renovation, construction and renovation of shop-in-shops, investment in information systems infrastructure and expansion of our distribution and corporate facilities. We believe that the cash generated from our operations, together with borrowings available under our revolving credit facility and available cash and cash equivalents, will be sufficient to meet our working capital needs for the next 12 months, including investments made and expenses incurred in connection with our store growth plans, shop-in shop growth, continued systems development, as well as web based sales and marketing initiatives. We spent approximately $121.3 million on capital expenditures during Fiscal 2013 and expect to spend approximately $230.0 million on capital expenditures during Fiscal 2014. The majority of these expected expenditures relate to new retail store openings planned for the year, with the remainder being used for investments in connection with developing new shop-in-shops, build-out of our corporate offices and enhancing our information systems infrastructure. In addition, we plan to spend approximately $30.0 million during Fiscal 2014, on intangible assets related to our European retail store expansion.

The following table sets forth key indicators of our liquidity and capital resources (in thousands):

	As of	
	March 30, 2013	March 31, 2012
Balance Sheet Data:		
Cash and cash equivalents	$ 472,511	$106,354
Working capital	$ 824,941	$299,057
Total assets	$1,289,565	$674,425
Revolving line of credit	$ —	$ 22,674

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Cash Flows Provided By (Used In):			
Operating activities	$ 356,336	$115,290	$110,308
Investing activities	(139,099)	(88,187)	(57,830)
Financing activities	150,561	58,639	(37,726)
Effect of exchange rate changes	(1,641)	(453)	649
Net increase in cash and cash equivalents	$ 366,157	$ 85,289	$ 15,401

Cash Provided by Operating Activities

Cash provided by operating activities increased $241.0 million to $356.3 million during Fiscal 2013, as compared to $115.3 million for Fiscal 2012. The increase in cash flows from operating activities is primarily due to an increase in our net income, offset, in part, by a decrease in changes to our accounts receivable and an increase in cash outflows on our inventory during Fiscal 2013 as compared to Fiscal 2012. The decrease in the change to our accounts receivable was attributable to our increasing sales during Fiscal 2013, which resulted in higher accounts receivable balances relative to the prior fiscal year. The increase in cash outflows on our inventory occurred primarily to accommodate the increase to our net sales during Fiscal 2013. In addition, as we continue to open more retail stores we expect our expenditures on inventory to increase at a greater rate than the increase in our sales as inventory related to retail sales typically experiences slower inventory turnover than that of wholesale.

Cash provided by operating activities increased $5.0 million to $115.3 million during Fiscal 2012, as compared to $110.3 million for Fiscal 2011. The increase in cash flows from operating activities is primarily due to an increase in our net income, offset, in part, by a decrease in changes to our accounts receivable and an increase in cash outflows on our inventory during Fiscal 2012 as compared to Fiscal 2011. The decrease in the change to our accounts receivable was largely the result of cash received during Fiscal 2011, which was related to sales billed late in our 2010 fiscal year. The increase in cash outflows on our inventory occurred primarily to accommodate the increase to our net sales during Fiscal 2012. In addition, as we continue to open more retail stores we expect our expenditures on inventory to increase at a greater rate than the increase in our sales as inventory related to retail sales typically experiences slower inventory turnover than that of wholesale.

Cash Used in Investing Activities

Net cash used in investing activities was $139.1 million during Fiscal 2013, compared to net cash used in investing activities of $88.2 million during Fiscal 2012. The increase in cash used in investing activities was primarily the result of the build-out of our new retail stores, which were constructed during the Fiscal 2013, shop-in-shops we installed during Fiscal 2013, as well as certain technology initiatives undertaken during the year, which related to distribution system enhancements and various other improvements to our infrastructure. In addition, we purchased approximately $8.5 million of intangible assets related to certain of our stores opened during Fiscal 2013, as well as made an investment in, as well as a loan to, a joint venture, for approximately $3.2 million and $6.0 million, respectively, during Fiscal 2013.

Net cash used in investing activities increased $30.4 million to $88.2 million during Fiscal 2012, as compared to $57.8 million during Fiscal 2011. The increase in cash used in investing activities is primarily the result of the build-out of our new retail stores, which were constructed during Fiscal 2012, as well as shop-in-shops we installed during Fiscal 2012, as we grow our business. In addition, we spent approximately $3.7 million in capital expenditures related to our new distribution facility in California which we began operations in during fiscal 2012.

Cash Provided by (Used in) Financing Activities

Net cash provided by financing activities was $150.6 million during Fiscal 2013, compared to net cash provided by financing activities of $58.6 million during Fiscal 2012. After excluding the non-cash effects of tax benefits from the exercise of share options, cash provided by operating activities decreased by $20.3 million. This decrease was primarily due to the net repayments on our revolving credit facility of $22.7 million during Fiscal 2013, as compared to net borrowings of $9.9 during Fiscal 2012. This decrease was offset, in part, by an increase in cash received from the exercise of employee share options during Fiscal 2013 as compared to Fiscal 2012.

Net cash provided by financing activities was $58.6 million during Fiscal 2012, compared to net cash used in financing activities of $37.7 million during Fiscal 2011. The $96.4 million increase in cash flows from financing activities was primarily due to the net borrowings on our revolving credit facility of $9.9 million during Fiscal 2012, as compared to net repayments of $31.2 million made during Fiscal 2011. In addition, we received net proceeds from the private placement of our convertible preference shares, completed in July 2011, of $9.6 million, as well as $9.7 million from the exercise of employee share options.

Revolving Credit Facilities

Secured Revolving Credit Facility

On September 15, 2011, we completed an amendment to our secured revolving credit facility (the "2011 Credit Facility"), which was originally entered into during Fiscal 2007. Pursuant to such amendment, the Credit Facility provided up to $100.0 million of borrowings, and was originally set to expire on September 15, 2015. The agreement also provided for loans and letters of credit to our European subsidiaries of up to $35.0 million. All other terms and conditions under the 2011 Credit Facility remained consistent with the original agreement. The 2011 Credit Facility provided for aggregate credit available equal to the lesser of (i) $100.0 million, or (ii) the sum of specified percentages of eligible receivables and eligible inventory, as defined, plus $30.0 million. The terms of the 2011 Credit Facility required all amounts outstanding under the agreement to be collateralized by substantially all of our assets throughout the duration of the agreement. The 2011 Credit Facility contained financial covenants which limited our capital expenditures to $110.0 million for any one fiscal year plus additional amounts as permitted, and a minimum fixed charge coverage ratio of 2.0 to 1.0 (with the ratio being EBITDA plus consolidated rent expense to the sum of fixed charges plus consolidated rent expense), restricted and limited additional indebtedness, and restricted the incurrence of additional liens and cash dividends. During Fiscal 2013, and prior to its termination, we were in compliance with all of our covenants under the agreement.

Borrowings under the 2011 Credit Facility accrued interest at the rate per annum announced from time to time by the agent of 1.25% above the prevailing applicable prime rate, or at a per annum rate equal to 2.25% above the prevailing LIBOR rate. The weighted average interest rate for the revolving credit facility was 2.72% during Fiscal 2013. The Credit Facility required an annual facility fee of $0.1 million, and an annual commitment fee of 0.35% on the unused portion of the available credit under the Credit Facility, which was payable quarterly.

Prior to March 30, 2013, the 2011 Credit Facility was terminated (see below) and there were no amounts outstanding or available related to this agreement. The largest amount borrowed from the 2011 Credit Facility during Fiscal 2013 was $31.7 million.

Senior Unsecured Revolving Credit Facility

On February 8, 2013, we terminated the provisions of our existing 2011 Credit Facility and entered into a senior unsecured credit facility ("2013 Credit Facility"). Pursuant to the agreement the 2013 Credit Facility provides up to $200.0 million of borrowings, and expires on February 15, 2018. The agreement also provides for loans and letters of credit to our European subsidiaries of up to $100.0 million. The 2013 Credit Facility contains financial covenants such as requiring an adjusted leverage ratio of 3.5 to 1.0 (with the ratio being total consolidated indebtedness plus 8.0 times consolidated rent expense to EBITDA plus consolidated rent expense) and a fixed charge coverage ratio of 2.0 to 1.0 (with the ratio being EBITDA plus consolidated rent expense to the sum of fixed charges plus consolidated rent expense), restricts and limits additional indebtedness, and restricts the incurrence of additional liens and cash dividends. During Fiscal 2013, we were in compliance with all of our covenants covered under this agreement.

Borrowings under the 2013 Credit Facility accrue interest at the rate per annum announced from time to time by the agent a rate based on the rates applicable for deposits in the London interbank market for U.S. Dollars or the applicable currency in which the loans are made (the "Adjusted LIBOR") plus an applicable margin. The applicable margin may range from 1.25% to 2.5%, and is based, or dependent upon, a particular threshold related to the adjusted leverage ratio calculated during the period of borrowing. The 2013 Credit Facility requires an annual facility fee of $0.1 million, and an annual commitment fee of 0.25% to 0.35% on the unused portion of the available credit under the facility.

As of March 30, 2013, there were no amounts outstanding under the 2013 Credit Facility, and the amount available for future borrowings was $188.7 million. There were no amounts borrowed under this agreement during Fiscal 2013. At March 30, 2013, there were documentary letters of credit outstanding of approximately $2.0 million, and stand-by letters of credit of $9.3 million.

Contractual Obligations and Commercial Commitments

As of March 30, 2013, our lease commitments and contractual obligations were as follows (in thousands):

Fiscal year ending	Fiscal 2014	Fiscal 2015-2016	Fiscal 2017-2018	Fiscal 2019 and Thereafter	Total
Operating leases	$86,297	$166,839	$157,198	$282,706	$693,040

Operating lease obligations represent our equipment leases and the minimum lease rental payments under non-cancelable operating leases for our real estate locations globally. In addition to the above amounts, we are typically required to pay real estate taxes, contingent rent based on sales volume and other occupancy costs relating to our leased properties for our retail stores.

Excluded from the above commitments is $7.1 million of long-term liabilities related to uncertain tax positions, due to the uncertainty of the time and nature of resolution.

The above table also excludes amounts included in current liabilities in our consolidated balance sheet as of March 30, 2013, as these items will be paid within one year, and non-current liabilities that have no cash outflows associated with them (e.g., deferred taxes).

We do not have any long-term purchase obligations that represent firm commitments at March 30, 2013.

Off-Balance Sheet Arrangements

We have not created, and are not party to, any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt or operating our business. We do not have any off-balance sheet arrangements or relationships with entities that are not consolidated into our financial statements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

Effects of Inflation

We do not believe that our sales or operating results have been materially impacted by inflation during the periods presented in our financial statements. However, we have experienced increased cost pressure from our suppliers which could have an adverse impact on our gross profit results in the future.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks during the normal course of our business, such as risk arising from fluctuations in foreign currency exchange rates, as well as fluctuations in interest rates. In attempts to manage these risks, we employ certain strategies to mitigate the effect of these fluctuations. Currently we enter into foreign currency forward contracts to manage our foreign currency exposure to the fluctuations of certain foreign currencies. The use of these instruments helps to manage our exposure to our foreign purchase commitments and better control our product costs. Other than these purchase commitments, we do not use these foreign exchange contracts for any other purposes. In addition, we do not use derivatives for speculative purposes.

Foreign Currency Exchange Risk

We are exposed to risks on certain purchase commitments to foreign suppliers based on the value of the functional currency relative to the local currency of the supplier on the date of the commitment. As such, we enter into forward currency contracts that generally mature in 18 months or less and are consistent with the related purchase commitments. These contracts are recorded at fair value in our consolidated balance sheets as either an asset or liability, and are derivative contracts to hedge cash flow risks. Certain of these contracts, currently a relatively small portion, are designated as hedges for accounting purposes. Accordingly, the changes in the fair value of the majority of these contracts at the balance sheet date and upon maturity (settlement) are recorded in our cost of sales or operating expenses, in our consolidated statement of operations, as applicable to the transactions for which the forward exchange contracts were established. Regarding those contracts which are designated as hedges for accounting purposes, any portion of those contracts deemed ineffective would be charged to earnings, in the same manner as those contracts charged to earnings above, in the period the ineffectiveness was determined.

We perform a sensitivity analysis, on those contracts not designated as hedges for accounting purposes, to determine the effects of fluctuations in foreign currency exchange rates. For this sensitivity analysis, we assume a hypothetical change in U.S. dollar against foreign exchange rates. Based on all foreign currency exchange contracts outstanding as of March 30, 2013, a 10% devaluation of the U.S. dollar compared to the level of foreign currency exchange rates for currencies under contract as of March 30, 2013 would result in a decrease of approximately $1.9 million of net unrealized foreign currency loss. Conversely, a 10% appreciation of the U.S. dollar would result in an increase approximately of $1.9 million of net unrealized gains.

Interest Rate Risk

We are exposed to interest rate risk in relation to our Credit Facility. Our Credit Facility carries interest rates that are tied to LIBOR and the prime rate, and therefore our statements of operations and cash flows are exposed to changes in interest rates. At March 30, 2013, there was no outstanding balance on our Credit Facility. The balance of our Credit Facility at March 30, 2013 is not indicative of future balances that may be subject to fluctuations in interest rates. Any increases in either the prime rate or LIBOR would cause an increase to the interest expense on our Credit Facility relative to any outstanding balance at that date.

Item 8. Financial Statements and Supplementary Data

The response to this item is provided in this Annual Report on Form 10-K under Item 15 *Exhibits and Financial Statement Schedule* and is incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. *Controls and Procedures*

Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, our principal executive officer and principal financial officer, respectively, of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15 (e) and 15d—15(e) under the Securities Exchange Act of 1934 (the "Exchange Act") as of March 30, 2013. Based on the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that disclosure controls and procedures as of March 30, 2013 are effective.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined under the Exchange Act Rule 13a-15 (f)) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles ("GAAP"). Such internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets; (ii) provide reasonable assurance (A) that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors; and (B) regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Our management assessed the effectiveness of our internal control over financial reporting as of March 30, 2013. In making this assessment, it used the criteria set forth in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has determined that, as of March 30, 2013, our internal control over financial reporting is effective based on those criteria.

The Company's internal control over financial reporting as of March 30, 2013, as well as the consolidated financial statements, have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein. The audit report appears on page **44** of this report.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended March 30, 2013, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. *Other Information*

None.

Item 10. *Directors, Executive Officers and Corporate Governance*

Information with respect to this Item is included in the Company's Proxy Statement to be filed in June 2013, which is incorporated herein by reference.

Item 11. ***Executive Compensation***

Information with respect to this Item is included in the Company's Proxy Statement to be filed in June 2013, which is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

Information with respect to this Item is included in the Company's Proxy Statement to be filed in June 2013, which is incorporated herein by reference.

Item 13. ***Certain Relationships, Related Transactions and Director Independence***

Information with respect to this Item is included in the Company's Proxy Statement to be filed in June 2013, which is incorporated herein by reference.

Item 14. ***Principal Accountant Fees and Services***

Information with respect to this Item is included in the Company's Proxy Statement to be filed in June 2013, which is incorporated herein by reference.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) The following documents are filed as part of this annual report on Form 10-K:

1. The following consolidated financial statements listed below are filed as a separate section of this annual report on Form 10-K:

   Report of Independent Registered Public Accounting Firm— PricewaterhouseCoopers LLP .
   Consolidated Balance Sheets as of March 30, 2013 and March 31, 2012.
   Consolidated Statements of Operations and Comprehensive Income for the Fiscal years ended March 30, 2013, March 31, 2012, and April 1, 2011.
   Consolidated Statements of Shareholders' Equity for the Fiscal years ended March 30, 2013, March 31, 2012, and April 1, 2011.
   Consolidated Statements of Cash Flows for the Fiscal years ended March 30, 2013, March 31, 2012, and April 1, 2011.
   Notes to Consolidated Financial Statements for the Fiscal years ended March 30, 2013, March 31, 2012, and April 1, 2011.

2. Exhibits:

EXHIBIT INDEX

Exhibit No.	Document Description
2.1	Restructuring Agreement, dated as of July 7, 2011, by and among Michael Kors Holdings Limited, John Idol, SHL-Kors Limited, Michael Kors, SHL Fashion Limited, Michael Kors (USA), Inc., Michael Kors Far East Holdings Limited, Sportswear Holdings Limited, Littlestone, Northcroft Trading Inc., Vax Trading, Inc., OB Kors LLC, John Muse, Muse Children's GS Trust, JRM Interim Investors, LP and Muse Family Enterprises (included as Exhibit 2.1 to the Company's Registration Statement on Form F-1, as amended (File No. 333-178282), filed on December 2, 2011, and incorporated herein by reference).
3.1	Amended and Restated Memorandum and Articles of Association of Michael Kors Holdings Limited (included as Exhibit 99.3 to the Company's Current Report on Form 6-K filed on February 14, 2012, and incorporated herein by reference).
4.1	Specimen of Ordinary Share Certificate of Michael Kors Holdings Limited (included as Exhibit 4.1 to the Company's Registration Statement on Form F-1, as amended (File No. 333-178282), filed on December 2, 2011, and incorporated herein by reference).

4.2	Credit Agreement, dated as of February 8, 2013, among Michael Kors (USA), Inc., the foreign subsidiary borrowers party thereto, the lenders party thereto, the guarantors party thereto, J.P. Morgan Chase Bank, N.A., Bank of America, N.A., HSBC Bank USA, National Association, Wells Fargo Bank, National Association, and J.P. Morgan Securities L.L.C.
4.3	Shareholders Agreement, dated as of July 11, 2011, among Michael Kors Holdings Limited and certain shareholders of Michael Kors Holdings Limited (included as Exhibit 10.2 to the Company's Registration Statement on Form F-1, as amended (File No. 333-178282), filed on December 2, 2011, and incorporated herein by reference).
4.4	Subscription Agreement, dated as of July 7, 2011, among Michael Kors Holdings Limited and certain shareholders of Michael Kors Holdings Limited (included as Exhibit 10.1 to the Company's Registration Statement on Form F-1, as amended (File No. 333-178282), filed on December 2, 2011, and incorporated herein by reference).
10.1	Form of Indemnification Agreement between Michael Kors Holdings Limited and its directors and executive officers (included as Exhibit 10.5 to the Company's Registration Statement on Form F-1, as amended (File No. 333-178282), filed on December 2, 2011, and incorporated herein by reference).
10.2	Licensing Agreement, dated as of April 1, 2011, between Michael Kors, L.L.C. and Michael Kors (HK) Limited (included as Exhibit 10.6 to the Company's Registration Statement on Form F-1, as amended (File No. 333-178282), filed on December 2, 2011, and incorporated herein by reference). (Certain portions of this exhibit were omitted pursuant to a confidential treatment request. Omitted information was filed separately with the Securities and Exchange Commission.)
10.3	Licensing Agreement, dated as of April 1, 2011, between Michael Kors, L.L.C. and Michael Kors Trading Shanghai Limited (included as Exhibit 10.7 to the Company's Registration Statement on Form F-1, as amended (File No. 333-178282), filed on December 2, 2011, and incorporated herein by reference). (Certain portions of this exhibit were omitted pursuant to a confidential treatment request. Omitted information was filed separately with the Securities and Exchange Commission).
10.4	Amended and Restated Michael Kors (USA), Inc. Stock Option Plan (included as Exhibit 10.4 to the Company's Registration Statement on Form F-1, as amended (File No. 333-178282), filed on December 2, 2011, and incorporated herein by reference).
10.5	Amended No. 1 to the Amended and Restated Michael Kors (USA), Inc. Share Option Plan. (included as Exhibit 4.9 to the Company's Annual Report on Form 20-F filed on June 12, 2012, and incorporated herein by reference).
10.6	Michael Kors Holdings Limited Omnibus Incentive Plan (included as Exhibit 10.8 to the Company's Registration Statement on Form F-1, as amended (File No. 333-178282), filed on December 2, 2011, and incorporated herein by reference).
10.7	Amended and Restated Employment Agreement, dated as of May 23, 2013, by and among Michael Kors (USA), Inc., Michael Kors Holdings Limited and Michael Kors.
10.8	Amended and Restated Employment Agreement, dated as of May 23, 2013, by and among Michael Kors (USA), Inc., Michael Kors Holdings Limited and John D. Idol.
10.9	Amended and Restated Employment Agreement, dated as of May 23, 2013, by and among Michael Kors (USA), Inc., Michael Kors Holdings Limited and Joseph B. Parsons.
10.10	Amended and Restated Employment Agreement, dated as of May 23, 2013, by and among Michael Kors (USA), Inc., Michael Kors Holdings Limited and Lee S. Sporn.
10.11	Offer Letter, dated as of August 21, 2012, by and between Michael Kors (USA), Inc. and Britton Russell.
10.12	Form of Performance-Based Restricted Share Unit Award Agreement.
21.1	List of subsidiaries of Michael Kors Holdings Limited.
23.1	Consent of PricewaterhouseCoopers LLP.

31.1	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1	Interactive Data Files.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant hereby certifies that it meets all of the requirements for filing on Form 10-k and that it has duly caused and authorized the undersigned to sign this report on its behalf.

Date: May 29, 2013

MICHAEL KORS HOLDINGS LIMITED

By: /s/ John D. Idol
Name: John D. Idol
Title: Chairman & Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Michael Kors Michael Kors	Honorary Chairman, Chief Creative Officer and Director	May 29, 2013
By: /s/ John D. Idol John D. Idol	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	May 29, 2013
By: /s/ Joseph B. Parsons Joseph B. Parsons	Chief Financial Officer. Chief Operating Officer and Treasurer (Principal Financial and Accounting Officer)	May 29, 2013
By: /s/ Silas K.F. Chou Silas K.F. Chou	Director	May 29, 2013
By: /s/ Lawrence S. Stroll Lawrence S. Stroll	Director	May 29, 2013
By: /s/ M. William Benedetto M. William Benedetto	Director	May 29, 2013
By: /s/ Stephen F. Reitman Stephen F. Reitman	Director	May 29, 2013
By: /s/ Ann McLaughlin Korologos Ann McLaughlin Korologos	Director	May 29, 2013
By: /s/ Jean Tomlin Jean Tomlin	Director	May 29, 2013
By: /s/ Judy Gibbons Judy Gibbons	Director	May 29, 2013

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Michael Kors Holdings Limited

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations and comprehensive income, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Michael Kors Holdings Limited and its subsidiaries at March 30, 2013 and March 31, 2012, and the results of their operations and their cash flows for each of the three years in the period ended March 30, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 30, 2013, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our audits (which was an integrated audit in the year ended March 30, 2013). We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

New York, New York
May 29, 2013

MICHAEL KORS HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	March 30, 2013	March 31, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 472,511	$106,354
Receivables, net	206,454	127,226
Inventories	266,894	187,413
Deferred tax assets	8,480	11,145
Prepaid expenses and other current assets	34,850	31,925
Total current assets	989,189	464,063
Property and equipment, net	242,113	170,755
Intangible assets, net	20,980	14,146
Goodwill	14,005	14,005
Deferred tax assets	4,389	3,952
Other assets	18,889	7,504
Total assets	$1,289,565	$674,425
Liabilities and Shareholders' Equity		
Current liabilities		
Revolving line of credit	$ —	$ 22,674
Accounts payable	82,977	67,326
Accrued payroll and payroll related expenses	38,642	33,710
Accrued income taxes	9,074	8,199
Accrued expenses and other current liabilities	33,555	33,097
Total current liabilities	164,248	165,006
Deferred rent	56,986	43,292
Deferred tax liabilities	13,163	6,300
Other long-term liabilities	7,922	3,590
Total liabilities	242,319	218,188
Commitments and contingencies		
Shareholders' equity		
Ordinary shares, no par value; 650,000,000 shares authorized, and 201,454,408 shares issued and outstanding at March 30, 2013, and 192,731,390 shares issued and outstanding at March 31, 2012	—	—
Additional paid-in capital	424,454	228,321
Accumulated other comprehensive loss	(3,461)	(735)
Retained earnings	626,253	228,651
Total shareholders' equity	1,047,246	456,237
Total liabilities and shareholders' equity	$1,289,565	$674,425

See accompanying notes to consolidated financial statements.

MICHAEL KORS HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except share and per share data)

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Net sales	$ 2,094,757	$ 1,237,100	$ 757,800
Licensing revenue	86,975	65,154	45,539
Total revenue	2,181,732	1,302,254	803,339
Cost of goods sold	875,166	549,158	357,274
Gross profit	1,306,566	753,096	446,065
Selling, general and administrative expenses	621,536	464,568	279,822
Depreciation and amortization	54,291	37,554	25,543
Impairment of long-lived assets	725	3,292	3,834
Total operating expenses	676,552	505,414	309,199
Income from operations	630,014	247,682	136,866
Interest expense, net	1,524	1,495	1,861
Foreign currency loss (gain)	1,363	(2,629)	1,786
Income before provision for income taxes	627,127	248,816	133,219
Provision for income taxes	229,525	101,452	60,713
Net income	397,602	147,364	72,506
Net income applicable to preference shareholders	—	21,227	15,629
Net income available for ordinary shareholders	$ 397,602	$ 126,137	$ 56,877
Weighted average ordinary shares outstanding:			
Basic	196,615,054	158,258,126	140,554,377
Diluted	201,540,144	189,299,197	179,177,268
Net income per ordinary share:			
Basic	$ 2.02	$ 0.80	$ 0.40
Diluted	$ 1.97	$ 0.78	$ 0.40
Statements of Comprehensive Income:			
Net income	$ 397,602	$ 147,364	$ 72,506
Foreign currency translation adjustments	(4,006)	(4,768)	3,803
Net realized and unrealized gains on derivatives	1,280	—	—
Comprehensive income	$ 394,876	$ 142,596	$ 76,309

See accompanying notes to consolidated financial statements.

MICHAEL KORS HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands except share data)

	Convertible Preference Shares		Ordinary Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Gain/(loss)	Retained Earnings	Total
	Shares	Amounts	Shares	Amounts				
Balance at April 3, 2010	10,163,920	$ —	140,554,377	$ —	$ 40,000	$ 230	$ 8,781	$ 49,011
Net income	—	—	—	—	—	—	72,506	72,506
Foreign currency translation adjustment	—	—	—	—	—	3,803	—	3,803
Total comprehensive income	—	—	—	—	—	—	—	76,309
Balance at April 2, 2011	10,163,920	—	140,554,377	—	40,000	4,033	81,287	125,320
Net income	—	—	—	—	—	—	147,364	147,364
Foreign currency translation adjustment	—	—	—	—	—	(4,768)	—	(4,768)
Total comprehensive income	—	—	—	—	—	—	—	142,596
Issuance of shares in exchange for note	475,796	—	6,579,656	—	101,650	—	—	101,650
Elimination of contingent redemption on ordinary shares	—	—	—	—	6,706	—	—	6,706
Issuance of convertible preference shares	217,137	—	—	—	9,550	—	—	9,550
Issuance of restricted shares	—	—	820,074	—	—	—	—	—
Exercise of employee share options	—	—	3,521,258	—	9,672	—	—	9,672
Equity compensation expense	—	—	—	—	27,020	—	—	27,020
Tax benefits on exercise of share options	—	—	—	—	32,281	—	—	32,281
Contributed capital-services provided by former parent	—	—	—	—	1,442	—	—	1,442
Conversion of convertible preference shares	(10,856,853)	—	41,256,025	—	—	—	—	—
Balance at March 31, 2012	—	$ —	192,731,390	$ —	$228,321	$ (735)	$228,651	$ 456,237
Net income			—	—	—	—	397,602	397,602
Foreign currency translation adjustment						(4,006)		(4,006)
Net unrealized gain on derivatives (net of taxes of $0.1 million)			—	—	—	1,280	—	1,280
Total comprehensive income			—	—	—	—	—	394,876
Issuance of restricted shares			18,541	—	—	—	—	—
Exercise of employee share options			8,704,477	—	30,435	—	—	30,435
Equity compensation expense			—	—	20,932	—	—	20,932
Tax benefits on exercise of share options			—	—	144,508	—	—	144,508
Contributed capital-services provided by former parent	—	—	—	—	258	—	—	258
Balance at March 30, 2013	—	$ —	201,454,408	$ —	$424,454	$ (3,461)	$626,253	$1,047,246

See accompanying notes to consolidated financial statements.

MICHAEL KORS HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Cash flows from operating activities			
Net income	$ 397,602	$ 147,364	$ 72,506
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	54,291	37,554	25,543
Impairment and write-off of property and equipment	725	3,292	2,052
Impairment of intangible assets	—	—	1,782
Loss on disposal of fixed assets	229	—	—
Unrealized foreign exchange loss (gain)	1,363	(2,629)	1,786
Amortization of deferred financing costs	703	498	225
Amortization of deferred rent	3,245	4,214	3,020
Deferred income taxes	3,222	(7,729)	12,443
Equity compensation expense	20,932	27,020	—
Tax benefits on exercise of share options	(144,508)	(32,281)	—
Non-cash charges for services provided by former parent	258	1,442	—
Change in assets and liabilities:			
Receivables, net	(80,581)	(48,399)	(14,071)
Inventories	(81,108)	(71,151)	(50,465)
Prepaid expenses and other current assets	(3,866)	(12,647)	(8,990)
Other assets	6	(2,284)	(664)
Accounts payable	16,299	14,888	18,043
Accrued expenses and other current liabilities	152,630	46,419	37,405
Other long-term liabilities	14,894	9,719	9,693
Net cash provided by operating activities	356,336	115,290	110,308
Cash flows from investing activities			
Capital expenditures	(121,321)	(88,187)	(57,348)
Equity method investments	(3,232)	—	—
Loans receivable-joint venture	(6,000)	—	—
Purchase of intangible assets	(8,546)	—	(482)
Net cash used in investing activities	(139,099)	(88,187)	(57,830)
Cash flows from financing activities			
Repayments of borrowings under revolving credit agreement	(38,954)	(100,855)	(225,820)
Borrowings under revolving credit agreement	16,280	110,764	194,605
Bank overdraft	—	—	(4,380)
Proceeds from private placement	—	9,550	—
Exercise of employee share options	30,435	9,672	—
Tax benefits on exercise of share options	144,508	32,281	—
Payment of loan to parent	—	—	(1,850)
Payment of deferred financing costs	(1,708)	(2,773)	(281)
Net cash provided by (used in) financing activities	150,561	58,639	(37,726)
Effect of exchange rate changes on cash and cash equivalents	(1,641)	(453)	649
Net increase in cash and cash equivalents	366,157	85,289	15,401
Beginning of period	106,354	21,065	5,664
End of period	$ 472,511	$ 106,354	$ 21,065
Supplemental disclosures of cash flow information			
Cash paid for interest	$ 484	$ 1,266	$ 1,202
Cash paid for income taxes	$ 70,500	$ 84,389	$ 27,252
Supplemental disclosure of noncash investing and financing activities			
Accrued capital expenditures	$ 12,289	$ 6,869	$ 3,538

See accompanying notes to consolidated financial statements.

MICHAEL KORS HOLDINGS LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business and Basis of Presentation

Michael Kors Holdings Limited ("MKHL," and together with its subsidiaries, the "Company") was incorporated in the British Virgin Islands ("BVI") on December 13, 2002. The Company is a leading designer, marketer, distributor and retailer of branded women's apparel and accessories and men's apparel bearing the Michael Kors tradename and related trademarks "MICHAEL KORS," "MICHAEL MICHAEL KORS," "KORS MICHAEL KORS" and various other related trademarks and logos. The Company's business consists of retail, wholesale and licensing segments. Retail operations consist of collection stores, lifestyle stores, including concessions and outlet stores located primarily in the United States, Canada, Europe and Japan. Wholesale revenues are principally derived from major department and specialty stores located throughout the United States, Canada and Europe. The Company licenses its trademarks on products such as fragrances, cosmetics, eyewear, leather goods, jewelry, watches, coats, footwear, men's suits, swimwear, furs and ties.

For all periods presented, all ordinary share and per share amounts in these consolidated financial statements and the notes hereto have been adjusted retroactively to reflect the effects of a 3.8-to-1 share split, which was completed on November 30, 2011, as well as the effects of the July 2011 reorganization discussed in Note 2 below, as if such reorganization and share split had occurred at the beginning of the periods presented.

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States and include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

The Company utilizes a 52 to 53 week fiscal year ending on the Saturday closest to March 31. As such, the fiscal years ending on March 30, 2013, March 31, 2012 and April 2, 2011 ("Fiscal 2013," "Fiscal 2012" and "Fiscal 2011," respectively) consist of 52 weeks.

2. Reorganization and Initial Public Offering

Prior to July 2011, the Company was owned 85% by SHL-Kors Limited, a BVI corporation, and 15% by Mr. Kors. SHL-Kors Limited was owned 100% by SHL Fashion Limited.

In July 2011, the Company underwent a corporate reorganization whereby the Company completed a merger with its former parent, SHL-Kors Limited, which merged with and into the Company, with the Company as the surviving corporation (the "First Merger"). Subsequent to the completion of the First Merger, SHL Fashion Limited, the former parent company of SHL-Kors Limited, merged with and into the Company (the "Second Merger"), with the Company as the surviving corporation. Upon completion of the Second Merger, the previous shareholders of SHL Fashion Limited (which include Sportswear Holdings Limited and the Company's chief executive officer, John Idol), and Mr. Kors became direct shareholders in the Company. Immediately prior to the Second Merger, the Company issued 475,796 preference shares and 6,579,656 ordinary shares to SHL Fashion Limited in consideration for the extinguishment of the Company's $101.7 million note payable to SHL Fashion Limited. This exchange was based on the fair value of the Company at the time of exchange. In the Second Merger, Mr. Kors and the shareholders of SHL Fashion Limited received 147,134,033 newly issued ordinary shares and 10,639,716 newly issued convertible preference shares of the Company in proportion to their ownership interests held prior to the Second Merger. The Company considered this transaction to be the acquisition of the non-controlling interest in the Company held by Mr. Kors, and, accordingly, the Company accounted for this transaction as an equity transaction.

Following the reorganization, in a private placement in July 2011, a group of investors purchased (i) all 10,639,716 convertible preference shares issued in the reorganization from the previous SHL Fashion Limited shareholders and Mr. Kors for $490 million, and (ii) 217,137 newly issued convertible preference shares from the Company for $10.0 million, of which $9.5 million in proceeds, net of placement fees of $0.5 million, were received by the Company. As a result of the aforementioned transactions, the capital structure of the Company increased from 4,351 issued and outstanding ordinary shares to 147,134,033 issued and outstanding ordinary shares (650,000,000 authorized) and 10,856,853 authorized, issued and outstanding convertible preference shares.

In addition to the above, immediately prior to the reorganization, the redemption feature related to the contingently redeemable ordinary shares was eliminated, thereby, resulting in the reclassification of $6.7 million from temporary equity, which was classified as "contingently redeemable ordinary shares" in the Company's consolidated balance sheets, to permanent equity as additional paid-in capital (see Note 16).

On December 20, 2011, the Company completed an initial public offering ("IPO"), which resulted in the sale of 54,280,000 shares at a price of $20 per share, all of which were sold by selling shareholders. The Company did not receive any of the proceeds related to the sale of these shares. On December 20, 2011, in connection with the consummation of the IPO, 10,856,853 convertible preference shares were converted into 41,256,025 ordinary shares at a ratio of 3.8-to-1 resulting in no preference shares issued and outstanding at March 31, 2012.

During March 2012, the Company completed a secondary offering of 25,000,000 ordinary shares at a price of $47.00 per share. Subsequent to this offering and in connection with it, the underwriters exercised their additional share purchase option during April 2012, where an additional 3,750,000 shares were offered at $47.00 per share. Similar to the IPO the Company did not receive any of the proceeds related to the sale of these shares and incurred approximately $0.7 million in fees related to the secondary offering which were charged to selling, general and administrative expenses during the fourth quarter of Fiscal 2012. As a result of the secondary offering, Sportswear Holdings Limited ownership decreased to 25.0% of the Company's ordinary shares whereby the Company ceased to be a "controlled company" under New York Stock Exchange listing rules.

During September 2012, the Company completed a secondary offering of 23,000,000 ordinary shares at a price of $53.00 per share. Subsequent to this offering, and in connection with it, the underwriters exercised their additional share purchase option during October 2012, where an additional 3,450,000 shares were offered at $53.00 per share. Similar to the prior public offerings the Company did not receive any of the proceeds related to the sale of these shares and incurred approximately $0.9 million in fees related to the secondary offering, which were charged to selling, general and administrative expenses.

During February 2013, the Company completed a secondary offering of 25,000,000 ordinary shares at a price of $61.50 per share. Similar to the prior public offerings the Company did not receive any of the proceeds related to the sale of these shares and incurred approximately $0.8 million in fees related to the secondary offering, which were charged to selling, general and administrative expenses.

3. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to use judgment and make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The level of uncertainty in estimates and assumptions increases with the length of time until the underlying transactions are completed. The most significant assumptions and estimates involved in preparing the financial statements include allowances for customer deductions, sales returns, sales discounts and doubtful accounts, estimates of inventory recovery, the valuation of share-based compensation, valuation of deferred taxes and the estimated useful lives used for amortization and depreciation of intangible assets and property and equipment. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes retail store revenues upon sale of its products to retail consumers, net of estimated returns. Wholesale revenue is recognized net of estimates for sales returns, discounts and allowances, after merchandise is shipped and title and risk of loss is transferred to the Company's wholesale customers. To arrive at net sales for retail, gross sales are reduced by actual customer returns as well as by a provision for estimated future customer returns, which is based on management's review of historical and current customer returns. Sales taxes collected from retail customers are presented on a net basis and as such are excluded from revenue. To arrive at net sales for wholesale, gross sales are reduced by provisions for estimated future returns, based on current expectations, trade discounts, markdowns, allowances and operational chargebacks, as well as for certain cooperative selling expenses.

The following table details the activity and balances of the Company's sales reserves for the fiscal years ended March 30, 2013, March 31, 2012, and April 2, 2011 (in thousands):

Retail	Balance Beginning of Year	Amounts Charged to Revenue	Write-offs Against Reserves	Balance at Year End
Return Reserves:				
Year ended March 30, 2013	$ 1,659	$ 35,448	$ (33,961)	$ 3,146
Year ended March 31, 2012	$ 2,313	$ 23,580	$ (24,234)	$ 1,659
Year ended April 2, 2011	$ 1,413	$ 14,323	$ (13,423)	$ 2,313

Wholesale	Balance Beginning of Year	Amounts Charged to Revenue	Write-offs Against Reserves	Balance at Year End
Total Sales Reserves:				
Year ended March 30, 2013	$30,381	$135,450	$(122,822)	$43,009
Year ended March 31, 2012	$25,180	$114,577	$(109,376)	$30,381
Year ended April 2, 2011	$20,215	$ 84,697	$ (79,732)	$25,180

Royalty revenue generated from product licenses, which includes contributions for advertising, is based on reported sales of licensed products bearing the Company's tradenames, at rates specified in the license agreements. These agreements are also subject to contractual minimum levels. Royalty revenue generated by geographic specific licensing agreements is recognized as earned under the licensing agreements based on reported sales of licensees applicable to specified periods as outlined in the agreements. These agreements allow for the use of the Company's tradenames to sell its branded products in specific geographic regions.

Advertising

Advertising costs are charged to expense when incurred and are reflected in general and administrative expenses. For the years ended March 30, 2013, March 31, 2012, and April 2, 2011, advertising expense was $41.9 million, $31.4 million and $27.4 million, respectively.

Cooperative advertising expense, which represents the Company's participation in advertising expenses of its wholesale customers, is reflected as a reduction of net sales. Expenses related to cooperative advertising for Fiscal 2013, Fiscal 2012, and Fiscal 2011, were $5.1 million, $4.3 million and $3.9 million, respectively.

Shipping and Handling

Shipping and handling costs amounting to $29.1 million, $19.7 million and $12.4 million for Fiscal 2013, Fiscal 2012, and Fiscal 2011, respectively, are included in selling, general and administrative expenses in the statements of operations.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

Inventories

Inventories consist of finished goods and are stated at the lower of cost or market value. Cost is determined using the first-in-first-out (FIFO) method. Costs include amounts paid to independent manufacturers, plus duties and freight to bring the goods to the Company's warehouses, which are located in the United States, Holland, Canada, Japan and Hong Kong. The Company adjusts its inventory to reflect situations in which the cost of inventory is not expected to be fully recovered. These adjustments are estimates, which could vary significantly from actual results if future economic conditions, customer demand or competition differ from expectations. For the periods presented, there were no significant adjustments related to unsalable inventory.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization (carrying value). Depreciation is provided on a straight-line basis over the expected remaining useful lives of the related assets. Equipment, furniture and fixtures, and computer hardware and software are depreciated over five years. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated remaining useful lives of the related assets or remaining lease term.

The Company's share of the cost of constructing in-store shop displays within its wholesale customers' floor-space ("shop-in-shops"), which is paid directly to third-party suppliers, is capitalized as property and equipment and amortized over a useful life of three years.

Maintenance and repairs are charged to expense in the year incurred. Cost and related accumulated depreciation for property and equipment are removed from the accounts upon their sale or disposition and the resulting gain or loss is reflected in the results of operations.

Internal-use Software

The Company capitalizes, in property and equipment, direct costs incurred during the application development stage and the implementation stage for developing, purchasing or otherwise acquiring software for internal use. These costs are amortized over the estimated useful lives of the software, generally five years. All costs incurred during the preliminary project stage, including project scoping, identification and testing of alternatives, are expensed as incurred.

Intangible Assets

Intangible assets consist of trademarks and lease rights and are stated at cost less accumulated amortization. Trademarks are amortized over twenty years and lease rights are amortized over the term of the related lease agreements on a straight-line basis.

Impairment of Long-lived Assets

The Company evaluates its long-lived assets, including fixed assets and intangible assets with finite useful lives, for impairment whenever events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable. If the sum of estimated undiscounted future cash flows associated with the asset is less than the asset's carrying value, an impairment charge is recognized, which is measured as the amount by which the carrying value exceeds the fair value of the asset. These estimates of cash flow require significant management judgment and certain assumptions about future volume, sales and expense growth rates, devaluation and inflation. As such, these estimates may differ from actual cash flows.

Goodwill and Other Intangible Assets

On an annual basis, the Company evaluates goodwill for impairment during the Company's fourth quarter of its fiscal year or whenever impairment indicators exist. Judgments regarding the existence of impairment indicators are based on market conditions and operational performance of the business. Future events could cause the Company to conclude that impairment indicators exist, and, therefore, that goodwill may be impaired. To the extent that the fair value associated with the goodwill is less than its carrying amount, the Company writes down the carrying amount of the goodwill to its fair value.

Prior to Fiscal 2012 the Company assessed goodwill for impairment by calculating the fair value of the Company's reporting units to which goodwill has been allocated using the discounted cash flow method along with the market multiples method. During Fiscal 2012, the Company adopted a new accounting pronouncement related to goodwill impairment analysis, which allows entities to initially perform a qualitative analysis ("step zero") of the fair value of its reporting units to determine whether it is necessary to undertake a quantitative ("two step") goodwill analysis. In the fourth quarter of Fiscal 2013, the Company continued to follow this guidance with respect to its annual impairment analysis for goodwill, and concluded that the carrying amounts of all reporting units were significantly exceeded by their respective fair values, and thus performing any further analysis (e.g. two step) was unnecessary.

The Company will continue to perform the aforementioned qualitative analysis (step zero) in future fiscal years as its first step in goodwill impairment assessment. Should the results of this assessment result in either an ambiguous or unfavorable conclusion the Company will perform additional quantitative testing consistent with the fair value approach mentioned above. The valuation methods used in the fair value approach, discounted cash flow and market multiples method, require the Company's management to make certain assumptions and estimates regarding certain industry trends and future profitability of the Company's reporting units. If the carrying amount of a reporting unit exceeds its fair value, the Company would compare the implied fair value of the reporting unit goodwill with its carrying value. To compute the implied fair value, the Company would assign the fair value of the reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. If the carrying value of the reporting unit goodwill exceeded the implied fair value of the reporting unit goodwill, the Company would record an impairment loss to write down such goodwill to its implied fair value. The valuation of goodwill is affected by, among other things, the Company's business plan for the future and estimated results of future operations.

Joint Venture Investments

The Company accounts for investments in joint ventures as equity investments and records them in other assets in the Company's consolidated balance sheets. During February 2013, the Company made a non-recourse loan to the Company's sole joint venture, for approximately $6.0 million, which accrues at a 5% annual rate. The purpose of this loan was to provide working capital for the joint venture's operations. The loan is repayable at the time of the expiration of the joint venture agreement, along with accrued interest payable at the expiration date. The loan, along with accrued interest, is recorded in other assets in the Company's consolidated balance sheets.

Share-based Compensation

The Company grants share-based awards to certain employees and directors of the Company. Awards are measured at the grant date based on the fair value as calculated using the Black-Scholes option pricing model, for share options, or the closing market price at the grant date. These fair values are recognized as expense over the requisite service period, based on attainment of certain vesting requirements, which included the Company's completion of an initial public offering ("IPO"). Determining the fair value of share-based awards at the grant date requires considerable judgment, including estimating expected volatility, expected term and risk-free rate.

The Company's expected volatility is based on the average volatility rates of similar actively traded companies over the past 4.5-9.5 years, which is the Company's range of estimated expected holding periods. The expected holding period for options which vest based on performance requirements are based on the period to expiration which is generally 9-10 years, which directly correlates to the Company's service period requirement for such options. Generally, the expected holding period for time-based vesting options (no performance requirements) are calculated using the simplified method which uses the vesting term of the options, generally 4 years, and the contractual term of 7 years, resulting in a holding period of 4.5-4.75 years. The simplified method was chosen as a means to determine the Company's estimated holding period as prior to December 2011, the Company was privately held and as such there is insufficient historical option exercise experience. The risk-free rate is derived from the zero-coupon U.S. Treasury Strips yield curve, the period of which relates to the grant's estimated holding period. If factors change and the Company employs different assumptions, the fair value of future awards and resulting share-based compensation expense may differ significantly from what the Company has estimated in the past.

Foreign Currency Translation and Transactions

The financial statements of the majority of the Company's foreign subsidiaries are measured using the local currency as the functional currency. The Company's functional currency is the United States dollar ("USD") for MKHL and its United States based subsidiaries. Assets and liabilities have been translated using period-end exchange rates, and revenues and expenses have been translated using average exchange rates over the reporting period. The adjustments resulting from translation have been recorded separately in shareholders' equity as a component of accumulated other comprehensive loss. Foreign currency transaction income and losses resulting from the re-measuring of transactions denominated in a currency other than the functional currency of a particular entity are included in the consolidated statements of operations.

Derivative Financial Instruments

The Company uses forward currency exchange contracts to manage its exposure to fluctuations in foreign currency for certain of its transactions. The Company in its normal course of business enters into transactions with foreign suppliers and seeks to minimize risks related to these transactions. The Company employs these forward currency contracts to hedge the Company's cash flows, as they relate to foreign currency transactions, of which certain of these contracts are designated as hedges for accounting purposes, while others are undesignated hedges for hedge accounting purposes. These derivative instruments are recorded in the Company's consolidated balance sheets at fair value, regardless of if they are designated or undesignated as hedges.

Prior to the Company's third fiscal 2013 quarter ended December 29, 2012, the Company did not designate these instruments as hedges for hedge accounting purposes. During the third Fiscal 2013 quarter, the Company elected to designate contracts entered into during and subsequent to that quarter as hedges for hedge accounting purposes, for contracts related to the purchase of inventory. Accordingly, the effective portion of changes in the fair value for contracts entered into subsequent to the fiscal quarter ended September 29, 2012, are recorded in equity as a component of accumulated other comprehensive loss, and to cost of sales for any portion of those contracts deemed ineffective. The Company will continue to record changes in the fair value of hedge designated contracts in this manner until their maturity, where the unrealized gain or loss will be recognized into earnings in that period. For those contracts entered into prior to the third fiscal 2013 quarter, as well as those that will not be designated as hedges in future periods, changes in the fair value, as of each balance sheet date and upon maturity, are recorded in cost of sales or operating expenses, within the Company's consolidated statements of operations, as applicable to the transactions for which the forward exchange contracts were intended to hedge. During Fiscal 2013, a net realized gain of $1.4 million was recorded as a component of cost of sales, and related to the change in fair value of those contracts entered into prior to adoption hedge accounting in the third fiscal 2013 quarter, as well as

those contacts entered into subsequent to the adoption of hedge accounting which were not designated as hedges. Also included, in the net realized gain was the ineffective portion of those contracts designated as hedges during the year. In addition, the net unrealized gain related to those contracts designated as hedges during Fiscal 2013 of $1.3 million, was charged to equity as a component of accumulated other comprehensive loss. The company expects that substantially all this amount will be reclassified into earnings during the next twelve months, based upon the timing of inventory purchases and turns. These amounts are subject to fluctuations in the applicable currency exchange rates.

The following table details the fair value of these contracts as of March 30, 2013, and March 31, 2012 (in thousands):

	March 30, 2013	March 31, 2012
Prepaid expenses and other current assets	$ 1,367	$ 1,318
Accrued expenses and other current liabilities	$ (71)	$ (276)

The Company is exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. In attempts to mitigate counterparty credit risk, the Company enters into contracts with carefully selected financial institutions based upon their credit ratings and certain other financial factors, adhering to established limits for credit exposure. The aforementioned forward contracts generally have a term of no more than 18 months. The period of these contracts is directly related to the foreign transaction they are intended to hedge. The notional amount of these contracts outstanding at March 30, 2013 was approximately $78.2 million.

Income Taxes

Deferred income tax assets and liabilities have been provided for temporary differences between the tax bases and financial reporting bases of the Company's assets and liabilities using the tax rates and laws in effect for the periods in which the differences are expected to reverse. The Company periodically assesses the realizability of deferred tax assets and the adequacy of deferred tax liabilities, based on the results of local, state, federal or foreign statutory tax audits or estimates and judgments used.

Realization of deferred tax assets associated with net operating loss and tax credit carryforwards is dependent upon generating sufficient taxable income prior to their expiration in the applicable tax jurisdiction. The Company periodically reviews the recoverability of its deferred tax assets and provides valuation allowances, as deemed necessary, to reduce deferred tax assets to amounts that more-likely-than-not will be realized. The Company's management considers many factors when assessing the likelihood of future realization of deferred tax assets, including recent earnings results within various taxing jurisdictions, expectations of future taxable income, the carryforward periods remaining and other factors. Changes in the required valuation allowance are recorded in income in the period such determination is made. Deferred tax assets could be reduced in the future if the Company's estimates of taxable income during the carryforward period are significantly reduced or alternative tax strategies are no longer viable.

The Company recognizes the impact of an uncertain income tax position taken on its income tax returns at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will be recognized if it has less than a 50% likelihood of being sustained. The tax positions are analyzed periodically (at least quarterly) and adjustments are made as events occur that warrant adjustments for those positions. The Company records interest expense and penalties payable to relevant tax authorities as income tax expense.

Rent Expense, Deferred Rent and Landlord Construction Allowances

The Company leases office space, retail stores and distribution facilities under agreements that are classified as operating leases. Many of these operating leases include contingent rent provisions (percentage rent), and/or provide for certain landlord allowances related to tenant improvements and other relevant items. Rent expense is calculated by recognizing total minimum rental payments (net of any rental abatements, construction allowances and other rental concessions), on a straight-line basis, over the lease term. Accordingly, rent expense charged to operations differs from rent paid, resulting in the Company recording deferred rent, which is classified as a long-term liability in the Company's consolidated balance sheets. The recognition of rent expense for a given operating lease commences on the earlier of the lease commencement date or the date of possession of the property. The Company accounts for landlord allowances and incentives as a component of deferred rent, which is amortized over the lease term as a reduction of rent expense. The Company records rent expense as a component of selling, general and administrative expenses.

Deferred Financing Costs

The Company defers costs directly associated with acquiring third party financing. These deferred costs are amortized on a straight-line basis, which approximates the effective interest method, as interest expense over the term of the related indebtedness. As

of March 30, 2013, deferred financing costs were $3.4 million, net of accumulated amortization of $2.0 million, and as of March 31, 2012, deferred financing costs were $2.4 million, net of accumulated amortization of $1.3 million. Deferred financing costs are included in other assets on the consolidated balance sheets.

Net Income Per Share

The Company reported earnings per share in conformity with the two-class method for calculating and presenting earnings per share for fiscal years prior to Fiscal 2013, due to the existence of both ordinary and convertible preference securities in those periods. Under the two-class method, basic net income per ordinary share is computed by dividing the net income available to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the period. Net income available to shareholders is determined by allocating undistributed earnings between holders of ordinary and convertible preference shares, based on the participation rights of the preference shares. Diluted net income per share is computed by dividing the net income available to both ordinary and preference shareholders by the weighted-average number of dilutive shares outstanding during the period.

The Company's basic net income per share excludes the dilutive effect of share options and unvested restricted shares. It is based upon the weighted average number of ordinary shares outstanding during the period divided into net income.

Diluted net income per share reflects the potential dilution that would occur if share option grants or any other dilutive equity instruments were exercised or converted into ordinary shares. These equity instruments are included as potential dilutive securities to the extent they are dilutive under the treasury stock method for the applicable periods.

For the purposes of basic and diluted net income per share, as a result of the reorganization and exchange during July 2011, weighted average shares outstanding for purposes of presenting net income per share on a comparative basis were retroactively restated for all periods presented to reflect the exchange of ordinary shares for the newly issued ordinary and convertible preference shares as described in Note 2, as if such reorganization and exchange had occurred at the beginning of the periods presented. In addition, as a result of the 3.8-to-1 share split, which was completed on November 30, 2011, weighted average shares outstanding were retroactively restated for all periods presented.

The components of the calculation of basic net income per ordinary share and diluted net income per ordinary share are as follows (in thousands except share and per share data):

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Numerator:			
Net Income	$ 397,602	$ 147,364	$ 72,506
Net income applicable to preference shareholders	—	21,227	15,629
Net income available for ordinary shareholders	$ 397,602	$ 126,137	$ 56,877
Denominator:			
Basic weighted average ordinary shares	196,615,054	158,258,126	140,554,377
Weighted average dilutive share equivalents:			
Share options and restricted shares/units	4,925,090	2,628,650	—
Convertible preference shares	—	28,412,421	38,622,891
Diluted weighted average ordinary shares	201,540,144	189,299,197	179,177,268
Basic net income per ordinary share	$ 2.02	$ 0.80	$ 0.40
Diluted net income per ordinary share	$ 1.97	$ 0.78	$ 0.40

Share equivalents for 7,341 shares for the fiscal year ended March 30, 2013, have been excluded from the above calculation due to their anti-dilutive effect. Share equivalents for 343,787 for the fiscal year ended March 31, 2012, have been excluded from the above calculation due to their anti-dilutive effect. Share options for the fiscal year ended April 2, 2011 have been excluded from the calculation of diluted earnings per share as they were not exercisable during those periods, as the Company had not completed an IPO.

Recent Accounting Pronouncements—The Company has considered all new accounting pronouncements and has concluded that there are no new pronouncements that have a material impact on results of operations, financial condition, or cash flows, based on current information.

4. Receivables

Receivables consist of (in thousands):

	March 30, 2013	March 31, 2012
Trade receivables:		
Credit risk assumed by factors/insured	$199,677	$125,219
Credit risk retained by Company	45,588	28,021
Receivables due from licensees	7,344	6,026
	252,609	159,266
Less allowances:	(46,155)	(32,040)
	$206,454	$127,226

The Company has historically assigned a substantial portion of its trade receivables to factors in the United States and Europe whereby the factors assumed credit risk with respect to such receivables assigned. Under the factor agreements, factors bear the risk of loss from the financial inability of the customer to pay the trade receivable when due, up to such amounts as accepted by the factor; but not the risk of non-payment of such trade receivable for any other reason. Beginning in July 2012, the Company assumed responsibility for a large portion of previously factored accounts receivable balances the majority of which were insured at December 29, 2012. The Company provides an allowance for such non-payment risk at the time of sale, which is recorded as an offset to revenue.

Receivables are presented net of allowances for sales returns, discounts, markdowns, operational chargebacks and doubtful accounts. Sales returns are determined based on an evaluation of current market conditions and historical returns experience. Discounts are based on open invoices where trade discounts have been extended to customers. Markdowns are based on retail sales performance, seasonal negotiations with customers, historical deduction trends and an evaluation of current market conditions. Operational chargebacks are based on deductions taken by customers, net of expected recoveries. Such provisions, and related recoveries, are reflected in net sales.

The allowance for doubtful accounts is determined through analysis of periodic aging of receivables for which credit risk is not assumed by the factors, or which are not covered under insurance, and assessments of collectability based on an evaluation of historic and anticipated trends, the financial conditions of the Company's customers and the impact of general economic conditions. The past due status of a receivable is based on its contractual terms. Amounts deemed uncollectible are written off against the allowance when it is probable the amounts will not be recovered. Allowances for doubtful accounts were $1.1 million and $0.4 million, at the end of Fiscal 2013 and Fiscal 2012, respectively.

5. Concentration of Credit Risk, Major Customers and Suppliers

Financial instruments that subject the Company to concentration of credit risk are cash and cash equivalents and receivables. As part of its ongoing procedures, the Company monitors its concentration of deposits with various financial institutions in order to avoid any undue exposure. The Company mitigates its risk by depositing cash and cash equivalents in major financial institutions. With respect to certain of its receivables, the Company mitigates its credit risk through the assignment of receivables to a factor, as well as obtaining insurance coverage for a portion of non-factored receivables (as demonstrated in the above table in "Credit risk assumed by factors"). For the years ended March 30, 2013, March 31, 2012, and April 2, 2011, net sales related to one customer, within the Company's wholesale segment, accounted for approximately 14%, 13%, and 14%, respectively, of total revenue. The accounts receivable related to this customer were fully factored or substantially insured for all three fiscal years.

The Company contracts for the purchase of finished goods principally with independent third-party contractors, whereby the contractor is generally responsible for all manufacturing processes, including the purchase of piece goods and trim. Although the Company does not have any long-term agreements with any of its manufacturing contractors, the Company believes it has mutually satisfactory relationships with them. The Company allocates product manufacturing among agents and contractors based on their

capabilities, the availability of production capacity, quality, pricing and delivery. The inability of certain contractors to provide needed services on a timely basis could adversely affect the Company's operations and financial condition. The Company has relationships with various agents who source the Company's finished goods with numerous contractors on the Company's behalf. For the years ended March 30, 2013, March 31, 2012 and April 2, 2011, one agent sourced approximately 14.0%, 17.0%, and 19.5%, respectively, and one contractor accounted for approximately 31.8%, 31.0%, and 30.5%, respectively, of the Company's finished goods purchases.

6. Property and Equipment, Net

Property and equipment, net, consists of (in thousands):

	March 30, 2013	March 31, 2012
Furniture and fixtures	$ 76,336	$ 58,009
Equipment	13,276	10,871
Computer equipment and software	29,429	20,280
In-store shops	78,809	48,058
Leasehold improvements	168,306	137,771
	366,156	274,989
Less: accumulated depreciation and amortization	(165,340)	(117,487)
	200,816	157,502
Construction-in-progress	41,297	13,253
	$ 242,113	$ 170,755

Depreciation and amortization of property and equipment for the years ended March 30, 2013, March 31, 2012, and April 2, 2011, was $52.7 million, $36.0 million, and $23.6 million, respectively. During Fiscal 2013, Fiscal 2012 and Fiscal 2011, the Company recorded impairment charges of $0.7 million, $3.3 million, and $2.1 million, respectively, related to certain retail locations still in operation. The impairments related to one store in Fiscal 2013, and two stores in both Fiscal 2012 and Fiscal 2011.

7. Intangible Assets and Goodwill

The following table discloses the carrying values of intangible assets and goodwill (in thousands):

	March 30, 2013			March 31, 2012		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Trademarks	$23,000	$ 11,693	$11,307	$23,000	$ 10,545	$12,455
Lease Rights	12,433	2,760	9,673	3,838	2,147	1,691
Goodwill	14,005	—	14,005	14,005	—	14,005
	$49,438	$ 14,453	$34,985	$40,843	$ 12,692	$28,151

The trademarks relate to the Company's brand name and are amortized over twenty years. Lease rights are amortized over the respective terms of the underlying lease. Amortization expense was $1.5 million, $1.5 million, and $1.9 million, respectively, for each of the years ended March 30, 2013, March 31, 2012, and April 2, 2011.

Goodwill is not amortized but is evaluated annually for impairment in the last quarter or each fiscal year, or whenever impairment indicators exist. The Company evaluated goodwill during the fourth fiscal quarter of Fiscal 2013, and determined that there was no impairment. As of March 30, 2013, cumulative impairment related to goodwill totaled $5.4 million. There were no charges related to the impairment of goodwill in the periods presented.

Estimated amortization expense for each of the next five years is as follows (in thousands):

Fiscal 2014	$ 2,187
Fiscal 2015	2,240
Fiscal 2016	2,234
Fiscal 2017	2,234
Fiscal 2018	2,187
Thereafter	9,898
	$20,980

As a result of impairment charges recognized in Fiscal 2011 related to certain retail stores, as described in Note 6, the Company recognized impairment charges of $1.8 million for lease rights related to those stores. There were no impairments to lease rights related to the stores which were impaired during Fiscal 2013 and Fiscal 2012.

8. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of (in thousands):

	March 30, 2013	March 31, 2012
Professional services	$ 4,041	$ 2,545
Advance royalty	1,094	9,881
Inventory purchases	5,040	3,750
Sales tax payable	7,635	4,636
Unrealized loss on foreign exchange contracts	334	276
Advertising	3,013	2,038
Other	12,398	9,971
	$33,555	$33,097

9. Credit Facilities

Secured Revolving Credit Facility

The Company had a revolving credit facility, with a maturity date of September 15, 2015, which it terminated during February 2013 (the "2011 Credit Facility"). The 2011 Credit Facility was originally entered into during Fiscal 2007 and was amended on September 15, 2011. Pursuant to such amendment, the Credit Facility provided up to $100.0 million of borrowings, and was originally set to expire on September 15, 2015. The agreement also provided for loans and letters of credit to our European subsidiaries of up to $35.0 million. All other terms and conditions under the 2011 Credit Facility remained consistent with the original agreement. The 2011 Credit Facility provided for aggregate credit available equal to the lesser of (i) $100.0 million, or (ii) the sum of specified percentages of eligible receivables and eligible inventory, as defined, plus $30.0 million. The terms of the 2011 Credit Facility required all amounts outstanding under the agreement to be collateralized by substantially all of our assets throughout the duration of the agreement. The 2011 Credit Facility contained financial covenants which limited our capital expenditures to $110.0 million for any one fiscal year plus additional amounts as permitted, and a minimum fixed charge coverage ratio of 2.0 to 1.0 (with the ratio being EBITDA plus consolidated rent expense to the sum of fixed charges plus consolidated rent expense), restricted and limited additional indebtedness, and restricted the incurrence of additional liens and cash dividends. During Fiscal 2013, and prior to its termination, the Company was in compliance with all of the covenants covered under the agreement.

Borrowings under the 2011 Credit Facility accrued interest at the rate per annum announced from time to time by the agent of 1.25% above the prevailing applicable prime rate, or at a per annum rate equal to 2.25% above the prevailing LIBOR rate. The weighted average interest rate for the revolving credit facility was 2.72% during Fiscal 2013. The Credit Facility required an annual facility fee of $0.1 million, and an annual commitment fee of 0.35% on the unused portion of the available credit under the Credit Facility, which was payable quarterly.

At March 30, 2013 there were no amounts outstanding or available related to this agreement. The largest amount borrowed from the 2011 Credit Facility during Fiscal 2013 was $31.7 million.

Senior Unsecured Revolving Credit Facility

On February 8, 2013, the Company terminated the provisions of its existing 2011 Credit Facility and entered into a senior unsecured credit facility ("2013 Credit Facility"). Pursuant to the agreement the 2013 Credit Facility provides up to $200.0 million of borrowings, and expires on February 15, 2018. The agreement also provides for loans and letters of credit to our European subsidiaries of up to $100.0 million. The 2013 Credit Facility contains financial covenants such as requiring an adjusted leverage ratio of 3.5 to 1.0 (with the ratio being total consolidated indebtedness plus 8.0 times consolidated rent expense to EBITDA plus consolidated rent expense) and a fixed charge coverage ratio of 2.0 to 1.0 (with the ratio being EBITDA plus consolidated rent expense to the sum of fixed charges plus consolidated rent expense), restricts and limits additional indebtedness, and restricts the incurrence of additional liens and cash dividends. As of March 30, 2013, the Company was in compliance with all covenants related to this agreement.

Borrowings under the 2013 Credit Facility accrue interest at the rate per annum announced from time to time by the agent a rate based on the rates applicable for deposits in the London interbank market for U.S. Dollars or the applicable currency in which the loans are made (the "Adjusted LIBOR") plus an applicable margin. The applicable margin may range from 1.25% to 2.5%, and is based, or dependent upon, a particular threshold related to the adjusted leverage ratio calculated during the period of borrowing. The 2013 Credit Facility requires an annual facility fee of $0.1 million, and an annual commitment fee of 0.25% to 0.35% on the unused portion of the available credit under the facility.

As of March 30, 2013, there were no amounts outstanding under the 2013 Credit Facility, and the amount available for future borrowings was $188.7 million. There were no amounts borrowed during Fiscal 2013, which were related to this agreement. At March 30, 2013, there were documentary letters of credit outstanding of approximately $2.0 million, and stand-by letters of credit of $9.3 million.

10. Commitments and Contingencies

Leases

The Company leases office space, retail stores and warehouse space under operating lease agreements that expire at various dates through April 2026. In addition to minimum rental payments, the leases require payment of increases in real estate taxes and other expenses incidental to the use of the property.

Rent expense for the Company's operating leases for the fiscal years then ended consist of the following (in thousands):

	March 30, 2013	March 31, 2012	April 2, 2011
Minimum rentals	$ 74,708	$61,364	$43,875
Contingent rent	29,871	11,209	3,049
Total rent expense	$104,579	$72,573	$46,924

Future minimum lease payments under the terms of these noncancelable operating lease agreements are as follows (in thousands):

Fiscal year ending	
2014	$ 82,869
2015	84,534
2016	81,384
2017	79,802
2018	77,263
Thereafter	282,706
	$688,558

The Company has issued stand-by letters of credit to guarantee certain of its retail and corporate operating lease commitments, aggregating $8.9 million at March 30, 2013.

Long-term Employment Contract

The Company has an employment agreement with one of its officers that provides for continuous employment through the date of the officer's death or permanent disability at a current salary of $2.5 million. In addition to salary, the agreement provides for an annual bonus and other employee related benefits.

Contingencies

In the ordinary course of business, the Company is party to various legal proceedings and claims. Although the outcome of such items cannot be determined with certainty, the Company's management does not believe that the outcome of all pending legal proceedings in the aggregate will have a material adverse effect on its cash flow, results of operations or financial position.

11. Fair Value of Financial Instruments

Financial assets and liabilities are measured at fair value using a valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy of a particular asset or liability depends on the inputs used in the valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally derived (unobservable). Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs based on a company's own assumptions about market participant assumptions developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that a company has the ability to access at the measurement date.

Level 2 – Valuations based on quoted inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Company has historically entered into forward exchange contracts to hedge the foreign currency exposure for certain inventory purchases from its manufacturers in Europe and Asia, as well as commitments for certain services. The forward contracts that are used in the program mature in eighteen months or less, consistent with the related planned purchases or services. The Company attempts to hedge the majority of its total anticipated European and Asian purchase and service contracts. Realized gains

and losses applicable to derivatives used for inventory purchases are recognized in cost of sales, and those applicable to other services are recognized in selling, general and administrative expenses (see Note 3- Summary of Significant Accounting Policies, *Derivative Financial Instruments,* for further detail regarding hedge accounting treatment as it relates to gains and losses). At March 30, 2013, the fair value of the Company's foreign currency forward contracts, the Company's only derivatives, were valued using broker quotations which include observable market information. The Company makes no adjustments to these broker obtained quotes or prices, but does assess the credit risk of the counterparty and would adjust the provided valuations for counterparty credit risk when appropriate. The fair value of the forward contracts are included in prepaid expenses and other current assets, and in accrued expenses and other current liabilities in the consolidated balance sheets, depending on whether they represent assets or (liabilities) to the Company. All contracts are categorized in Level 2 of the fair value hierarchy as shown in the following table:

		Fair value at March 30, 2013, using:		
(In thousands)	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Foreign currency forward contracts- Euro	$1,367	$ —	$ 1,367	$ —
Foreign currency forward contracts- U.S. Dollar	(71)	—	(71)	—
Total	$1,296	$ —	$ 1,296	$ —

The Company's cash and cash equivalents, accounts receivable and accounts payable, are recorded at carrying value, which approximates fair value. Borrowings under the Credit Facility are recorded at face value as the fair value of the Credit Facility is synonymous with its recorded value as it is a short-term debt facility due to its revolving nature.

12. Share-Based Compensation

The Company issues equity grants to certain employees and directors of the Company at the discretion of the Company's Compensation Committee. The Company has two equity plans, one adopted in Fiscal 2008, the Michael Kors (USA), Inc. Stock Option Plan (as amended and restated, the "2008 Plan"), and the other adopted in the third fiscal quarter of Fiscal 2012, the Michael Kors Holdings Limited Omnibus Incentive Plan (the "2012 Plan"). The 2008 Plan provided for the granting of share options only and was authorized to issue up to 23,980,823 ordinary shares. As of March 30, 2013, there are no shares available for the granting of equity awards under the 2008 Plan. The 2012 Plan allows for the granting of share options, restricted shares and restricted share units, and other equity awards, and authorizes a total issuance of up to 15,246,000 ordinary shares. At March 30, 2013, there were 12,903,197 ordinary shares available for the granting of equity awards under the 2012 Plan. Option grants issued from the 2008 Plan generally expire ten years from the date of the grant, and those issued under the 2012 Plan generally expire seven years from the date of the grant.

Share Options

Share options are generally exercisable at no less than the fair market value on the date of grant. The Company has issued two types of option grants, those that vest based on the attainment of a performance target and those that vest based on the passage of time. Performance based share options may vest based upon the attainment of one of two performance measures. One performance measure is an individual performance target, which is based upon certain performance targets unique to the individual grantee, and the other measure is a company-wide performance target, which is based on a cumulative minimum growth requirement in consolidated net equity. The individual performance target vests 20% of the total option grant each year the target is satisfied. The individual has ten years in which to achieve five individual performance vesting tranches. The company-wide performance target must be achieved over the ten-year term. Performance is measured at the end of the term, and any unvested options under the grant vest if the target is achieved. The Company-wide performance target is established at the time of the grant. The target metrics underlying individual performance vesting requirements are established for each recipient each year up until such time as the grant is fully vested. Options subject to time based vesting requirements become vested in four equal increments on each of the first, second, third and fourth anniversaries of the date on which such options were awarded.

The following table summarizes the share options activity during Fiscal 2013, and information about options outstanding at March 30, 2013:

	Number of Options	Weighted Average Exercise price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at March 31, 2012	19,542,400	$ 6.59		
Granted	55,248	$ 50.15		
Exercised	(8,704,477)	$ 3.50		
Canceled/forfeited	(511,829)	$ 10.77		
Outstanding at March 30, 2013	10,381,342	$ 9.21	7.13	$ 493,945
Vested or expected to vest at March 30, 2013	9,716,968	$ 9.21	7.11	$ 461,486
Vested and exercisable at March 30, 2013	2,057,884	$ 7.91	6.14	$ 100,587

The total intrinsic value of options exercised during Fiscal 2013 was $415.1 million. The cash received from options exercised during Fiscal 2013, was $30.4 million. The total intrinsic value of options exercised during Fiscal 2012 was $109.5 million. The cash received from options exercised during Fiscal 2012, was $9.7 million.

The weighted average grant date fair value for options granted during Fiscal 2013, Fiscal 2012, and Fiscal 2011, was $20.66, $8.01, and $3.08, respectively. The following table represents assumptions used to estimate the fair value of options:

	Fiscal Year Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Expected dividend yield	0.0%	0.0%	0.0%
Volatility factor	48.5%	46.5%	46.7%
Weighted average risk-free interest rate	0.6%	1.8%	3.2%
Expected life of option	4.75 years	7.8 years	10 years

Restricted Shares

The Company grants restricted shares and restricted share units at the fair market value at the date of the grant. Expense for restricted share grants is calculated based on the intrinsic value of the grant, which is the difference between the cost to the recipient and the fair market value of the underlying share (grants are generally issued at no cost to the recipient). Expense is recognized ratably over the vesting period which is generally four years from the date of the grant. Similar to share options, restricted share grants vest in four equal increments on each of the first, second, third and fourth anniversaries of the date on which such grants were awarded. Restricted share units vest in full on the first anniversary of the date of the grant.

The following table summarizes restricted shares and restricted share units for the 2012 Plan as of March 30, 2013 and changes during the fiscal year then ended:

	Number of Unvested Restricted Shares/Units	Weighted Average Grant Date Fair Value
Unvested at March 31, 2012	836,874	$ 22.53
Granted	35,470	$ 49.66
Vested	(221,147)	$ 22.31
Canceled/forfeited	(5,966)	$ 25.26
Unvested at March 30, 2013	645,231	$ 23.98

The total fair value of restricted shares/units vested during Fiscal 2013 was $11.3 million. There were no restricted shares/units that vested prior to Fiscal 2013.

Compensation expense attributable to share-based compensation for Fiscal 2013 and Fiscal 2012 was approximately $20.9 and $27.0 million, respectively. There was no compensation expense recognized prior to Fiscal 2012, as the Company had not completed an IPO which was one of the vesting requirements for all equity grants. Had the completion of an IPO occurred as of the beginning of the periods presented, compensation expense of $5.3 million would have been recognized for Fiscal 2011. As of March 30, 2013, the remaining unrecognized share-based compensation expense for non-vested share options and restricted shares to be expensed in future periods is $42.6 million, and the related weighted-average period over which it is expected to be recognized is 4.6 years. There were 2,057,884 and 8,323,458 vested and non-vested outstanding options, respectively, at March 30, 2013. There were 617,468 unvested restricted grants and 27,763 restricted share units at March 30, 2013. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company estimates forfeitures based on its historical forfeiture rate since the inception of share option granting. The estimated value of future forfeitures for equity grants as of March 30, 2013 is approximately $2.0 million.

13. Taxes

MKHL is incorporated in the British Virgin Islands and is generally not subject to taxation. MKHL's subsidiaries are subject to taxation in the United States and various other foreign jurisdictions which are aggregated in the "Non-U.S," information captioned below.

Income (loss) before provision for income taxes consisted of the following (in thousands):

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
United States	$538,607	$227,514	$134,197
Non-U.S.	88,520	21,302	(978)
Total income before provision for income taxes	$627,127	$248,816	$133,219

The provision for income taxes was as follows (in thousands):

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Current			
U.S. Federal	$179,014	$ 79,690	$30,494
U.S. State	32,249	20,916	11,527
Non-U.S.	15,040	8,575	6,249
Total current	226,303	109,181	48,270
Deferred			
U.S. Federal	1,246	(4,128)	9,950
U.S. State	2,088	(3,595)	2,057
Non-U.S.	(112)	(6)	436
Total deferred	3,222	(7,729)	12,443
Total provision for income taxes	$229,525	$101,452	$60,713

The following table summarizes the significant differences between the United States Federal statutory tax rate and the Company's effective tax rate for financial statement purposes:

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Federal tax at 35% statutory rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal benefit	3.6%	4.8%	7.1%
Differences in tax effects on foreign income	–3.1%	–1.3%	1.9%
Foreign tax credit	–0.2%	–0.6%	–1.1%
Liability for uncertain tax positions	0.5%	0.2%	0.3%
Effect of changes in valuation allowances on deferred tax assets	0.3%	1.8%	2.5%
Other	0.5%	0.9%	–0.1%
	36.6%	40.8%	45.6%

Significant components of the Company's deferred tax assets (liabilities) consist of the following (in thousands):

	March 30, 2013	March 31, 2012
Deferred tax assets		
Inventories	$ 8,469	$ 5,185
Payroll related accruals	1,188	1,123
Deferred rent	16,209	11,677
Net operating loss carryforwards	8,508	8,142
Stock compensation	8,909	7,777
Deferred revenue	—	3,993
Other	2,331	1,464
	45,614	39,361
Valuation allowance	(8,746)	(8,233)
Total deferred tax assets	36,868	31,128
Deferred tax liabilities		
Goodwill and intangibles	(14,780)	(1,222)
Depreciation	(20,927)	(20,801)
Other	(1,455)	(308)
Total deferred tax liabilities	(37,162)	(22,331)
Net deferred tax (liability) assets	$ (294)	$ 8,797

The Company maintains valuation allowances on deferred tax assets applicable to subsidiaries in jurisdictions for which separate income tax returns are filed and where realization of the related deferred tax assets from future profitable operations is not reasonably assured. Deferred tax valuation allowances were increased by approximately $1.6 million in Fiscal 2013, $4.4 million in Fiscal 2012, and $3.3 million in Fiscal 2011. As a result of the attainment and expectation of achieving profitable operations in certain countries comprising the Company's European operations and certain state jurisdictions in the United States, for which deferred tax valuation allowances had been previously established, the Company released valuation allowances amounting to approximately $1.1 million in Fiscal 2013, $0.2 million in Fiscal 2012, and $0.9 million in Fiscal 2011.

The Company has non-U.S. net operating loss carryforwards of approximately $51.7 million that will begin to expire in 2016.

As of March 30, 2013, the Company has accrued a liability of approximately $7.1 million related to uncertain tax positions, which includes accrued interest, which is included in other long-term liabilities in the consolidated balance sheets.

The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate was approximately $6.6 million at March 30, 2013, and approximately $1.8 million at March 31, 2012. A reconciliation of the beginning and ending amounts of unrecognized tax benefits, excluding accrued interest, for Fiscal 2013 and Fiscal 2012, are presented below (in thousands):

	March 30, 2013	March 31, 2012
Unrecognized tax benefits beginning balance	$ 1,758	$ 939
Additions related to prior period tax positions	3,318	246
Additions related to current period tax positions	2,482	573
Decreases from prior period positions	(930)	—
Unrecognized tax benefits ending balance	$ 6,628	$ 1,758

The Company classifies interest expense and penalties related to unrecognized tax benefits as components of the provision for income taxes. Interest expense recognized in the consolidated statements of operations for Fiscal 2013 and Fiscal 2012 was approximately $0.3 million and $0.1 million, respectively.

The total amount of unrecognized tax benefits relating to the Company's tax positions is subject to change based on future events, including, but not limited to, the settlements of ongoing audits and/or the expiration of applicable statutes of limitations. The Company files income tax returns in the United States, for federal, state, and local purposes, and in certain foreign jurisdictions. With few exceptions, the Company is no longer subject to examinations by the relevant tax authorities for years prior to its fiscal year ended March 28, 2009.

The total amount of undistributed earnings of United States and other non-U.S. subsidiaries as of March 30, 2013 was approximately $671.1 million. It is the Company's intention to permanently reinvest undistributed earnings of its United States and non-U.S. subsidiaries and thereby indefinitely postpone their remittance. Accordingly, no provision has been made for withholding taxes or income taxes which may become payable if undistributed earnings are paid as dividends.

14. Retirement Plans

The Company maintains defined contribution plans for employees, who become eligible to participate after three months of service. Features of these plans allow participants to contribute to a plan a percentage of their compensation, up to statutory limits depending upon the country in which a plan operates, and provide for mandatory and/or discretionary matching contributions by the Company. For the years ended March 30, 2013, March 31, 2012, and April 2, 2011, the Company recognized expense of approximately $2.2 million. $1.6 million and $1.3 million, respectively, related to these retirement plans.

15. Segment Information

The Company operates its business through three operating segments—Retail, Wholesale and Licensing—which are based on its business activities and organization. The operating segments are segments of the Company for which separate financial information is available and for which operating results are evaluated regularly by executive management in deciding how to allocate resources, as well as in assessing performance. The primary key performance indicators are net sales or revenue (in the case of Licensing) and operating income for each segment. The Company's reportable segments represent channels of distribution that offer similar merchandise, customer experience and sales/marketing strategies. Sales of the Company's products through Company owned stores for the Retail segment include "Collection," "Lifestyle" including "concessions," and outlet stores located throughout North America, Europe, and Japan. Products sold through the Retail segment include women's apparel, accessories (which include handbags and small leather goods such as wallets), footwear and licensed products, such as watches, fragrances and eyewear. The Wholesale segment includes sales primarily to major department stores and specialty shops throughout North America and Europe. Products sold through the Wholesale segment include accessories (which include handbags and small leather goods such as wallets), footwear and women's and men's apparel. The Licensing segment includes royalties earned on licensed products and use of the Company's trademarks, and rights granted to third parties for the right to sell the Company's products in certain geographical regions (e.g. the Middle East) and countries such as Korea, the Philippines, Singapore, Malaysia, Russia and Turkey. All intercompany revenues are eliminated in consolidation and are not reviewed when evaluating segment performance. Corporate overhead expenses are allocated to the segments based upon specific usage or other allocation methods.

The Company has allocated $12.1 million and $1.9 million of its recorded goodwill to its Wholesale and Licensing segments, respectively. The Company does not have identifiable assets separated by segment. The following table presents the key performance information of the Company's reportable segments (in thousands):

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Revenue:			
Net sales: Retail	$1,062,642	$ 626,940	$344,195
Wholesale	1,032,115	610,160	413,605
Licensing	86,975	65,154	45,539
Total revenue	$2,181,732	$1,302,254	$803,339
Income from operations:			
Retail	$ 315,654	$ 121,851	$ 61,194
Wholesale	269,323	85,000	48,241
Licensing	45,037	40,831	27,431
Income from operations	$ 630,014	$ 247,682	$136,866

Depreciation and amortization expense for each segment are as follows (in thousands):

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Depreciation:			
Retail (1)	$35,388	$25,293	$16,526
Wholesale	18,531	12,012	8,894
Licensing	372	249	123
Total depreciation	$54,291	$37,554	$25,543

(1) Excluded in the above table are impairment charges related to the retail segment for $0.7 million, $3.3 million, and $3.8 million, during the fiscal years ended March 30, 2013, March 31, 2012, and April 2, 2011, respectively.

Total revenue (as recognized based on country of origin), and long-lived assets by geographic location of the consolidated Company are as follows (in thousands):

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
Net revenues:			
North America (U.S. and Canada)	$1,938,635	$1,183,234	$763,819
Europe	220,724	108,790	38,502
Other regions	22,373	10,230	1,018
Total net revenues	$2,181,732	$1,302,254	$803,339

	As of	
	March 30, 2013	March 31, 2012
Long-lived assets:		
North America (U.S. and Canada)	$209,973	$151,516
Europe	46,154	27,857
Other regions	6,966	5,528
Total Long-lived assets:	$263,093	$184,901

16. Agreements with Shareholders and Related Party Transactions

During July 2011, the note payable to the Company's former parent, for $101.7 million, was exchanged for 475,796 preference shares and 6,579,662 ordinary shares, after taking into effect the impact of the share exchange that resulted from the reorganization discussed in Note 2. Accordingly, there are no outstanding balances related to the note, subsequent to the aforementioned transaction.

From time to time, Sportswear Holdings Limited or its affiliates have provided a plane for purposes of business travel to the directors and senior management of the Company at no charge to the Company. During Fiscal 2013, approximately $0.3 million, representing the estimated costs of these services, which are based on allocated or incremental cost, was charged to selling, general and administrative expenses as an offset to contributed capital (additional paid-in capital). The Company or its chief executive officer may arrange a plane owned by Sportswear Holdings Limited or its affiliates to be used for the Company's directors and senior management for purposes of business travel on terms and conditions not less favorable to the Company than it would receive in an arm's-length transaction with a third party. To the extent the Company's chief executive officer enters into such an arrangement for business travel, the Company will reimburse him for the actual market price paid for the use of such plane. These reimbursed expenses will be charged to the Company's operations but will not result in an increase to additional paid-in capital.

The Company's Chief Creative Officer Michael Kors, John Idol, and certain of the Company's current shareholders, including Sportswear Holdings Limited, jointly own Michael Kors Far East Holdings Limited, a BVI company. During Fiscal 2012, the Company entered into certain licensing agreements with certain subsidiaries of Michael Kors Far East Holdings Limited (the "Licensees") which provide the Licensees with certain exclusive rights for use of the Company's trademarks within China, Hong Kong, Macau and Taiwan, and to import, sell, advertise and promote certain of the Company's products in these regions, as well as to own and operate stores which bear the Company's tradenames. The agreements between the Company and subsidiaries of Michael Kors Far East Holdings Limited expire on March 31, 2041, and may be terminated by the Company at certain intervals if certain minimum sale benchmarks are not met. As of March 30, 2013, there were no royalties earned under these agreements. Under these agreements no royalties will be earned until the start of the Company's fiscal 2014 year. The Company also provides the Licensees with certain services, including, but not limited to, supply chain and logistics support, and management information system support at the request of the Licensees, for which the Company charges a service fee based on allocated internal costs employed in delivering the services, and includes a contractually agreed upon markup. During Fiscal 2013, amounts charged to the Licensees for these services totaled $0.3 million, which is recorded in other selling, general and administrative expenses.

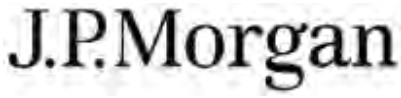
The Company routinely purchases certain inventory from a manufacturer owned by one of its directors. Amounts purchased during Fiscal 2013, Fiscal 2012 and Fiscal 2011, were approximately $5.7 million, $2.7 million and $2.6 million, respectively.

17. Selected Quarterly Financial Information (Unaudited)

The following table summarizes the Fiscal 2013 and 2012 quarterly results (dollars in thousands):

	Fiscal Quarter Ended			
	June	September	December	March
Year Ended March 30, 2013				
Total Revenue	$ 414,865	$ 532,935	$ 636,778	$ 597,154
Gross profit	$ 251,000	$ 315,900	$ 383,451	$ 356,215
Income from operations	$ 111,943	$ 157,928	$ 204,839	$ 155,304
Net income	$ 68,645	$ 97,828	$ 130,028	$ 101,101
Weighted average ordinary shares outstanding:				
Basic	192,790,454	194,323,935	199,291,480	200,080,126
Diluted	199,391,127	200,192,291	202,817,811	203,785,123
Year Ended March 31, 2012				
Total Revenue	$ 243,126	$ 305,532	$ 373,606	$ 379,990
Gross profit	$ 136,969	$ 175,100	$ 221,905	$ 219,122
Income from operations	$ 44,976	$ 59,278	$ 64,587	$ 78,841
Net income	$ 24,115	$ 40,606	$ 39,031	$ 43,612
Weighted average ordinary shares outstanding:				
Basic	140,554,377	146,555,601	154,738,356	191,184,171
Diluted	179,177,268	187,580,161	193,583,954	196,855,404

Exhibit 4.2
EXECUTION COPY



CREDIT AGREEMENT

dated as of

February 8, 2013

among

MICHAEL KORS (USA), INC.

The Foreign Subsidiary Borrowers Party Hereto

The Guarantors Party Hereto

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

BANK OF AMERICA, N.A.,
as Syndication Agent

and

HSBC BANK USA, NATIONAL ASSOCIATION and WELLS FARGO BANK, NATIONAL ASSOCIATION
as Co-Documentation Agents

J.P. MORGAN SECURITIES LLC
as Sole Bookrunner and Sole Lead Arranger

Table Of Contents

		Page
ARTICLE I Definitions		1
SECTION 1.01.	DEFINED TERMS	1
SECTION 1.02.	CLASSIFICATION OF LOANS AND BORROWINGS	29
SECTION 1.03.	OTHER INTERPRETIVE PROVISIONS	29
SECTION 1.04.	ACCOUNTING TERMS; GAAP; PRO FORMA CALCULATIONS; EXCHANGE RATES	30
SECTION 1.05.	STATUS OF OBLIGATIONS	32
SECTION 1.06.	CERTIFICATIONS	32
ARTICLE II The Credits		32
SECTION 2.01.	COMMITMENTS	32
SECTION 2.02.	LOANS AND BORROWINGS	32
SECTION 2.03.	REQUESTS FOR REVOLVING BORROWINGS	33
SECTION 2.04.	DETERMINATION OF DOLLAR AMOUNTS	34
SECTION 2.05.	SWINGLINE LOANS	35
SECTION 2.06.	LETTERS OF CREDIT	36
SECTION 2.07.	FUNDING OF BORROWINGS	40
SECTION 2.08.	INTEREST ELECTIONS	41
SECTION 2.09.	TERMINATION AND REDUCTION OF COMMITMENTS	43
SECTION 2.10.	REPAYMENT OF LOANS; EVIDENCE OF DEBT	43
SECTION 2.11.	PREPAYMENT OF LOANS	44
SECTION 2.12.	FEES	45
SECTION 2.13.	INTEREST	47
SECTION 2.14.	ALTERNATE RATE OF INTEREST	48
SECTION 2.15.	INCREASED COSTS	48
SECTION 2.16.	BREAK FUNDING PAYMENTS	50
SECTION 2.17.	TAXES	50
SECTION 2.18.	PAYMENTS GENERALLY; PRO RATA TREATMENT; SHARING OF SET-OFFS	54
SECTION 2.19.	MITIGATION OBLIGATIONS; REPLACEMENT OF LENDERS	55
SECTION 2.20.	EXPANSION OPTION	56
SECTION 2.21.	[INTENTIONALLY OMITTED]	57
SECTION 2.22.	JUDGMENT CURRENCY	57
SECTION 2.23.	DESIGNATION OF FOREIGN SUBSIDIARY BORROWERS	58
SECTION 2.24.	DEFAULTING LENDERS	58
SECTION 2.25.	FINANCIAL ASSISTANCE	60
SECTION 2.26.	INTEREST ACT (CANADA)	61
ARTICLE III Representations and Warranties		62
SECTION 3.01.	ORGANIZATION; POWERS; SUBSIDIARIES	62
SECTION 3.02.	AUTHORIZATION; ENFORCEABILITY	62
SECTION 3.03.	GOVERNMENTAL APPROVALS; NO CONFLICTS	62
SECTION 3.04.	FINANCIAL CONDITION; NO MATERIAL ADVERSE CHANGE	62
SECTION 3.05.	PROPERTIES	63
SECTION 3.06.	LITIGATION, ENVIRONMENTAL AND LABOR MATTERS	63
SECTION 3.07.	COMPLIANCE WITH LAWS AND AGREEMENTS	63
SECTION 3.08.	INVESTMENT COMPANY STATUS	63

Table Of Contents
(continued)

		Page
SECTION 3.09.	TAXES	63
SECTION 3.10.	ERISA	64
SECTION 3.11.	DISCLOSURE	64
SECTION 3.12.	FEDERAL RESERVE REGULATIONS	64
SECTION 3.13.	NO DEFAULT	64
SECTION 3.14.	SOLVENCY	64
SECTION 3.15.	SENIOR INDEBTEDNESS	65
SECTION 3.16.	USA PATRIOT ACT	65
SECTION 3.17.	EMBARGOED PERSONS	65
SECTION 3.18.	COMPLIANCE WITH THE SWISS TWENTY NON-BANK RULE	65
ARTICLE IV Conditions		66
SECTION 4.01.	EFFECTIVE DATE	66
SECTION 4.02.	EACH CREDIT EVENT	67
SECTION 4.03.	DESIGNATION OF A FOREIGN SUBSIDIARY BORROWER	67
ARTICLE V Affirmative Covenants		68
SECTION 5.01.	FINANCIAL STATEMENTS AND OTHER INFORMATION	68
SECTION 5.02.	NOTICES OF MATERIAL EVENTS	69
SECTION 5.03.	EXISTENCE; CONDUCT OF BUSINESS	69
SECTION 5.04.	PAYMENT OF OBLIGATIONS	70
SECTION 5.05.	MAINTENANCE OF PROPERTIES; INSURANCE	70
SECTION 5.06.	BOOKS AND RECORDS; INSPECTION RIGHTS	70
SECTION 5.07.	COMPLIANCE WITH LAWS AND MATERIAL CONTRACTUAL OBLIGATIONS	70
SECTION 5.08.	USE OF PROCEEDS AND LETTERS OF CREDIT	71
SECTION 5.09.	GUARANTORS	71
SECTION 5.10.	CENTRE OF MAIN INTERESTS AND ESTABLISHMENT	72
SECTION 5.11.	COMPLIANCE WITH THE SWISS TWENTY NON-BANK RULE	72
ARTICLE VI Negative Covenants		72
SECTION 6.01.	INDEBTEDNESS	72
SECTION 6.02.	LIENS	74
SECTION 6.03.	FUNDAMENTAL CHANGES AND ASSET SALES	76
SECTION 6.04.	INVESTMENTS, LOANS, ADVANCES, GUARANTEES AND ACQUISITIONS	79
SECTION 6.05.	SWAP AGREEMENTS	81
SECTION 6.06.	TRANSACTIONS WITH AFFILIATES	81
SECTION 6.07.	RESTRICTED PAYMENTS	81
SECTION 6.08.	RESTRICTIVE AGREEMENTS	82
SECTION 6.09.	SUBORDINATED INDEBTEDNESS; AMENDMENTS TO SUBORDINATED INDEBTEDNESS DOCUMENTS; AMENDMENTS TO ORGANIZATIONAL DOCUMENTS	82
SECTION 6.10.	FINANCIAL COVENANTS	83
ARTICLE VII Events of Default		83

Table Of Contents
(continued)

	Page
ARTICLE VIII The Administrative Agent	85
ARTICLE IX Miscellaneous	87
SECTION 9.01. NOTICES	87
SECTION 9.02. WAIVERS; AMENDMENTS	89
SECTION 9.03. EXPENSES; INDEMNITY; DAMAGE WAIVER	90
SECTION 9.04. SUCCESSORS AND ASSIGNS	92
SECTION 9.05. SURVIVAL	96
SECTION 9.06. COUNTERPARTS; INTEGRATION; EFFECTIVENESS	96
SECTION 9.07. SEVERABILITY	96
SECTION 9.08. RIGHT OF SETOFF	96
SECTION 9.09. GOVERNING LAW; JURISDICTION; CONSENT TO SERVICE OF PROCESS	97
SECTION 9.10. WAIVER OF JURY TRIAL	98
SECTION 9.11. HEADINGS	98
SECTION 9.12. CONFIDENTIALITY	98
SECTION 9.13. USA PATRIOT ACT; ANTI-MONEY LAUNDERING LAWS	99
SECTION 9.14. RELEASES OF GUARANTORS	100
SECTION 9.15. INTEREST RATE LIMITATION	100
SECTION 9.16. NO ADVISORY OR FIDUCIARY RESPONSIBILITY	100

Page

SCHEDULES:

Schedule 2.01 – Commitments
Schedule 2.02 – Mandatory Cost
Schedule 2.06 – Existing Letters of Credit
Schedule 3.01 – Subsidiaries
Schedule 3.06 – Litigation
Schedule 6.01 – Existing Indebtedness
Schedule 6.02 – Existing Liens
Schedule 6.04 – Existing Investments
Schedule 6.06 – Existing Transactions with Affiliates
Schedule 6.08 – Existing Restrictive Agreements

EXHIBITS:

Exhibit A – Form of Assignment and Assumption
Exhibit B – [Intentionally Omitted]
Exhibit C – Form of Increasing Lender Supplement
Exhibit D – Form of Augmenting Lender Supplement
Exhibit E – List of Closing Documents
Exhibit F-1 – Form of Borrowing Subsidiary Agreement
Exhibit F-2 – Form of Borrowing Subsidiary Termination
Exhibit G – Form of Guaranty
Exhibit H-1 – Form of U.S. Tax Certificate (Foreign Lenders That Are Not Partnerships)
Exhibit H-2 – Form of U.S. Tax Certificate (Foreign Participants That Are Not Partnerships)
Exhibit H-3 – Form of U.S. Tax Certificate (Foreign Participants That Are Partnerships)
Exhibit H-4 – Form of U.S. Tax Certificate (Foreign Lenders That Are Partnerships)
Exhibit I-1 – Form of Borrowing Request
Exhibit I-2 – Form of Interest Election Request
Exhibit J – Form of Note

CREDIT AGREEMENT (this "Agreement") dated as of February 8, 2013 among MICHAEL KORS (USA), INC., the FOREIGN SUBSIDIARY BORROWERS from time to time party hereto, the GUARANTORS from time to time party hereto, the LENDERS from time to time party hereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, BANK OF AMERICA, N.A., as Syndication Agent and HSBC BANK USA, NATIONAL ASSOCIATION and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing (other than a Canadian Loan), refers to a Loan, or the Loans comprising such Borrowing, bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acquisition" means any acquisition (in one transaction or a series of related transactions) by MK Holdings or any Subsidiary, on or after the Effective Date (whether effected through a purchase of Equity Interests or assets or through a merger, consolidation or amalgamation), of (i) another Person including the Equity Interests of any Person in which MK Holdings or any Subsidiary owns an Equity Interest, (ii) the assets constituting all or substantially all of a business or operating business unit of another Person or (iii) in any case where clauses (i) and (ii) above are inapplicable, the rights of any licensee (including by means of the termination of such license's rights under such license) under a trademark license to such licensee from MK Holdings or any of its Affiliates.

"Adjusted LIBO Rate" means, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the sum of (i) (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate plus, without duplication (ii) in the case of Loans by a Lender from its or its applicable Affiliate's office or branch in the United Kingdom or any Participating Member State, the Mandatory Cost.

"Administrative Agent" means JPMorgan Chase Bank, N.A. (including its branches and affiliates), in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Commitment" means the aggregate of the Commitments of all of the Lenders, as reduced or increased from time to time pursuant to the terms and conditions hereof. As of the Effective Date, the Aggregate Commitment is $200,000,000.

"Agreed Currencies" means (i) Dollars, (ii) euro, (iii) Pounds Sterling, (iv) Japanese Yen, (v) Canadian Dollars, (vi) Swiss Francs and (vii) any other currency that is (x) a lawful currency (other

than Dollars) that is readily available and freely transferable and convertible into Dollars, (y) available in the London interbank deposit market and (z) reasonably acceptable to the Administrative Agent and each of the Lenders.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

"Applicable Payment Office" means, (a) in the case of a Canadian Borrowing, the Canadian Payment Office and (b) in the case of a Eurocurrency Borrowing, the applicable Eurocurrency Payment Office.

"Applicable Percentage" means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender's Commitment; provided that, in the case of Section 2.24 when a Defaulting Lender shall exist, "Applicable Percentage" shall mean the percentage of the Aggregate Commitment (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"Applicable Rate" means, for any day, with respect to any Eurocurrency Revolving Loan, any ABR Revolving Loan, any BA Equivalent Loan or any Canadian Base Rate Loan or with respect to the commitment fees payable hereunder or with respect to any Commercial Letter of Credit, as the case may be, the applicable rate per annum set forth below under the caption "Eurocurrency Spread", "ABR Spread", "BA Rate Spread", "Canadian Base Rate Spread", "Commitment Fee Rate" or "Commercial Letter of Credit Rate", as the case may be, based upon the Leverage Ratio applicable on such date:

	Leverage Ratio:	Eurocurrency Spread	ABR Spread	BA Rate Spread	Canadian Base Rate Spread	Commercial Letter of Credit Rate	Commitment Fee Rate
Category 1:	< 1.00 to 1.00	1.25%	0.25%	1.25%	0.25%	0.625%	0.25%
Category 2:	> 1.00 to 1.00 but < 2.00 to 1.00	1.50%	0.50%	1.50%	0.50%	0.75%	0.30%
Category 3:	> 2.00 to 1.00	1.75%	0.75%	1.75%	0.75%	0.875%	0.35%

For purposes of the foregoing,

(i) if at any time the Company fails to deliver the Financials on or before the date the Financials are due pursuant to Section 5.01, Category 3 shall be deemed applicable for the period commencing three (3) Business Days after the required date of delivery and ending on the date which is three (3) Business Days after the Financials are actually delivered, after which the Category shall be determined in accordance with the table above as applicable;

(ii) adjustments, if any, to the Category then in effect shall be effective three (3) Business Days after the Administrative Agent has received the applicable Financials (it being understood and agreed that each change in Category shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change); and

(iii) notwithstanding the foregoing, Category 2 shall be deemed to be applicable until the Administrative Agent's receipt of the applicable Financials for MK Holdings' first full fiscal quarter ending after the Effective Date (unless such Financials demonstrate that Category 3 should have been applicable during such period, in which case such other Category shall be deemed to be applicable during such period) and adjustments to the Category then in effect shall thereafter be effected in accordance with the preceding paragraphs.

"Approved Fund" has the meaning assigned to such term in Section 9.04.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Augmenting Lender" has the meaning assigned to such term in Section 2.20.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Available Revolving Commitment" means, at any time with respect to any Lender, the Commitment of such Lender then in effect minus the Revolving Credit Exposure of such Lender at such time; it being understood and agreed that any Lender's Swingline Exposure shall not be deemed to be a component of the Revolving Credit Exposure for purposes of calculating the commitment fee under Section 2.12(a).

"BA Equivalent Borrowing" means a Canadian Borrowing that bears interest at a rate per annum determined by reference to the BA Rate.

"BA Equivalent Loan" means a Canadian Loan that bears interest at a rate per annum determined by reference to the BA Rate.

"BA Rate" means, with respect to any Interest Period for any BA Equivalent Loan (a) in the case of any Lender named in Schedule I of the *Bank Act* (Canada), the rate per annum determined by the Administrative Agent by reference to the average annual rate applicable to Canadian Dollar bankers' acceptances having a term comparable to such Interest Period quoted on the Reuters Screen "CDOR Page" (or such other page as may replace such page on such screen for the purpose of displaying Canadian interbank bid rates for Canadian Dollar bankers' acceptances) at 10:00 a.m. on the date of the commencement of such Interest Period (the "CDOR Rate") and (b) in the case of any other Lender, the CDOR Rate plus 0.10%. If such rates do not appear on the Reuters Screen at such time, the CDOR Rate

shall be the rate of interest determined by the Administrative Agent that is equal to the average (rounded upwards to the nearest 1/100 of 1%) of rates per annum quoted by the banks listed in Schedule I of the Bank Act (Canada) (the "Schedule I Banks") that are also Lenders in respect of Canadian Dollar bankers' acceptances with a term comparable to such interest period; provided that if there are not at least two Lenders that are Schedule I Banks, the CDOR Rate shall be the rate of interest determined by the Administrative Agent that is equal to the average (rounded upwards to the nearest 1/100 of 1%) of rates per annum quoted by the largest five Schedule I Banks in respect of Canadian Dollar bankers' acceptances with a term comparable to such interest period.

"Banking Services" means each and any of the following bank services provided to any Loan Party or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, commercial credit cards and purchasing cards), (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"Banking Services Agreement" means any agreement entered into by any Loan Party or any Subsidiary in connection with Banking Services.

"Banking Services Obligations" means any and all obligations of any Loan Party or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, liquidator, conservator, trustee, administrator, custodian, monitor, assignee for the benefit of creditors or similar Person charged with the preservation, reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means the Company or any Foreign Subsidiary Borrower.

"Borrowing" means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans and BA Equivalent Loans, as to which a single Interest Period is in effect or (b) a Swingline Loan.

"Borrowing Request" means a request by any Borrower for a Revolving Borrowing in accordance with Section 2.03 in the form attached hereto as Exhibit I-1.

"Borrowing Subsidiary Agreement" means a Borrowing Subsidiary Agreement substantially in the form of Exhibit F-1.

"Borrowing Subsidiary Termination" means a Borrowing Subsidiary Termination substantially in the form of Exhibit F-2.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, (i) when used in connection with a Eurocurrency Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in the relevant Agreed Currency in the London interbank market or the principal financial center of such Agreed Currency (and, if the Borrowings or LC Disbursements which are the subject of a borrowing, drawing, payment, reimbursement or rate selection are denominated in euro, the term "Business Day" shall also exclude any day on which the TARGET2 payment system is not open for the settlement of payments in euro); and (ii) when used in connection with a Canadian Loan, the term "Business Day" shall also exclude any day on which banks are required or authorized by law to close in Toronto, Canada.

"BVI Insolvency Event" means any one or more of the following with respect to any BVI Loan Party: (a) the value of its liabilities (including its contingent and prospective liabilities) exceeds the value of its assets; (b) it fails to comply with the requirements of a statutory demand that has not been set aside under Section 157 of the Insolvency Act, 2003 of the British Virgin Islands (the "BVI Insolvency Act"); (c) execution or other process issued on a judgment, decree or order of a court in favour of a creditor of it is returned wholly or partly unsatisfied; (d) it has taken any action or steps have been taken or legal proceedings have been started or threatened against it for (i) its winding up, liquidation, administration, dissolution, amalgamation, reconstruction, reorganisation, arrangement, adjustment, consolidation or protection or relief of creditors (whether by way of voluntary arrangement, scheme of arrangement or otherwise), or (ii) the enforcement of any security interest over any or all of its assets; or (iii) the appointment of a liquidator, receiver, controller, inspector, manager, supervisor, administrative receiver, administrator, trustee or similar officer or official of it or of any or all of its assets; (e) a compromise or arrangement has been proposed, agreed to or sanctioned under any of Sections 177, 178 and 179A of the BVI Business Companies Act, 2004 of the British Virgin Islands (the "BVI Companies Act") in respect of it, or an application has been made to, or filed with, a court for permission to convene a meeting to vote on a proposal for any such compromise or arrangement; (f) a merger or consolidation is proposed, approved, agreed to or sanctioned under any of Sections 170 to 174 (inclusive) of the BVI Companies Act in respect of it; (g) action is being taken by the Registrar of Corporate Affairs pursuant to Section 213 of the BVI Companies Act to dissolve or strike it off the British Virgin Islands register of companies; or (h) action is approved, agreed to or being taken pursuant to Section 184 of the BVI Companies Act to (without the prior consent of the Administrative Agent) continue it as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands.

"BVI Loan Party" means any Loan Party incorporated under the laws of the British Virgin Islands.

"Canadian Base Rate Borrowing" means a Canadian Borrowing that bears interest at a rate per annum determined by reference to the Canadian Prime Rate.

"Canadian Base Rate Loan" means a Canadian Loan that bears interest at a rate per annum determined by reference to the Canadian Prime Rate.

"Canadian Borrower" means (i) MK Canada and (ii) any other Borrower organized under the laws of Canada or any province or territory thereof.

"Canadian Borrowing" means a Borrowing of Canadian Loans.

"Canadian Dollar" and/or "CAD" means the lawful currency of Canada.

"Canadian Loan" means a Loan denominated in Canadian Dollars.

"Canadian Payment Office" of the Administrative Agent means the office, branch, affiliate or correspondent bank of the Administrative Agent for Canadian Dollars as specified from time to time by the Administrative Agent to the Company and each Lender.

"Canadian Plans" means, all Canadian pension plans that are considered to be pension plans for the purposes of, and are required to be registered under, the ITA or any applicable pension benefits standards statute or regulation in Canada and that are established, maintained or contributed to by any Loan Party, all plans or arrangements which provide or promise health, dental, or any other welfare benefits governed by the laws of Canada, to current employees or former employees who have retired or terminated from employment with any Loan Party; the term "Canadian Plans" shall not include any multi-employer pension plans as that term is defined under applicable Canadian pension and benefits standards statute or regulation, Canadian Plans administered by an entity other than a Loan Party under a collective bargaining agreement or any statutory plans with which any Loan Party thereof is required to comply, including the Canada/Quebec Pension Plan and plans administered pursuant to applicable provincial health tax, workers' compensation and workers' safety and employment insurance legislation.

"Canadian Prime Rate" means, for any day, the greater of (a) the per annum floating rate of interest established from time to time by JPMorgan Chase Bank, N.A., Toronto Branch, as the prime rate it will use to determine rates of interest on Canadian Dollar loans to its customers in Canada as in effect on such day (or if such day is not a Business Day, the immediately preceding Business Day) and (b) the sum of (x) the CDOR Rate for an Interest Period of one month on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus (y) 1.0%.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP; provided that Capital Lease Obligations shall not include any obligations of any Person to pay rent or other amounts under any lease (or other arrangement conveying the right to use) of real or personal property, or a combination thereof, which obligations would be required to be classified and accounted for as an operating lease under GAAP as in effect on the Effective Date.

"CDOR Rate" has the meaning assigned to such term in the definition of BA Rate.

"CFC" means a "controlled foreign corporation" within the meaning of section 957(a) of the Code.

"CFC Holding Company" means any Domestic Subsidiary substantially all of the assets of which are one or more CFCs, either directly or indirectly through other entities that are disregarded entities or partnerships for U.S. federal income tax purposes, and all such entities (i) have no material assets (excluding equity interests in each other) other than equity interests of such CFCs, (ii) do not incur, and are not otherwise liable for, any material Indebtedness (other than intercompany indebtedness permitted pursuant to Section 6.01(C)), and (iii) do not conduct any material business or activities other than the ownership of such equity interests and/or receivables and other immaterial assets and activities reasonably related or ancillary thereto.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof) of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of MK Holdings; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of MK Holdings by Persons who were neither (i) nominated by the board of directors of MK Holdings nor (ii) appointed by directors so nominated; or (c) MK Holdings ceases to own, directly or indirectly, and Control 100% (other than directors' qualifying shares) of the ordinary voting and economic power of any Borrower (other than, in the case of a Foreign Subsidiary Borrower, (x) directors' qualifying shares or (y) nominal shares issued to foreign nationals to the extent required by applicable law).

"Change in Law" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted, issued or implemented.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Swingline Loans.

"Code" means the Internal Revenue Code of 1986, as amended.

"Co-Documentation Agent" means each of HSBC Bank USA, National Association and Wells Fargo Bank, National Association, in its capacity as co-documentation agent for the credit facility evidenced by this Agreement.

"Commercial Letter of Credit" means a commercial documentary letter of credit issued pursuant to this Agreement by the Issuing Bank for the account of any Borrower for the purchase of goods in the ordinary course of business.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or terminated from time to time pursuant to Section 2.09, (b) increased from time to time pursuant to Section 2.20 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Commitment, as applicable.

"Company" means Michael Kors (USA), Inc., a Delaware corporation.

"Computation Date" is defined in Section 2.04.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated EBITDAR" means, with respect to MK Holdings and its Subsidiaries on a consolidated basis for any period, Consolidated Net Income for such period, plus

(a) without duplication and to the extent deducted from revenues in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) Consolidated Interest Expense,

(ii) provision for taxes based on income, profits or capital, including Federal, state, local and foreign franchise, excise and similar taxes paid or accrued (including withholding tax payments) during such period (including in respect of repatriated funds),

(iii) depreciation and amortization (including amortization of deferred financing fees or costs),

(iv) other non-cash losses, charges or expenses, including impairment of long-lived assets, and

(v) Consolidated Lease Expense,

minus

(b) without duplication and to the extent included in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) interest income,

(ii) non-cash gains,

(iii) extraordinary cash gains,

(iv) tax credits for any of the taxes of a type described in clause (a)(ii) above (to the extent not netted from the tax expense described in such clause (a)(ii)),

(v) any cash payments made during such period in respect of non-cash items described in clause (a)(iv) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were incurred,

in each case, as determined on a consolidated basis for MK Holdings and its Subsidiaries in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to MK Holdings and its Subsidiaries for any period, the total interest expense of MK Holdings and its Subsidiaries during such period determined on a consolidated basis, in accordance with GAAP, and shall in any event include interest on any Capital Lease Obligation which shall be deemed to accrue at an interest rate reasonably determined by the Borrower to be the rate of interest implicit in such Capital Lease Obligation in accordance with GAAP. For purposes of the foregoing, gross interest expense shall be determined after giving effect to any net payments made or received and costs incurred by the Borrower and the Subsidiaries with respect to Swap Agreements in respect of interest rates.

"Consolidated Lease Expense" means, for any period, the aggregate amount of fixed and contingent rentals payable by MK Holdings and its Subsidiaries for such period with respect to leases of real and personal property, determined on a consolidated basis in accordance with GAAP; provided that payments in respect of Capital Lease Obligations shall not constitute Consolidated Lease Expense.

"Consolidated Net Income" means for any period, the consolidated net income (or loss) of MK Holdings and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of MK Holdings or is merged into or amalgamated or consolidated with MK Holdings or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of MK Holdings) in which MK Holdings or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by MK Holdings or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of MK Holdings to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

"Consolidated Net Worth" means as of any date of determination thereof, the excess of (a) the aggregate consolidated net book value of the assets of MK Holdings and its Subsidiaries after all appropriate adjustments in accordance with GAAP (including, without limitation, reserves for doubtful receivables, obsolescence, depreciation and amortization) over (b) all of the aggregate liabilities of MK Holdings and its Subsidiaries, including all items which, in accordance with GAAP, would be included on the liability side of the balance sheet (other than Equity Interests, treasury stock, capital surplus and retained earnings), in each case determined on a consolidated basis (after eliminating all inter-company items) in accordance with GAAP; provided, however, that in calculating Consolidated Net Worth the effects of the Statement of Financial Accounting Standards No. 142 (or the corresponding Accounting Standards Codification Topic, as applicable) shall be disregarded.

"Consolidated Total Assets" means, as of the date of any determination thereof, total assets of MK Holdings and its Subsidiaries calculated in accordance with GAAP on a consolidated basis as of such date.

"Consolidated Total Indebtedness" means at any time, the aggregate principal amount of outstanding Indebtedness (excluding (i) Indebtedness in respect of contingent obligations described in clauses (h) and (i) of the definition of Indebtedness, (ii) Indebtedness described in clause (j) of the definition of Indebtedness, and (iii) Indebtedness described in clause (e) or (f) of the definition of Indebtedness with respect to Indebtedness of others described in clause (i) or (ii) above) of MK Holdings and its Subsidiaries calculated on a consolidated basis as of such time in accordance with GAAP.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. The terms "Controlling" and "Controlled" have meanings correlative thereto.

"Controlled Affiliate" has the meaning assigned to such term in Section 3.16.

"Credit Event" means a Borrowing, the issuance, amendment, renewal or extension of a Letter of Credit, an LC Disbursement or any of the foregoing.

"Credit Party" means the Administrative Agent, the Issuing Bank, the Swingline Lender or any other Lender.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Company or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of a Bankruptcy Event.

"Disposition" means with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollar Amount" of any currency at any date shall mean (i) the amount of such currency if such currency is Dollars or (ii) the equivalent amount thereof in Dollars if such currency is a Foreign Currency, calculated on the basis of the Exchange Rate for such currency, on or as of the most recent Computation Date provided for in Section 2.04.

"Dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means a Subsidiary organized under the laws of a jurisdiction located in the United States of America.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Eligible Foreign Subsidiary" means (i) any Foreign Subsidiary organized under the laws of Canada or any province or territory thereof, the Netherlands or Switzerland and (ii) any other Foreign Subsidiary that is approved from time to time by the Administrative Agent and each of the Lenders in their reasonable discretion.

"Embargoed Person" has the meaning assigned to such term in Section 3.17.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders or decrees issued, promulgated or entered into by any Governmental Authority, and any judgments, injunctions, or binding agreements entered against or into by the Company or any of its Subsidiaries, relating in any way to the protection of the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any Subsidiary resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

"Equivalent Amount" of any currency with respect to any amount of Dollars at any date shall mean the equivalent in such currency of such amount of Dollars, calculated on the basis of the Exchange Rate for such other currency at 11:00 a.m., London time, on the date on or as of which such amount is to be determined.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any Reportable Event; (b) a determination that any Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (c) the failure of any Loan Party or any ERISA Affiliate to make by its due date a required installment under Section 430(j) of the Code with respect to any Plan or the failure by any Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, whether or not waived; (d) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (e) the receipt by any Loan Party or any ERISA Affiliate from the PBGC of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan, or the incurrence by any Loan Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any Plan; (f) the receipt by any Loan Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Loan Party or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability on any Loan Party or any ERISA Affiliate or the incurrence by any Loan Party or any of its ERISA Affiliates of any liability with respect to the complete withdrawal or partial withdrawal from any Plan (within the meaning of Section 4063 of ERISA) or Multiemployer Plan (within the meaning of Sections 4203 and 4205 of ERISA); (g) the receipt by any Loan Party or any ERISA Affiliate of any determination that a Multiemployer Plan is, or is expected to be, Insolvent, in Reorganization, terminated (within the meaning of Section 4041A of ERISA), or in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA); or (h) any Foreign Plan Event.

"Establishment" means, in respect of any Person, any place of operations where such Person carries out a non-transitory economic activity with human means and goods, assets or services.

"euro" and/or "EUR" means the single currency of the Participating Member States.

"Eurocurrency", when used in reference to a currency means an Agreed Currency and when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate.

"Eurocurrency Payment Office" of the Administrative Agent shall mean, for each Foreign Currency, the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency as specified from time to time by the Administrative Agent to the Company and each Lender.

"Event of Default" has the meaning assigned to such term in Article VII.

"Exchange Rate" means, on any day, with respect to any Foreign Currency, the rate at which such Foreign Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m., Local Time, on such date on the Reuters World Currency Page for such Foreign Currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate with respect to such Foreign Currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be reasonably selected by the Administrative Agent in consultation with the Company for such purpose or, in the event no such service is publicly available at such time, at the reasonable discretion of the Administrative Agent in consultation with the Company, such Exchange Rate shall instead be calculated on the basis of the arithmetical mean of the buy and sell spot rates of exchange of the Administrative Agent for such Foreign Currency on the London market at 11:00 a.m., Local Time, on such date for the purchase of Dollars with such Foreign Currency, for delivery two Business Days later; provided, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent, after consultation with the Company, may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, (i) U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (A) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Company under Section 2.19(b)) or (B) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before it changed its lending office and (ii) Swiss Withholding Taxes to the extent a payment of interest is increased pursuant to Section 2.13(f), (c) Taxes attributable to such Recipient's failure to comply with Section 2.17(f) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

"Executive Order" has the meaning assigned to such term in Section 3.17.

"Existing Credit Agreement" means the Second Amended and Restated Credit Agreement dated as of September 15, 2011 by and among the Company, the foreign subsidiary borrowers party thereto, the guarantors party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Wells Fargo Bank, National Association, as collateral agent, as amended, restated supplemented or otherwise modified prior to the date hereof.

"Existing Letters of Credit" means the Letters of Credit heretofore issued pursuant to the Existing Credit Agreement and described on Schedule 2.06.

"Extended Letter of Credit" has the meaning set forth in Section 2.06(c).

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief executive officer, president or chief financial officer of MK Holdings.

"Financials" means the annual or quarterly financial statements, and accompanying certificates and other documents, of MK Holdings and its Subsidiaries required to be delivered pursuant to Section 5.01(a) or 5.01(b).

"Fixed Charge Coverage Ratio" means the ratio of (i) the sum of Consolidated EBITDAR minus Non-Financed Capital Expenditures, in each case, for the Test Period ending on the last day of any fiscal quarter to (ii) the sum of Fixed Charges for such Test Period plus Consolidated Lease Expense for such Test Period, all calculated for MK Holdings and its Subsidiaries on a consolidated basis; provided, however, in the event that any Test Period used for the calculation of the Fixed Charge Coverage Ratio includes thirteen (13) cash rental payments with respect to the Consolidated Lease Expense, the rental payment nearest to the date on which the Fixed Charge Coverage Ratio is calculated shall be omitted from such calculation. In the event that MK Holdings or any Subsidiary shall have completed a Material Acquisition or a Material Disposition since the beginning of the relevant Test Period, the Fixed Charge Coverage Ratio shall be determined for such period on a Pro Forma Basis as if such acquisition or disposition, and any related incurrence or repayment of Indebtedness, had occurred at the beginning of such Test Period.

"Fixed Charges" means, with respect to MK Holdings and its Subsidiaries on a consolidated basis for any Test Period, the sum of (a) Consolidated Interest Expense payable in cash for such Test Period, plus (b) scheduled payments of principal on Indebtedness for borrowed money (excluding intercompany Indebtedness) due and payable during such Test Period, plus (c) any Restricted Payment paid in cash by MK Holdings during such Test Period.

"Foreign Assets Control Regulations" has the meaning assigned to such term in Section 3.17.

"Foreign Currencies" means Agreed Currencies other than Dollars.

"Foreign Currency LC Exposure" means, at any time, the sum of (a) the Dollar Amount of the aggregate undrawn and unexpired amount of all outstanding Foreign Currency Letters of Credit at such time plus (b) the aggregate principal Dollar Amount of all LC Disbursements in respect of Foreign Currency Letters of Credit that have not yet been reimbursed at such time.

"Foreign Currency Letter of Credit" means a Letter of Credit denominated in a Foreign Currency.

"Foreign Currency Sublimit" means $100,000,000.

"Foreign Kors Person" has the meaning assigned to such term in Section 9.09.

"Foreign Lender" means (a) if the applicable Borrower is a U.S. Person, a Lender, with respect to such Borrower, that is not a U.S. Person, and (b) if the applicable Borrower is not a U.S. Person, a Lender, with respect to such Borrower, that is resident or organized under the laws of a jurisdiction other than that in which such Borrower is resident for tax purposes.

"Foreign Plan" means any employee pension benefit plan (within the meaning of Section 3(2) of ERISA, whether or not subject to ERISA) that is not subject to United States or Canadian law, and any Canadian Plans, that are maintained or contributed to by any Loan Party or any ERISA Affiliate.

"Foreign Plan Event" means, with respect to any Foreign Plan, (a) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Plan, (b) the failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Plan required to be registered, (c) a final determination that any Loan Party is responsible for a deficit or funding shortfall in a multi-employer plan as that term is defined under applicable Canadian pension and benefits standards statute or regulation or other Canadian Plan administered by an entity other than a Loan Party under a collective bargaining agreement, or (d) the failure of any Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Plan.

"Foreign Subsidiary" means any Subsidiary which is not a Domestic Subsidiary.

"Foreign Subsidiary Borrower" means (a) from and after the Effective Date, each of MK Canada, MKE and MK Switzerland (collectively, the "Initial Foreign Subsidiary Borrowers"), so long as no such Subsidiary has ceased to be a Foreign Subsidiary Borrower pursuant to Section 2.23, and (b) any other Eligible Foreign Subsidiary that becomes a Foreign Subsidiary Borrower pursuant to Section 2.23, and that has not ceased to be a Foreign Subsidiary Borrower pursuant to such Section.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. For purposes of all calculations provided for in this Agreement, the amount of any Guarantee of any guarantor shall be deemed to be the lower of (x) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (y) the maximum amount for which such guarantor may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guarantor may be liable are not stated or determinable, in which case the amount of such Guarantee shall be such guarantor's maximum reasonably anticipated liability in respect thereof as determined by MK Holdings in good faith.

"Guarantor" means MK Holdings and each Material Subsidiary that is a party to the Guaranty. The Guarantors on the Effective Date are identified as such in Schedule 3.01 hereto.

"Guaranty" means (a) that certain Guarantee Agreement dated as of the Effective Date in the form of Exhibit G (including any and all supplements thereto) and executed by each Guarantor party thereto, and (b) in the case of any Guarantor that is a Foreign Subsidiary, any other guaranty agreement executed by such Foreign Subsidiary pursuant to clause (1)(y) of Section 5.09(a).

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Increasing Lender" has the meaning assigned to such term in Section 2.20.

"Incremental Term Loan" has the meaning assigned to such term in Section 2.20.

"Incremental Term Loan Amendment" has the meaning assigned to such term in Section 2.20.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business and any earnout obligations or similar deferred or contingent purchase price obligations not overdue, which are being contested in good faith or which do not appear as a liability on a balance sheet of such Person incurred in connection with any Acquisition), (e) all Indebtedness of others

secured by any Lien on property owned or acquired by such Person (to the extent of such Person's interest in such property), whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) the principal component of all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances and (j) all net payment and performance obligations of such Person under Swap Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. For purposes of all calculations provided for in this Agreement, there shall be disregarded any Guarantee of any Person in respect of any Indebtedness of any other Person with which the accounts of such first Person are then required to be consolidated in accordance with GAAP. For the avoidance of doubt, any amounts available and not drawn under the Commitments shall be deemed not to be Indebtedness and "Indebtedness" shall not include the obligations of any Person to pay rent or other amounts under any lease (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations would be required to be classified and accounted for as an operating lease under GAAP as in effect on the Effective Date. The amount of any net obligation under any Swap Agreement on any date shall be the Swap Termination Value as of such date.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Initial Foreign Subsidiary Borrower" has the meaning assigned to such term in the definition of "Foreign Subsidiary Borrower."

"Insolvent" means, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

"Interest Election Request" means a request by the applicable Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.08 in the form attached hereto as Exhibit I-2.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan denominated in Dollars) or Canadian Base Rate Loan, the last day of each March, June, September and December and the Maturity Date, (b) with respect to any Eurocurrency Loan or BA Equivalent Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing or a BA Equivalent Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Maturity Date and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Maturity Date.

"Interest Period" means with respect to any Eurocurrency Borrowing or BA Equivalent Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter (or for a period of 28 to 182 days inclusive in the case of a BA Equivalent Borrowing), as the applicable Borrower (or the Company on behalf of the applicable Borrower) may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurocurrency Borrowing or a BA Equivalent Borrowing, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall

end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurocurrency Borrowing or a BA Equivalent Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Investment" has the meaning assigned to such term in Section 6.04.

"IRS" means the United States Internal Revenue Service.

"Issuing Bank" means JPMorgan Chase Bank, N.A., in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i). The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"ITA" means the Income Tax Act (Canada), as amended, and any regulations promulgated thereunder.

"Japanese Yen" means the lawful currency of Japan.

"LC Collateral Account" has the meaning assigned to such term in Section 2.06(j).

"LC Disbursement" means a payment made by the Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit at such time plus (b) the aggregate Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the applicable Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"Lead Arranger" means J.P. Morgan Securities LLC, in its capacity as lead arranger and lead bookrunner for the credit facility evidenced by this Agreement.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to Section 2.20 or pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender and the Issuing Bank.

"Letter of Credit" means any Commercial Letter of Credit or Standby Letter of Credit, including the Existing Letters of Credit.

"Leverage Ratio" means the ratio of (i) Consolidated Total Indebtedness as of the last day of the Test Period ending on the last day of any fiscal quarter plus 800% of Consolidated Lease Expense for such Test Period to (ii) Consolidated EBITDAR for such Test Period, all calculated for MK Holdings and its Subsidiaries on a consolidated basis. In the event that MK Holdings or any Subsidiary shall have completed a Material Acquisition or a Material Disposition since the beginning of the relevant Test Period, the Leverage Ratio shall be determined for such period on a Pro Forma Basis as if such acquisition or disposition, and any related incurrence or repayment of Indebtedness, had occurred at the beginning of such Test Period.

"LIBO Rate" means, with respect to any Eurocurrency Borrowing denominated in any Agreed Currency for any Interest Period, the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page on such screen) at approximately 11:00 a.m., London time, on the Quotation Day for such Interest Period, as the rate for deposits in such Agreed Currency in the London interbank market with a maturity comparable to such Interest Period. In the event that such rate does not appear on such page (or on any successor or substitute page), the "LIBO Rate" shall be determined by reference to such other publicly available service displaying interest rates applicable to deposits in such Agreed Currency in the London interbank market as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which deposits in such Agreed Currency in reasonable market size and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, on the Quotation Day for such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means this Agreement, each Borrowing Subsidiary Agreement, each Borrowing Subsidiary Termination, the Guaranty, any promissory notes issued pursuant to Section 2.10(e) and any Letter of Credit applications now or hereafter executed by or on behalf of any Loan Party and delivered to the Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Parties" means, collectively, the Borrowers and the Guarantors.

"Loans" means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

"Local Time" means (i) New York City time in the case of a Loan, Borrowing or LC Disbursement denominated in Dollars, (ii) Toronto, Canada time in the case of a Canadian Borrowing and related Loans and (iii) local time in the case of a Loan, Borrowing or LC Disbursement (other than a Canadian Borrowing) denominated in a Foreign Currency (it being understood that such local time shall mean London, England time unless otherwise notified by the Administrative Agent).

"Mandatory Cost" is described in Schedule 2.02.

"Material Acquisition" means any Acquisition that involves the payment of consideration by MK Holdings and its Subsidiaries in excess of $20,000,000.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, property or financial condition of MK Holdings and its Subsidiaries taken as a whole or (b) the rights and remedies, taken as a whole, of the Administrative Agent and the Lenders under the Loan Documents.

"Material Disposition" means any Disposition, or a series of related Dispositions, of (a) all or substantially all of the issued and outstanding Equity Interests in any Person, (b) assets comprising all or substantially all of the assets of any Person or a business unit of any Person or (c) in any case where clauses (a) and (b) above are inapplicable, the rights of any licensee (including by means of the termination of such license's rights under such license) under a trademark license to such licensee from MK Holdings or any of its Affiliates, in each case in excess of $20,000,000.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), of any one or more of the Company and its Subsidiaries in an aggregate principal amount exceeding $35,000,000.

"Material Subsidiary" means (a) each Borrower and (b) each other Subsidiary (i) which, as of the last day of the most recent Test Period ending with the fiscal period for which financial statements have been delivered pursuant to Section 5.01(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.01(a) or (b), the most recent financial statements referred to in Section 3.04(a)), contributed greater than five percent (5%) of Consolidated EBITDAR for such Test Period or (ii) which contributed greater than five percent (5%) of Consolidated Total Assets as of such date; provided that, if at any time the aggregate amount of Consolidated EBITDAR or Consolidated Total Assets attributable to all Subsidiaries that are not Material Subsidiaries exceeds twenty percent (20%) of Consolidated EBITDAR for any such Test Period or twenty percent (20%) of Consolidated Total Assets as of such date, MK Holdings shall, within ten (10) days after the delivery of the applicable compliance certificate pursuant to Section 5.01(c), designate sufficient Subsidiaries as "Material Subsidiaries" to eliminate such excess, and such designated Subsidiaries shall for all purposes of this Agreement constitute Material Subsidiaries. The failure of MK Holdings to designate sufficient Subsidiaries as "Material Subsidiaries" in accordance with the sentence above shall constitute an Event of Default under clause (e) of Article VII.

"Maturity Date" means February 8, 2018.

"MK Canada" means Michael Kors (Canada) Co., an unlimited company incorporated under the laws of the Province of Nova Scotia.

"MK Holdings" means Michael Kors Holdings Limited, a British Virgin Islands company.

"MKE" means Michael Kors (Europe) B.V., a Dutch *besloten vennootschap met beperkte aansprakelijkheid* with its corporate seat in Amsterdam, The Netherlands.

"MK Switzerland" means Michael Kors (Switzerland) GmbH, a company organized under the laws of Switzerland.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which any Loan Party or any ERISA Affiliate contributes or has an obligation to contribute.

"Non-Financed Capital Expenditures" of any Person means all expenditures of such Person for the acquisition or leasing (pursuant to a capital lease) of assets or additions to equipment

(including replacements, capitalized repairs and improvements) which should be capitalized under GAAP, excluding (i) expenditures financed with any Indebtedness, (ii) expenditures made in connection with the replacement, substitution, restoration or repair of assets to the extent financed in whole or in part with any (x) insurance proceeds paid on account of the loss or damage to the assets being replaced, substituted, restored or repaired or (y) awards of compensation arising from taking by eminent domain or condemnation of the assets being replaced or (iii) expenditures to the extent constituting any portion of an Acquisition permitted hereunder.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of MK Holdings and its Subsidiaries to any of the Lenders, the Administrative Agent, the Issuing Bank or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or to the Lenders or any of their Affiliates under any Swap Agreement or any Banking Services Agreement or in respect of any of the Loans made or reimbursement or other obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

"Overnight Foreign Currency Rate" means, for any amount payable in a Foreign Currency, the rate of interest per annum as determined by the Administrative Agent at which overnight or weekend deposits in the relevant currency (or if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Administrative Agent may elect) for delivery in immediately available and freely transferable funds would be offered by the Administrative Agent to major banks in the interbank market upon request of such major banks for the relevant currency as determined above and in an amount comparable to the unpaid principal amount of the related Credit Event, plus any taxes, levies, imposts, duties, deductions, charges or withholdings (including, without limitation, the Mandatory Cost) imposed upon, or charged to, the Administrative Agent by any relevant correspondent bank in respect of such amount in such relevant currency.

"Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participant" has the meaning assigned to such term in Section 9.04.

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

"Participating Member State" means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Acquisition" means any Acquisition; provided that (a) the assets so acquired or, as the case may be, the assets of the Person so acquired shall be in a Related Line of Business, (b) no Default shall have occurred and be continuing at the time thereof or would result therefrom, (c) such Acquisition shall be effected in such manner so that the acquired Equity Interests, assets or rights are owned either by MK Holdings or a Subsidiary and, if effected by merger, consolidation or amalgamation, the continuing, surviving or resulting entity shall be MK Holdings or a Subsidiary, subject to Section 6.03, provided that, nothing in this clause shall be deemed to limit the ability of MK Holdings or any Subsidiary to grant to a different licensee any acquired license rights described in clause (iii) of the definition of Acquisition (or any rights derivative therefrom) and (d) the Leverage Ratio, on a Pro Forma Basis after giving effect to such acquisition, recomputed as at the last day of the most recently ended fiscal quarter of MK Holdings for which financial statements are available, as if such acquisition had occurred on the first day of each relevant period for testing such compliance, shall not exceed 3.25 to 1.00.

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) landlords', carriers', warehousemen's, mechanics', shippers', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 45 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in connection with workers' compensation, unemployment insurance, old age pensions and other social security laws or regulations, and pledges and deposits securing liability to insurance carriers under insurance or self-insurance arrangements;

(d) Liens, pledges and deposits to secure the performance of tenders, bids, trade contracts, leases, public or statutory obligations, warranty requirements, customs, surety and appeal bonds, bonds posted in connection with actions, suits or proceedings, performance and bid bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations), in each case in the ordinary course of business or letters of credit or guarantees issued in respect thereof;

(e) Liens incurred in the ordinary course of business in connection with the sale, lease, transfer or other disposition of any credit card receivables of the Company or any of its Subsidiaries;

(f) judgment, attachment or other similar liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(g) easements, zoning restrictions, restrictive covenants, encroachments, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Company or any Subsidiary;

(h) possessory Liens in favor of brokers and dealers arising in connection with the acquisition or disposition of Permitted Investments; and

(i) any security and/or right of setoff arising under the general terms and conditions (*algemene bankvoorwaarden*) or the equivalent thereof in any jurisdiction of banking and financing institutions;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Factoring Program" means the sale by MK Holdings or its Subsidiaries of accounts receivable originated by MK Holdings or such Subsidiaries to a third-party factor in the ordinary course of business and consistent with past practice and on a basis that is non-recourse to MK Holdings and its Subsidiaries other than limited recourse customary for factoring transactions of a similar kind.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are directly and fully guaranteed or insured by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America) or any Participating Member State;

(b) investments in commercial paper having, at such date of acquisition, a credit rating of at least A-2 from S&P or P-2 from Moody's;

(c) investments in demand deposits, certificates of deposit, eurocurrency time deposits, banker's acceptances and time deposits issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any Lender or any commercial bank which has a combined capital and surplus and undivided profits of not less than $100,000,000;

(d) repurchase agreements with a term of not more than 180 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) securities with maturities of three years or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States or by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth or territory, political subdivision, taxing authority or foreign government (as the case may be) are rated, at such date of acquisition, at least A- by S&P or A3 by Moody's;

(f) securities with maturities of three years or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (c) of this definition;

(g) shares of money market funds that (i) comply with the criteria set forth in (a) Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, as amended or (b) Securities and Exchange Commission Rule 3c-7 under the Investment Company Act of 1940, as amended and (ii) have portfolio assets of at least (x) in the case of funds that invest exclusively in assets satisfying the requirements of clause (a) of this definition, $250,000,000 and (y) in all other cases, $500,000,000;

(h) in the case of investments by any Foreign Subsidiary, obligations of a credit quality and maturity comparable to that of the items referred to in clauses (a) through (g) above that are available in local markets;

(i) corporate debt obligations with a Moody's rating of at least A3 or an S&P rating of at least A-, or their equivalent, as follows: (i) corporate notes and bonds and (ii) medium term notes; and

(j) mutual funds which invest primarily in the securities described in clauses (a) through (d) above.

"Person" means any natural person, corporation, limited liability company, unlimited company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (within the meaning of Section 3(2) of ERISA, but not including any Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Loan Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" (as defined in Section 3(5) of ERISA).

"Pounds Sterling" or "£" means the lawful currency of the United Kingdom.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Pro Forma Basis" means, with respect to compliance with any test, covenant or calculation of any ratio hereunder, the determination or calculations of such test, covenant or ratio on a pro forma basis in accordance with Section 1.04(b).

"Priority Indebtedness" means (a) Indebtedness of MK Holdings or any Subsidiary (other than that described in Section 6.01(e)) secured by any Lien on any asset(s) of MK Holdings or any Subsidiary and (b) Indebtedness of any Subsidiary of MK Holdings which is not a Loan Party, in each case owing to a Person other than MK Holdings or any Subsidiary.

"Prohibited Person" means any Person (a) listed in the Annex to the Executive Order or identified pursuant to Section 1 of the Executive Order; (b) that is owned or controlled by, or acting for or on behalf of, any Person listed in the Annex to the Executive Order or identified pursuant to the provisions of Section 1 of the Executive Order; (c) with whom a Lender is prohibited from dealing or otherwise engaging in any transaction by any terrorism or anti-laundering law, including the Executive Order; (d) who commits, threatens, conspires to commit, or support "terrorism" as defined in the Executive Order; (e) who is named as a "Specially designated national or blocked person" on the most current list published by the OFAC at its official website, at

http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf or any replacement website or other replacement official publication of such list; or (f) who is owned or controlled by a Person listed above in clause (c) or (e).

"Quotation Day" means, with respect to any Eurocurrency Borrowing and any Interest Period, the Business Day on which it is market practice in the London interbank market for the Administrative Agent to give quotations for deposits in the Agreed Currency of such Eurocurrency Borrowing for delivery on the first day of such Interest Period.

"Recipient" means (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, as applicable.

"Register" has the meaning assigned to such term in Section 9.04.

"Regulation" means the Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings.

"Related Line of Business" means: (a) any line of business in which MK Holdings or any of its Subsidiaries is engaged as of, or immediately prior to, the Effective Date, (b) any wholesale, retail or other distribution of products or services under any domestic or foreign patent, trademark, service mark, trade name, copyright or license or (c) any similar, ancillary or related business and any business which provides a service and/or supplies products in connection with any business described in clause (a) or (b) above.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Reorganization" means, with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event" means any "reportable event," as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Plan, other than those events as to which notice is waived pursuant to DOL Regulation Section 4043 as in effect on the date hereof (no matter how such notice requirement may be changed in the future).

"Required Lenders" means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

"Requirement of Law" means, as to any Person, the Articles or Certificate of Incorporation and By-Laws, Articles or Certificate of Formation and Operating Agreement, or Certificate of Partnership or partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in MK Holdings or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in MK Holdings or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in MK Holdings or any Subsidiary.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans and its LC Exposure and Swingline Exposure at such time.

"Revolving Loan" means a Loan made pursuant to Section 2.01.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"SEC" means the United States Securities and Exchange Commission.

"Standby Letter of Credit" means an irrevocable letter of credit issued pursuant to this Agreement by the Issuing Bank pursuant to which the Issuing Bank agrees to make payments in an Agreed Currency for the account of any Borrower, or, subject to Section 2.06(a), any Subsidiary or other Loan Party, in respect of obligations of such Person incurred pursuant to contracts made or performances undertaken or to be undertaken or like matters relating to contracts to which such Person is or proposes to become a party in furtherance of such Person's good faith business purposes, including, but not limited to, for insurance purposes and in connection with lease transactions.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve, liquid asset, fees or similar requirements (including any marginal, special, emergency or supplemental reserves or other requirements) established by any central bank, monetary authority, the Board, the Financial Services Authority, the European Central Bank or other Governmental Authority for any category of deposits or liabilities customarily used to fund loans in the applicable currency, expressed in the case of each such requirement as a decimal. Such reserve, liquid asset, fees or similar requirements shall, in the case of Dollar denominated Loans, include those imposed pursuant to Regulation D of the Board. Eurocurrency Loans shall be deemed to be subject to such reserve, liquid asset, fee or similar requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under any applicable law, rule or regulation, including Regulation D of the Board. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve, liquid asset or similar requirement.

"Subordinated Indebtedness" means Indebtedness that is subordinated in right of payment to the Obligations.

"Subordinated Indebtedness Documents" means any document, agreement or instrument evidencing any Subordinated Indebtedness or entered into in connection with any Subordinated Indebtedness.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means, unless the context otherwise requires, any subsidiary of MK Holdings.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option, cap or collar agreements or similar agreement involving, or settled by reference to, one or more interest or exchange rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Swap Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements, (a) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements (which may include a Lender or any Affiliate of a Lender).

"Swingline Exposure" means, at any time, the aggregate principal Dollar Amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

"Swingline Lender" means JPMorgan Chase Bank, N.A., in its capacity as lender of Swingline Loans hereunder.

"Swingline Loan" means a Loan made pursuant to Section 2.05 (for the avoidance of doubt, each Swiss Swingline Loan is a Swingline Loan).

"Swiss Borrower" means (i) MK Switzerland and (ii) any other Borrower incorporated in Switzerland and/or qualifying as a Swiss resident pursuant to Article 9 of the Swiss Federal Withholding Tax Act.

"Swiss Federal Withholding Tax Act" means the Swiss Federal Withholding Tax Act (Bundesgesetz über die Verrechnungssteuer vom 13. Oktober 1965); together with the related ordinances, regulations and guidelines, all as amended and applicable from time to time.

"Swiss Francs" means the lawful currency of Switzerland.

"Swiss Guidelines" means, together, the guideline "Interbank Loans" of 22 September 1986 (S- 02.123) (Merkblatt "Verrechnungssteuer auf Zinsen von Bankguthaben, deren Gläubiger Banken sind (Interbankguthaben)" vom 22. September 1986), the guideline "Syndicated Loans" of January 2000 (S-02.128) (Merkblatt "Steuerliche Behandlung von Konsortialdarlehen, Schuldscheindarlehen, Wechseln und Unterbeteiligungen" vom Januar 2000), the guideline S-02.130.1 in relation to money market instruments and book claims of April 1999 (Merkblatt vom April 1999 betreffend Geldmarktpapiere und Buchforderungen inländischer Schuldner), the guideline "Bonds" of

April 1999 (S-02.122.1) (Merkblatt "Obligationen" vom April 1999), the circular letter No. 34 "Customer Credit Balances" of 26 July 2011 (1-034-V-2011) (Kreisschreiben Nr. 34 "Kundenguthaben" vom 26. Juli 2011), the circular letter No. 15 of 7 February 2007 (1-015-DVS-2007) in relation to bonds and derivative financial instruments as subject matter of taxation of Swiss federal income tax, Swiss Federal Withholding Tax and Swiss Federal Stamp Taxes (Kreisschreiben Nr. 15 "Obligationen und derivative Finanzinstrumente als Gegenstand der direkten Bundessteuer, der Verrechnungssteuer und der Stempelabgaben" vom 7. Februar 2007); all as issued, and as amended or replaced from time to time, by the Swiss Federal Tax Administration or as substituted or superseded and overruled by any law, statute, ordinance, regulation, court decision or the like.

"Swiss Insolvency Event" means any one or more of the following with respect to any Swiss Borrower or Swiss Subsidiary: it is unable or admits inability to pay its debts as they fall due or otherwise is, or admits that it is, insolvent (*zahlungsunfähig*), suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness or files a petition for the opening of bankruptcy proceedings because of insolvency (*Zahlungsunfähigkeit*) pursuant to Section 191(1) of the Swiss Federal Law Concerning Debt Enforcement and Bankruptcy (*Bundesgesetz über Schuldbetreibung und Konkurs*).

"Swiss Non-Bank Rules" means the Swiss Ten Non-Bank Rule and the Swiss Twenty Non-Bank Rule.

"Swiss Non-Qualifying Bank" means a financial institution or other entity which does not qualify as a Swiss Qualifying Bank.

"Swiss Qualifying Bank" means any person or entity acting on its own account which has a banking license in force and effect issued in accordance with the banking laws in its jurisdiction of incorporation, or if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, and which, in both cases, effectively conducts banking activities as its principal purpose with its own infrastructure, staff and authority of decision making, all in accordance with the Swiss Guidelines.

"Swiss Subsidiary" means any Subsidiary incorporated in Switzerland.

"Swiss Swingline Loan" means a Loan made to MK Switzerland in an Agreed Currency bearing interest at the Overnight Foreign Currency Rate pursuant to Section 2.05.

"Swiss Ten Non-Bank Rule" means the rule that the aggregate number of creditors or deemed creditors (other than Swiss Qualifying Banks) of any Swiss Borrower under this Agreement must not at any time exceed 10 (ten), all in accordance with the meaning of the Swiss Guidelines.

"Swiss Twenty Non-Bank Rule" means the rule that (without duplication) the aggregate number of creditors or deemed creditors (including the Lenders), other than Qualifying Banks, of the Swiss Borrower under all outstanding debts relevant for classification as debenture (*Kassenobligation*) (including debt arising under this Agreement and intra-group loans (if and to the extent intra-group loans are not exempt in accordance with the ordinance of the Swiss Federal Council of 18 June 2010 amending the Swiss Federal Ordinance on withholding tax and the Swiss Federal Ordinance on stamp duties with effect as of 1 August 2010), loans, facilities and/or private placements (including under this Agreement) must not, at any time, exceed twenty (20); all in accordance with the meaning of the Swiss Guidelines.

"Swiss Withholding Tax" means the tax levied pursuant to the Swiss Federal Act on Withholding Tax (Bundesgesetz über die Verrechnungssteuer).

"Syndication Agent" means Bank of America, N.A., in its capacity as syndication agent for the credit facility evidenced by this Agreement.

"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system (or, if such payment system ceases to be operative, such other payment system (if any) reasonably determined by the Administrative Agent to be a suitable replacement) for the settlement of payments in euro.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Test Period" means, as of any date of determination, the period of four consecutive fiscal quarters of MK Holdings most recently ended on or prior to such date.

"Trading with the Enemy Act" has the meaning assigned to such term in Section 3.17.

"Transactions" means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the Alternate Base Rate, the BA Rate or the Canadian Prime Rate.

"UK Insolvency Event" means:

(a) a UK Relevant Entity is unable or admits inability to pay its debts as they fall due (other than debts owed to MK Holdings or a Subsidiary or solely by reason of balance sheet liabilities exceeding balance sheet assets), suspends making payments on any of its material debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more class of creditors (other than pursuant to the Loan Documents) with a view to rescheduling any of its material indebtedness;

(b) any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of any UK Relevant Entity;

(ii) (by reason of actual or anticipated financial difficulties) a composition, compromise, assignment or arrangement with any class of creditors of any UK Relevant Entity;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any UK Relevant Entity, or all or substantially all of its assets; or

(iv) enforcement of any Lien over any material asset of any UK Relevant Entity,

or any analogous procedure or step is taken in any jurisdiction, save that this paragraph (b) shall not apply to any involuntary proceeding or procedure that is discharged or dismissed within 60 days of commencement; and

(c) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of a UK Relevant Entity, except where such action does not, and would not reasonably be expected to, have a Material Adverse Effect.

"UK Loan Party" means any Loan Party incorporated under the laws of England and Wales.

"UK Relevant Entity" means any UK Loan Party or any Loan Party capable of becoming subject of an order for winding-up or administration under the Insolvency Act 1986 of the United Kingdom.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3).

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Eurocurrency Loan") or by Class and Type (e.g., a "Eurocurrency Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Eurocurrency Borrowing") or by Class and Type (e.g., a "Eurocurrency Revolving Borrowing").

SECTION 1.03. Other Interpretive Provisions. (a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (ii) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (iii) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof,

(iv) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (v) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) For the avoidance of doubt, any Indebtedness, Lien or Investment incurred in compliance with a ratio shall be permitted notwithstanding any changes to such ratio subsequent to such transaction.

(c) For the avoidance of doubt, in this Agreement, when used in reference to any entity organized under the laws of the Netherlands, a reference to (i) "security" includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right in rem (*beperkt recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*); (ii) "winding-up," "administration" or "dissolution" includes any such entity being declared bankrupt (*failliet verklaard*) or dissolved (*ontbonden*); (iii) "moratorium" includes "*surseance van betaling*" and a declaration or occurrence of a moratorium includes "*surseance verleend*"; (iv) suspension of payments includes emergency regulations (*noodregeling*) under the Act on Financial Supervision (*wet op het financieel toezicht*); (v) "trustee" in bankruptcy includes a "*curator*"; (vi) "administrator" includes a *bewindvoerder*; and (vii) "attachment" includes a "*beslag*".

SECTION 1.04. Accounting Terms; GAAP; Pro Forma Calculations; Exchange Rates. (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Company or any Subsidiary at "fair value", as defined therein and (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof. For purposes of computing ratios and related amounts, any amount in a currency other than Dollars will be converted to Dollars in accordance with GAAP, in a manner consistent with that used in preparing MK Holdings' financial statements.

(b) All pro forma computations required to be made hereunder giving effect to any Material Acquisition or Material Disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction shall in each case be calculated giving pro forma effect thereto

(and, in the case of any pro forma computation made hereunder to determine whether such Material Acquisition or Material Disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction is permitted to be consummated hereunder, to any other such transaction consummated since the first day of the period covered by any component of such pro forma computation and on or prior to the date of such computation) as if such transaction had occurred on the first day of the period of four consecutive fiscal quarters ending with the most recent fiscal quarter for which financial statements shall have been delivered pursuant to Section 5.01(a) or 5.01(b) (or, prior to the delivery of any such financial statements, ending with the last fiscal quarter included in the financial statements referred to in Section 3.04(a)), and, to the extent applicable, to the historical earnings and cash flows associated with the assets acquired or disposed of and any related incurrence or reduction of Indebtedness, all in accordance with Article 11 of Regulation S-X under the Securities Act. Such computations may give effect to (i) any projected synergies or cost savings (net of continuing associated expenses) expected to be realized as a result of such event to the extent such synergies or similar benefits would be permitted to be reflected in financial statements prepared in compliance with Article 11 of Regulation S-X under the Securities Act (the "S-X Adjustments"), and (ii) in the event the S-X Adjustments added to Consolidated EBITDAR for any period being tested pursuant to the preceding clause (i) are less than 10% of the amount which could have been included in Consolidated EBITDAR pursuant to the immediately preceding sentence in the absence of such S-X Adjustments (such amount, the "Acquired Unadjusted EBITDAR"), any other demonstrable cost-savings and other adjustments (net of continuing associated expenses) not included in the foregoing clause (i) that are reasonably anticipated by the Company to be achieved in connection with any such event within the 12-month period following the consummation of such event, which the Company determines are reasonable and which are so set forth in a certificate of a Financial Officer of the Company (the "Additional Adjustments"); provided that (x) all adjustments pursuant to this paragraph will be without duplication of any amounts that are otherwise included or added back in computing Consolidated EBITDAR in accordance with the definition of such term, (y) if Additional Adjustments are to be added to Consolidated EBITDAR pursuant to clause (ii) above, the aggregate amount of S-X Adjustments and Additional Adjustments for any period being tested shall not exceed 10% of the Acquired Unadjusted EBITDAR for such period and (z) if any cost savings or other adjustments included in any pro forma calculations based on the anticipation that such cost savings or other adjustments will be achieved within such 12-month period shall at any time cease to be reasonably anticipated by the Company to be so achieved, then on and after such time pro forma calculations required to be made hereunder shall not reflect such cost savings or other adjustments. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Swap Agreement applicable to such Indebtedness). Items related to any Indebtedness no longer outstanding or to be repaid or redeemed on the date of determination (including, without limitation, for purposes of all pro forma computations made hereunder, interest, fees, debt discounts, charges and other items) will be excluded and such Indebtedness shall be deemed to have been repaid or redeemed as of the first day of the applicable period.

(c) For purposes of (i) determining the amount of Indebtedness incurred, outstanding or proposed to be incurred or outstanding under Section 6.01 (but excluding, for the avoidance of doubt, any calculation of Consolidated Net Worth or Consolidated EBITDAR), (ii) determining the amount of obligations secured by Liens incurred, outstanding or proposed to be incurred or outstanding under Section 6.02, or (iii) determining the amount of Material Indebtedness, the net assets of a Person or judgments outstanding under paragraphs (f), (g), (h), (i), (j) or (k) of Article VII, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies

other than Dollars shall be translated into Dollars at the Exchange Rate on the applicable date, provided that no Default shall arise as a result of any limitation set forth in Dollars in Section 6.01 or 6.02 being exceeded solely as a result of changes in Exchange Rates from those rates applicable at the time or times Indebtedness or obligations secured by Liens were initially consummated or acquired in reliance on the exceptions under such Sections.

SECTION 1.05. Status of Obligations. In the event that any Loan Party shall at any time issue or have outstanding any Subordinated Indebtedness, the applicable Loan Party shall take or cause such other Loan Party to take all such actions as shall be necessary to cause the Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Administrative Agent and the Lenders to have and exercise any payment blockage or other remedies available to holders of senior indebtedness under the express terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available to holders of senior indebtedness under the express terms of such Subordinated Indebtedness.

SECTION 1.06. Certifications. All certificates and other statements required to be made by any officer, director or employee of a Loan Party pursuant to any Loan Document are and will be made on the behalf of such Loan Party and not in such officer's, director or employee's individual capacity.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender (severally and not jointly) agrees to make Revolving Loans to the Borrowers in Agreed Currencies from time to time during the Availability Period in an aggregate principal amount that will not result in (a) subject to Sections 2.04 and 2.11(b), the Dollar Amount of such Lender's Revolving Credit Exposure exceeding such Lender's Commitment, (b) subject to Sections 2.04 and 2.11(b), the sum of the Dollar Amount of the total Revolving Credit Exposures exceeding the Aggregate Commitment or (c) subject to Sections 2.04 and 2.11(b), the Dollar Amount of the total outstanding Revolving Credit Exposure, in each case denominated in Foreign Currencies, exceeding the Foreign Currency Sublimit. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Revolving Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05.

(b) Subject to Section 2.14, each Revolving Borrowing shall be comprised entirely of ABR Loans, Eurocurrency Loans, Canadian Base Rate Loans or BA Equivalent Loans as the relevant Borrower may request in accordance herewith; provided that (i) each ABR Loan shall only be made in Dollars and (ii) each Canadian Loan shall only be made in Canadian Dollars.

Each Swingline Loan shall be (x) an ABR Loan in the case of a Swingline Loan to the Company denominated in Dollars or (y) a Swiss Swingline Loan in the case of a Swingline Loan to MK Switzerland denominated in any Agreed Currency. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.13(f), 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the relevant Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $100,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY10,000,000 or (ii) a Foreign Currency other than Japanese Yen, 100,000 units of such currency) and not less than $1,000,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY100,000,000 or (ii) a Foreign Currency other than Japanese Yen, 1,000,000 units of such currency). At the time that each ABR Revolving Borrowing or Canadian Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $100,000 or CAD100,000, respectively, and not less than $500,000 or CAD500,000, respectively; provided that an ABR Revolving Borrowing or Canadian Base Rate Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). At the commencement of each Interest Period for any BA Equivalent Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of CAD100,000 and not less than CAD500,000. Each Swingline Loan shall be in an amount that is an integral multiple of $500,000 and not less than $500,000 (or, in each case, if such Swingline Loan is denominated in (i) Japanese Yen, JPY50,000,000 or (ii) a Foreign Currency other than Japanese Yen, 500,000 units of such currency). Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of fifteen (15) Eurocurrency Revolving Borrowings and BA Equivalent Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(e) The initial borrowing from any Lender to MKE shall at all times exceed €100,000 (or its equivalent in another currency).

SECTION 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent of such request (a) by irrevocable written notice (via a written Borrowing Request signed by the applicable Borrower, or the Company on behalf of the applicable Borrower, promptly followed by telephonic confirmation of such request) in the case of a Eurocurrency Borrowing or BA Equivalent Borrowing, not later than 12:00 noon, Local Time, three (3) Business Days before the date of the proposed Borrowing, (b) by telephone in the case of an ABR Borrowing, not later than 12:00 noon, New York City time, on the date of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing or (c) by telephone in the case of a Canadian Base Rate Borrowing not later than 12:00 noon Local Time, one (1) Business Day prior to the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request signed by the applicable Borrower, or the Company on behalf of the applicable Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the name of the applicable Borrower;

(ii) the aggregate amount of the requested Borrowing;

(iii) the date of such Borrowing, which shall be a Business Day;

(iv) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing (or in the case of a Canadian Borrowing, a Canadian Base Rate Borrowing or a BA Equivalent Borrowing);

(v) in the case of a Eurocurrency Borrowing, the Agreed Currency and initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";

(vi) in the case of a BA Equivalent Borrowing, the initial Interest Period to be applicable thereto which shall be a period contemplated by the definition of the term "Interest Period"; and

(vii) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Revolving Borrowing is specified, then, (i) in the case of a Borrowing denominated in Dollars, the requested Revolving Borrowing shall be an ABR Borrowing and (ii) in the case of a Canadian Borrowing, the requested Borrowing shall be a Canadian Base Rate Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Revolving Borrowing or BA Equivalent Borrowing, then the relevant Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Determination of Dollar Amounts. The Administrative Agent will determine the Dollar Amount of:

(a) each Eurocurrency Borrowing or Canadian Borrowing as of the date two (2) Business Days prior to the date of such Borrowing or, if applicable, the date of conversion/continuation of any Borrowing as a Eurocurrency Borrowing or Canadian Borrowing, as applicable,

(b) each Swiss Swingline Loan on the date of the making of such Swingline Loan,

(c) the LC Exposure as of the date of each request for the issuance, amendment, renewal or extension of any Letter of Credit, and

(d) all outstanding Credit Events on and as of the last Business Day of each calendar quarter and, during the continuation of an Event of Default, on any other Business Day elected by the Administrative Agent in its discretion or upon instruction by the Required Lenders.

Each day upon or as of which the Administrative Agent determines Dollar Amounts as described in the preceding clauses (a), (b), (c) and (d) is herein described as a "Computation Date" with respect to each Credit Event for which a Dollar Amount is determined on or as of such day.

SECTION 2.05. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans (x) in Dollars to the Company and (y) in Agreed Currencies to MK Switzerland, in each case from time to time during the Availability Period, in an aggregate principal Dollar Amount at any time outstanding that will not result in (i) the aggregate principal Dollar Amount of outstanding Swingline Loans exceeding $25,000,000, (ii) the Dollar Amount of the total Revolving Credit Exposures exceeding the Aggregate Commitment or (iii) subject to Sections 2.04 and 2.11(b), the Dollar Amount of the total outstanding Revolving Credit Exposure denominated in Foreign Currencies, exceeding the Foreign Currency Sublimit; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Company and MK Switzerland may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Company or MK Switzerland (or the Company on behalf of MK Switzerland), as applicable, shall notify the Administrative Agent of such request (i) by telephone (confirmed by telecopy), not later than 2:00 p.m., New York City time, on the day of a proposed Swingline Loan to the Company in Dollars and (ii) by irrevocable written notice (via a written Borrowing Request in a form approved by the Swingline Lender and signed by MK Switzerland, or the Company on behalf of MK Switzerland, promptly followed by telephonic confirmation of such request), not later than 9:30 a.m., Local Time, on the day of a proposed Swiss Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day), the applicable currency and amount of the requested Swingline Loan and the account to which proceeds of such Swingline Loan are to be credited. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Company or MK Switzerland. The Swingline Lender shall make each Swingline Loan available to the Company or MK Switzerland, as applicable, by means of a credit to the an account of the Company or MK Switzerland, as applicable (as designated by the Company or MK Switzerland in such notice) (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the Issuing Bank) by 3:00 p.m. (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement, such later time as is reasonably practicable as reasonably determined by the Administrative Agent), Local Time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 11:00 a.m., Local Time, (i) in respect of Swingline Loans denominated in Dollars, on any Business Day and (ii) in respect of Swiss Swingline Loans, three (3) Business Days before the date of the proposed acquisition of participations, require the Lenders to acquire participations on such date in all or a portion of the Swingline Loans outstanding in the applicable Agreed Currency of such Swingline Loans. Such notice shall specify the aggregate amount and the applicable Agreed Currency of Swingline Loans in which Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans and the applicable Agreed Currency of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay in the applicable Agreed Currency to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant

to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Company of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Company or MK Switzerland (or other party on behalf of the Company or MK Switzerland) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Company or MK Switzerland, as applicable, for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Company or MK Switzerland of any default in the payment thereof.

SECTION 2.06. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, any Borrower may request the issuance of Letters of Credit in the form of Commercial Letters of Credit or Standby Letters of Credit denominated in Agreed Currencies for its own account or as the applicant thereof for the support of its obligations or the obligations of its Subsidiaries or any other Loan Party, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by any Borrower to, or entered into by any Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Each Borrower unconditionally and irrevocably agrees that, in connection with any Letter of Credit issued for the support of the obligations of its Subsidiary or any other Loan Party as provided in the first sentence of this paragraph, such Borrower will be fully responsible for the reimbursement of LC Disbursements in accordance with the terms hereof, the payment of interest thereon and the payment of fees due under Section 2.12(b) to the same extent as if it were the sole account party in respect of such Letter of Credit (each Borrower hereby irrevocably waiving any defenses that might otherwise be available to it as a guarantor or surety of the obligations of such a Subsidiary or Loan Party that is an account party in respect of any such Letter of Credit).

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the applicable Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Agreed Currency applicable thereto, the name and

address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the applicable Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the applicable Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) subject to Sections 2.04 and 2.11(b), the Dollar Amount of the LC Exposure shall not exceed $100,000,000, (ii) subject to Sections 2.04 and 2.11(b), the sum of the Dollar Amount of the total Revolving Credit Exposures shall not exceed the Aggregate Commitment and (iii) subject to Sections 2.04 and 2.11(b), the Dollar Amount of the total outstanding Revolving Credit Exposure, in each case denominated in Foreign Currencies, shall not exceed the Foreign Currency Sublimit.

(c) Expiration Date. Each Letter of Credit shall expire (or to be subject to termination by notice from the Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five (5) Business Days prior to the Maturity Date; provided that, upon any Borrower's request, any such Letter of Credit which is issued in the final year prior to the Maturity Date may have an expiry date which is one (1) year after the Maturity Date if cash collateralized or covered by standby letter(s) of credit in compliance with Section 2.06(j) below (each such Letter of Credit, an "Extended Letter of Credit").

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit and in the currency of such Letter of Credit (or any currency into which such Letter of Credit is converted as provided herein) equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the applicable Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to any Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent in Dollars the Dollar Amount equal to such LC Disbursement, calculated as of the date the Issuing Bank made such LC Disbursement (or if the Issuing Bank shall so elect in its sole discretion by notice to the applicable Borrower, in such other Agreed Currency which was paid by the Issuing Bank pursuant to such LC Disbursement in an amount equal to such LC Disbursement) not later than (x) on the same Business Day that the applicable Borrower receives written notice from the Issuing Bank that the Issuing Bank has made such LC Disbursement under such Letter of Credit , if the applicable Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., Local Time, and (y) on the next succeeding

Business Day after which such Borrower receives such notice after 10:00 a.m., Local Time; provided that, if such LC Disbursement is not less than the Dollar Amount of $500,000, such Borrower may, subject to the conditions to borrowing and other conditions set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with (i) to the extent such LC Disbursement was made in Dollars, an ABR Revolving Borrowing or Swingline Loan in Dollars in an amount equal to such LC Disbursement or (ii) to the extent such LC Disbursement was made in a Foreign Currency, a Canadian Base Rate Borrowing, a Eurocurrency Revolving Borrowing or a Swingline Loan in such Foreign Currency in an amount equal to such LC Disbursement and, in each case, to the extent so financed, such Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing, Canadian Base Rate Borrowing, Eurocurrency Revolving Borrowing or Swingline Loan, as applicable. If any Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from such Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the applicable Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from any Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Loans, Eurocurrency Loans, Canadian Base Rate Loans or Swingline Loans as contemplated above) shall not constitute a Loan and shall not relieve the applicable Borrower of its obligation to reimburse such LC Disbursement. If any Borrower's reimbursement of, or obligation to reimburse, any amounts in any Foreign Currency would subject the Administrative Agent, the Issuing Bank or any Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, such Borrower shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the Issuing Bank or the relevant Lender or (y) reimburse each LC Disbursement made in such Foreign Currency in Dollars, in an amount equal to the Equivalent Amount, calculated using the applicable Exchange Rates, on the date such LC Disbursement is made, of such LC Disbursement.

(f) Obligations Absolute. Each Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, any Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding

sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to a Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by each Borrower to the extent permitted by applicable law) suffered by such Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the applicable Borrower by telephone (confirmed by telecopy) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve such Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the applicable Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that such Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans (or in the case such LC Disbursement is denominated in a Foreign Currency, at the Overnight Foreign Currency Rate for such Agreed Currency plus the then effective Applicable Rate with respect to Eurocurrency Revolving Loans); provided that, if such Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of Issuing Bank. The Issuing Bank may be replaced at any time by written agreement among the applicable Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12 (b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued by such successor Issuing Bank thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such

successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If (x) any Event of Default shall occur and be continuing, on the Business Day that any Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph or (y) cash collateral is required pursuant to Section 2.06(c) in connection with the issuance of an Extended Letter of Credit, such Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders (the "LC Collateral Account"), an amount in cash equal to 102% of the Dollar Amount of the LC Exposure in respect of such Extended Letter of Credit (in the case of the foregoing clause (y)) or in the aggregate (in the case of the foregoing clause (x)) as of such date plus any accrued and unpaid interest thereon; provided that (i) the portions of such amount attributable to undrawn Foreign Currency Letters of Credit or LC Disbursements in a Foreign Currency that such Borrower is not late in reimbursing shall be deposited in the applicable Foreign Currencies in the actual amounts of such undrawn Letters of Credit and LC Disbursements and (ii) the obligation to deposit such cash collateral shall (1) be required no later than five (5) Business Days prior to the Maturity Date in the case of an Extended Letter of Credit and (2) become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Borrower described in clause (h) or (i) of Article VII. For the purposes of this paragraph, the Foreign Currency LC Exposure shall be calculated using the applicable Exchange Rate on the date notice demanding cash collateralization is delivered to the applicable Borrower. Each Borrower also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.11(b). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrowers' risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Obligations. If any Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to such Borrower within three (3) Business Days after all Events of Default have been cured or waived.

(k) Existing Letters of Credit. The Existing Letters of Credit shall be deemed to be Letters of Credit issued hereunder on the Effective Date.

SECTION 2.07. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds (i) in the case of Loans denominated in Dollars, by 1:00 p.m., New York City time, to the account of the

Administrative Agent most recently designated by it for such purpose by notice to the Lenders, (ii) in the case of each Loan denominated in a Foreign Currency (other than Swiss Francs) by 12:00 noon, Local Time, in the city of the Administrative Agent's Applicable Payment Office for such currency and at such Applicable Payment Office for such currency and (iii) in the case of each Loan denominated in Swiss Francs, by 8:00 a.m., Local Time, in the city of the Administrative Agent's Applicable Payment Office for such currency and at such Applicable Payment Office for such currency; provided that Swingline Loans shall be made as provided in Section 2.05. The Administrative Agent will make such Loans available to the relevant Borrower by promptly crediting the amounts so received, in like funds, to (x) an account of such Borrower maintained with the Administrative Agent in New York City or Chicago and designated by such Borrower in the applicable Borrowing Request, in the case of Loans denominated in Dollars and (y) an account of such Borrower in the relevant jurisdiction and designated by such Borrower in the applicable Borrowing Request, in the case of Loans denominated in a Foreign Currency; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing (or, in the case of an ABR Borrowing, prior to the proposed time of any Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the relevant Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and such Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency) or (ii) in the case of such Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Revolving Borrowing or BA Equivalent Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the relevant Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Revolving Borrowing or BA Equivalent Borrowing, may elect Interest Periods therefor, all as provided in this Section. A Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, a Borrower, or the Company on its behalf, shall notify the Administrative Agent of such election (by telephone or irrevocable written notice in the case of a Borrowing denominated in Dollars or Canadian Dollars or by irrevocable written notice (via an Interest Election Request signed by such Borrower, or the Company on its behalf) in the case of a Borrowing denominated in a Foreign Currency other than Canadian Dollars) by the time that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be

made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request signed by the relevant Borrower, or the Company on its behalf. Notwithstanding any contrary provision herein, this Section shall not be construed to permit any Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Loans or BA Equivalent Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under such Borrowing.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing (and, in the case of a Canadian Borrowing, a Canadian Base Rate Borrowing or a BA Equivalent Borrowing);

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period and Agreed Currency to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period"; and

(v) if the resulting Borrowing is a BA Equivalent Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurocurrency Borrowing or BA Equivalent Borrowing but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the relevant Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Revolving Borrowing or BA Equivalent Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period (i) in the case of a Borrowing denominated in Dollars, such Borrowing shall be converted to an ABR Borrowing , (ii) in the case of a Canadian Borrowing, such Borrowing shall be converted to a Canadian Base Rate Borrowing; and (iii) in the case of a Borrowing denominated in a Foreign Currency other than Canadian Dollars in respect of which the applicable Borrower shall have failed to deliver an Interest Election Request prior to the third (3rd) Business Day preceding the end of such Interest Period, such Borrowing shall automatically

continue as a Eurocurrency Borrowing in the same Agreed Currency with an Interest Period of one month unless such Eurocurrency Borrowing is or was repaid in accordance with Section 2.11. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Company, then, so long as an Event of Default is continuing (i) no outstanding Revolving Borrowing denominated in Dollars or Canadian Dollars may be converted to or continued as a Eurocurrency Borrowing or a BA Equivalent Borrowing, (ii) unless repaid, each BA Equivalent Borrowing shall be converted to a Canadian Base Rate Borrowing, and (iv) unless repaid, each Eurocurrency Revolving Borrowing denominated in Dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (iii) unless repaid, each Eurocurrency Revolving Borrowing denominated in a Foreign Currency shall automatically be continued as a Eurocurrency Borrowing with an Interest Period of one month.

SECTION 2.09. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Company may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) the Company shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, the Dollar Amount of the sum of the Revolving Credit Exposures would exceed the Aggregate Commitment.

(c) The Company shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Company pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Company may state that such notice is conditioned upon the effectiveness of other credit facilities, indentures or similar agreements or other transactions, in which case such notice may be revoked by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.10. Repayment of Loans; Evidence of Debt. (a) Each Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan made to such Borrower on the Maturity Date in the currency of such Loan and (ii) in the case of the Company or MK Switzerland, to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two (2) Business Days after such Swingline Loan is made; provided that on each date that a Revolving Borrowing is made, the Company or MK Switzerland, as the case may be, shall repay all Swingline Loans then outstanding.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class, Agreed Currency and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request, through the Administrative Agent, that Loans made by it to any Borrower be evidenced by a promissory note. In such event, the relevant Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in the form attached hereto as Exhibit J. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if any such promissory note is a registered note, to such payee and its registered assigns).

(f) Without limiting the obligations of each Loan Party to guaranty the complete payment and performance of the Obligations under the Guaranty, each Borrower acknowledges and agrees that it is jointly and severally liable for the payment and performance of all Obligations. All credits extended to any Borrower or requested by any Borrower shall be deemed to be credits extended for such Borrower. Notwithstanding anything to the contrary contained in this Agreement or any of the other Loan Documents, the Administrative Agent, the Issuing Bank and the Lenders shall be entitled to rely upon any request, notice or other communication received by them from any Borrower. Each Borrower agrees that the liability of such Borrower provided for in this subsection (f) shall not be impaired or affected by any modification, supplement, extension or amendment or any contract or agreement to which such Borrower may hereafter agree (other than a Borrowing Subsidiary Termination or an agreement signed by the Administrative Agent and the Lenders required by Section 9.02(b) hereof specifically releasing such liability), nor by any delay, extension of time, renewal, compromise or other indulgence granted by the Administrative Agent or any Lender with respect to any of the Obligations, nor by any other agreements or arrangements whatsoever with any other Person, such Borrower hereby waiving all notice of such delay, extension, release, substitution, renewal, compromise or other indulgence, and hereby consenting to be bound thereby as fully and effectually as if it had expressly agreed thereto in advance. The liability of each Borrower is direct and unconditional as to all of the Obligations, and may be enforced without requiring the Administrative Agent or any Lender first to resort to any other right, remedy or security. Each Borrower hereby expressly waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and any requirement that the Administrative Agent or any Lender exhaust any right or take any action against such Borrower or any other Person.

SECTION 2.11. Prepayment of Loans.

(a) Any Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with the provisions of

this Section 2.11(a). The applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Revolving Borrowing or a BA Equivalent Borrowing, not later than 12:00 noon, Local Time, three (3) Business Days (in the case of a Eurocurrency Borrowing denominated in Dollars or a BA Equivalent Borrowing) or four (4) Business Days (in the case of a Eurocurrency Borrowing denominated in a Foreign Currency), in each case before the date of prepayment, (ii) in the case of prepayment of an ABR Revolving Borrowing or a Canadian Base Rate Borrowing, not later than 12:00 noon, New York City time, on the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 12:00 noon, Local Time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16 (if any).

(b) If at any time, (i) other than as a result of fluctuations in currency exchange rates, (A) the sum of the aggregate principal Dollar Amount of all of the Revolving Credit Exposures (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Credit Event) exceeds the Aggregate Commitment or (B) the sum of the aggregate principal Dollar Amount of all of the outstanding Revolving Credit Exposures denominated in Foreign Currencies (the "Foreign Currency Exposure") (so calculated), as of the most recent Computation Date with respect to each such Credit Event, exceeds the Foreign Currency Sublimit or (ii) solely as a result of fluctuations in currency exchange rates, (A) the sum of the aggregate principal Dollar Amount of all of the Revolving Credit Exposures (so calculated) exceeds 105% of the Aggregate Commitment or (B) the Foreign Currency Exposure, as of the most recent Computation Date with respect to each such Credit Event, exceeds 105% of the Foreign Currency Sublimit, the Borrowers shall in each case immediately repay Borrowings or cash collateralize LC Exposure in an account with the Administrative Agent pursuant to Section 2.06(j), as applicable, in an aggregate principal amount sufficient to cause (x) the aggregate Dollar Amount of all Revolving Credit Exposures (so calculated) to be less than or equal to the Aggregate Commitment and (y) the Foreign Currency Exposure to be less than or equal to the Foreign Currency Sublimit, as applicable.

SECTION 2.12. Fees. (a) The Company agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the average Available Revolving Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates; provided that, if such Lender continues to have any Revolving Credit Exposure after its Commitment terminates, then such commitment fee shall continue to accrue on the daily amount of such Lender's Revolving Credit Exposure from and including the date on which its Commitment terminates to but excluding the date on which such Lender ceases to have any Revolving Credit Exposure. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof;

provided that any commitment fees accruing after the date on which the Commitments terminate shall be payable on demand. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrowers agree to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Standby Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurocurrency Revolving Loans on the average daily Dollar Amount of such Lender's LC Exposure in respect of Standby Letters of Credit (excluding any portion thereof attributable to unreimbursed LC Disbursements in respect of Standby Letters of Credit) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure in respect of Standby Letters of Credit, (ii) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Commercial Letters of Credit, which shall accrue at the Applicable Rate applicable to Commercial Letters of Credit on the average daily Dollar Amount of such Lender's LC Exposure in respect of Commercial Letters of Credit (excluding any portion thereof attributable to unreimbursed LC Disbursements in respect of Commercial Letters of Credit) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure in respect of Commercial Letters of Credit and (iii) to the Issuing Bank for its own account a fronting fee, which shall accrue at a rate per annum separately agreed upon by the Company and the Issuing Bank on the average daily Dollar Amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) attributable to Letters of Credit issued by the Issuing Bank during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Unless otherwise specified above, participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third (3rd) Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within ten (10) Business Days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Participation fees and fronting fees in respect of Letters of Credit denominated in Dollars shall be paid in Dollars, and participation fees and fronting fees in respect of Letters of Credit denominated in a Foreign Currency shall be paid in such Foreign Currency.

(c) Each Loan Party agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between such Loan Party and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in Dollars (except as otherwise expressly provided in this Section 2.12) and immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing (including each Swingline Loan to the Company denominated in Dollars) shall bear interest at the Alternate Base Rate plus the Applicable Rate. The Canadian Loans comprising each Canadian Base Rate Borrowing shall bear interest at the Canadian Prime Rate plus the Applicable Rate. Each Swiss Swingline Loan shall bear interest at the Overnight Foreign Currency Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate. The Loans comprising each BA Equivalent Borrowing shall bear interest at the BA Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan (to the extent permitted by applicable law), 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Revolving Loan shall be payable in arrears on each Interest Payment Date for such Revolving Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan or a Canadian Base Rate Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Revolving Loan or BA Equivalent Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest (i) computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate, computed by reference to the BA Rate or computed on the basis of the Canadian Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and (ii) for Borrowings denominated in Pounds Sterling shall be computed on the basis of a year of 365 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Canadian Prime Rate, Adjusted LIBO Rate, LIBO Rate or BA Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(f) The interest rates provided for in this Agreement, including this Section 2.13 are minimum interest rates. When entering into this Agreement, the parties have assumed that the interest payable at the rates set out in this Section or in other Sections of this Agreement is not and will not become subject to the Swiss Withholding Tax. Notwithstanding that the parties do not anticipate that any payment of interest will be subject to the Swiss Withholding Tax, they agree that, in the event that the Swiss Withholding Tax should be imposed on interest payments, the payment of interest due by any Swiss Borrower shall, subject to Section 2.17 (including any limitations therein and any obligations of the Lenders thereunder), be increased to an amount which (after making any deduction of the Non-Refundable Portion (as defined below) of the Swiss Withholding Tax) results in a payment to each Lender entitled to such payment of an amount equal to the payment which would have been due had no deduction of Swiss Withholding

Tax been required. For this purpose, the Swiss Withholding Tax shall be calculated on the full grossed-up interest amount. For the purposes of this Section, "Non-Refundable Portion" shall mean Swiss Withholding Tax at the standard rate (being, as at the date hereof, 35%) unless a tax ruling issued by the Swiss Federal Tax Administration (SFTA) confirms that, in relation to a specific Lender based on an applicable double tax treaty, the Non-Refundable Portion is a specified lower rate in which case such lower rate shall be applied in relation to such Lender. Each Swiss Borrower shall provide to the Administrative Agent the documents required by law or applicable double taxation treaties for the Lenders to claim a refund of any Swiss Withholding Tax so deducted.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurocurrency Borrowing or BA Equivalent Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining (i) the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period or (ii) in the case of a BA Equivalent Borrowing, the BA Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate, the LIBO Rate or the BA Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period or the applicable Agreed Currency;

then the Administrative Agent shall give notice thereof to the applicable Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the applicable Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurocurrency Borrowing or BA Equivalent Borrowing shall be ineffective and, unless repaid, (A) in the case of a Eurocurrency Borrowing denominated in Dollars, such Borrowing shall be made as an ABR Borrowing and (B) in the case of a Eurocurrency Borrowing denominated in a Foreign Currency or BA Equivalent Borrowing, as applicable, such Eurocurrency Borrowing or BA Equivalent Borrowing, as applicable, shall be repaid on the last day of the then current Interest Period applicable thereto and (ii) if any Borrowing Request requests a Eurocurrency Revolving Borrowing in Dollars or a BA Rate Borrowing, such Borrowing shall be made as an ABR Borrowing or Canadian Base Rate Borrowing, as applicable (and if any Borrowing Request requests a Eurocurrency Revolving Borrowing denominated in a Foreign Currency, such Borrowing Request shall be ineffective); provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Bank;

(ii) impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting into or maintaining any Loan or of maintaining its obligation to make any such Loan (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency) or to increase the cost to such Lender, the Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency) or to reduce the amount of any sum received or receivable by such Lender, the Issuing Bank or such other Recipient hereunder, whether of principal, interest or otherwise (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency), then upon request of such Lender, the Issuing Bank or such other Recipient, the applicable Borrower will pay to such Lender, the Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the applicable Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth in reasonable detail the calculation of the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Company and shall be conclusive absent manifest error. The Company shall pay, or cause the other Borrowers to pay, such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Company shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan or BA Equivalent Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any Eurocurrency Loan or BA Equivalent Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan or BA Equivalent Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(a) and is revoked in accordance therewith) or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.19, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event (excluding any loss of margin or anticipated profit). Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate or BA Rate, as applicable, that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the relevant currency of a comparable amount and period from other banks in the eurocurrency market (or with respect to BA Equivalent Loans, the Canadian bank market). A certificate of any Lender setting forth in reasonable detail the calculation of any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the applicable Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

SECTION 2.17. Taxes. (a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.17) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrowers. The relevant Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. The Loan Parties shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a

payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the relevant Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrowers and the Administrative Agent, at the time or times reasonably requested by the Borrowers or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowers or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrowers or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrowers or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Person:

(A) any Lender that is a U.S. Person shall deliver to such Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Administrative Agent (in such number of copies as shall

be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), whichever of the following is applicable;

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of such Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit such Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to such Borrower and the Administrative Agent at the time or times prescribed by

law and at such time or times reasonably requested by such Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by such Borrower or the Administrative Agent as may be necessary for such Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Company and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Issuing Bank. For purposes of this Section 2.17, the term "Lender" includes the Issuing Bank and the term "applicable law" includes FATCA.

(j) Swiss Qualifying Bank. Each Lender confirms that it is a Swiss Qualifying Bank or, if not, a single person only for the purpose of the Swiss Non-Bank Rules and any other Person that shall become a Lender or a Participant pursuant to Section 9.04 of this Agreement shall be deemed to have confirmed that it is a Swiss Qualifying Bank or, if not, a single person only for the purpose of the Swiss Non-Bank Rules.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) Each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Sections 2.13(f), 2.15, 2.16 or 2.17, or otherwise) prior to (i) in the case of payments denominated in Dollars, 12:00 noon, New York City time and (ii) in the case of payments denominated in a Foreign Currency, 12:00 noon, Local Time, in the city of the Administrative Agent's Applicable Payment Office for such currency, in each case on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made (i) in the same currency in which the applicable Credit Event was made and (ii) to the Administrative Agent at its offices at 10 South Dearborn Street, Chicago, Illinois 60603 or, in the case of a Credit Event denominated in a Foreign Currency, the Administrative Agent's Applicable Payment Office for such currency, except payments to be made directly to the Issuing Bank or the Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.13(f), 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Notwithstanding the foregoing provisions of this Section, if, after the making of any Credit Event in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Credit Event was made (the "Original Currency") no longer exists or any Borrower is not able to make payment to the Administrative Agent for the account of the Lenders in such Original Currency, or the terms of this Agreement allow or require the conversion of such Credit Event into Dollars, then all payments to be made by such Borrower hereunder in such currency shall, to the fullest extent permitted by law, instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrowers take all risks of the imposition of any such currency control or exchange regulations or conversion, and each Borrower agrees to indemnify and hold harmless the Swingline Lender, the Issuing Bank, the Administrative Agent and the Lenders from and against any loss resulting from any Credit Event made to or for the benefit of such Borrower denominated in a Foreign Currency that is not repaid to the Swingline Lender, the Issuing Bank, the Administrative Agent or the Lenders, as the case may be, in the Original Currency.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) [Intentionally omitted].

(d) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving

payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the relevant Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency).

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07 (b), 2.18(e) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender and for the benefit of the Administrative Agent, the Swingline Lender or the Issuing Bank to satisfy such Lender's obligations to it under any such Section until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account over which the Administrative Agent shall have exclusive control as cash collateral for, and application to, any future funding obligations of such Lender under any such Section; in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Sections 2.13(f) or 2.15, or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different

lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Sections 2.13(f), 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under Sections 2.13(f) or 2.15, (ii) any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17 or (iii) any Lender becomes a Defaulting Lender, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Sections 2.13(f), 2.15 or 2.17) and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Company shall have received the prior written consent of the Administrative Agent (and if a Commitment is being assigned, the Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Sections 2.13(f) or 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

SECTION 2.20. Expansion Option. The Company may from time to time elect to increase the Commitments or enter into one or more tranches of term loans (each an "Incremental Term Loan"), in each case in minimum increments of $10,000,000 so long as, after giving effect thereto, the aggregate amount of such increases and all such Incremental Term Loans does not exceed $100,000,000. The Company may arrange for any such increase or tranche to be provided by one or more Lenders (each Lender so agreeing to an increase in its Commitment, or to participate in such Incremental Term Loans, an "Increasing Lender"), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an "Augmenting Lender"), to increase their existing Commitments, or to participate in such Incremental Term Loans, or extend Commitments, as the case may be; provided that (i) each Augmenting Lender, shall be subject to the approval of the Company and the Administrative Agent (such consent not to be unreasonably withheld or delayed) and (ii) (x) in the case of an Increasing Lender, the Company and such Increasing Lender execute an agreement substantially in the form of Exhibit C hereto, and (y) in the case of an Augmenting Lender, the Company and such Augmenting Lender execute an agreement substantially in the form of Exhibit D hereto. No consent of any Lender (other than the Lenders participating in the increase or any Incremental Term Loan) shall be required for any increase in Commitments or Incremental Term Loan pursuant to this Section 2.20. Increases and new Commitments and Incremental Term Loans created pursuant to this Section 2.20 shall become effective on the date agreed by the Company, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Commitments (or in the Commitment of any Lender) or tranche of Incremental Term Loans shall become effective under this paragraph unless,

(i) on the proposed date of the effectiveness of such increase or Incremental Term Loans, (A) the conditions set forth in paragraphs (a) and (b) of Section 4.02 shall be satisfied or waived by the Required Lenders and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Company and (B) the Company shall be in compliance (on a Pro Forma Basis) with the covenants contained in Section 6.10 and (ii) the Administrative Agent shall have received documents (including legal opinions) consistent with those delivered on the Effective Date as to the organizational power and authority of the Borrowers to borrow hereunder after giving effect to such increase. On the effective date of any increase in the Commitments or any Incremental Term Loans being made, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its Applicable Percentage of such outstanding Revolving Loans, and (ii) except in the case of any Incremental Term Loans, the Borrowers shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase in the Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the applicable Borrower, or the Company on behalf of the applicable Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurocurrency Loan, unless waived by any applicable Lender in its reasonable discretion, shall be subject to indemnification by the Borrowers pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. The Incremental Term Loans (a) shall rank pari passu in right of payment with the Revolving Loans, (b) shall not mature earlier than the Maturity Date (but may have amortization prior to such date) and (c) shall be treated substantially the same as (and in any event no more favorably than) the Revolving Loans; provided that (i) the terms and conditions applicable to any tranche of Incremental Term Loans maturing after the Maturity Date may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after the Maturity Date and (ii) the Incremental Term Loans may be priced differently than the Revolving Loans. Incremental Term Loans may be made hereunder pursuant to an amendment or restatement (an "Incremental Term Loan Amendment") of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrowers, each Increasing Lender participating in such tranche, each Augmenting Lender participating in such tranche, if any, and the Administrative Agent. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.20. Nothing contained in this Section 2.20 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Commitment hereunder, or provide Incremental Term Loans, at any time.

SECTION 2.21. [Intentionally Omitted].

SECTION 2.22. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from any Borrower hereunder in the currency expressed to be payable herein (the "specified currency") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent's main New York City office on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of each Borrower in respect of any sum due to any Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the

Business Day following receipt by such Lender or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the specified currency, each Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.18, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to such Borrower.

SECTION 2.23. Designation of Foreign Subsidiary Borrowers. On the Effective Date, and subject to the satisfaction of the applicable conditions in Article IV hereto, each Initial Foreign Subsidiary Borrower shall deliver an executed signature page to this Agreement, whereupon it shall become a Foreign Subsidiary Borrower party to this Agreement until the Company shall have executed and delivered to the Administrative Agent a Borrowing Subsidiary Termination with respect to any such Subsidiary, whereupon such Subsidiary shall cease to be a Foreign Subsidiary Borrower and a party to this Agreement. After the Effective Date, the Company may at any time and from time to time designate any Eligible Foreign Subsidiary as a Foreign Subsidiary Borrower by delivery to the Administrative Agent of a Borrowing Subsidiary Agreement executed by such Subsidiary and the Company and the satisfaction of the other conditions precedent set forth in Section 4.03, and upon such delivery and satisfaction such Subsidiary shall for all purposes of this Agreement be a Foreign Subsidiary Borrower and a party to this Agreement until the Company shall have executed and delivered to the Administrative Agent a Borrowing Subsidiary Termination with respect to such Subsidiary, whereupon such Subsidiary shall cease to be a Foreign Subsidiary Borrower and a party to this Agreement. Notwithstanding the preceding sentence, no Borrowing Subsidiary Termination will become effective as to any Foreign Subsidiary Borrower at a time when any principal of or interest on any Loan to such Borrower shall be outstanding hereunder, provided that such Borrowing Subsidiary Termination shall be effective to terminate the right of such Foreign Subsidiary Borrower to make further Borrowings under this Agreement. As soon as practicable upon receipt of a Borrowing Subsidiary Agreement, the Administrative Agent shall furnish a copy thereof to each Lender.

SECTION 2.24. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided, that, except as otherwise provided in Section 9.02, this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby;

(c) if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent that the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrowers shall within three (3) Business Days following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize for the benefit of the Issuing Bank only, the Borrowers' obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrowers cash collateralize any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.12(a) and Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrowers in accordance with Section 2.24(c), and participating interests in any such newly made Swingline Loan or any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.24(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Swingline Lender or any Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its funding obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or the Issuing Bank, as the case may be, shall have entered into arrangements with the Company or such Lender, reasonably satisfactory to the Swingline Lender or the Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Company, the Swingline Lender and each Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.25. Financial Assistance.

(a) If and to the extent that a payment in fulfilling the joint and several liabilities under Section 2.10(f) of any Swiss Borrower would, at the time payment is due, under Swiss law and practice (inter alia, prohibiting capital repayments or restricting profit distributions) not be permitted, in particular if and to the extent that such Swiss Borrower guarantees obligations other than obligations of one of its subsidiaries (i.e. obligations of its direct or indirect parent companies (up-stream guarantee) or direct or indirect sister companies (cross-stream guarantee)) (such obligations, "Restricted Obligations"), then such obligations and payment amount shall from time to time be limited to the amount permitted to be paid; provided that such limited amount shall at no time be less than such Swiss Borrower's profits and reserves available for distribution as dividends (being the balance sheet profits and any reserves available for this purpose, in each case in accordance with art. 798, of the Swiss Federal Code of Obligations) at the time or times payment under or pursuant to Section 2.10(f) is requested from such Swiss Borrower, and further provided that such limitation (as may apply from time to time or not) shall not (generally or definitively) free such Swiss Borrower from payment obligations hereunder in excess thereof, but merely postpone the payment date therefor until such times as payment is again permitted notwithstanding such limitation. Any and all indemnities and guarantees contained in the Finance Documents including, in particular, Section 2.17(d) shall be construed in a manner consistent with the provisos herein contained.

(b) In respect of Restricted Obligations, each Swiss Borrower shall:

(i) if and to the extent required by applicable law in force at the relevant time:

(A) subject to any applicable double taxation treaty, deduct Swiss anticipatory tax (*Verrechnungssteuer*; "Swiss Withholding Tax") at the rate of 35% (or such other rate as in force from time to time) from any payment made by it in respect of Restricted Obligations;

(B) pay any such deduction to the Swiss Federal Tax Administration; and

(C) notify (or ensure that the Company notifies) the Administrative Agent that such a deduction has been made and provide the Administrative Agent with evidence that such a deduction has been paid to the Swiss Federal Tax Administration, all in accordance with Section 2.17(a); and

(ii) to the extent such a deduction is made, not be obliged to either gross-up in accordance with Section 2.17(a) or indemnify the Secured Parties in accordance with Section 2.17(d) in relation to any such payment made by it in respect of Restricted Obligations unless grossing-up is permitted under the laws of Switzerland then in force.

(c) If and to the extent requested by the Administrative Agent and if and to the extent this is from time to time required under Swiss law (restricting profit distributions), in order to allow the Administrative Agent (or the other Secured Parties) to obtain a maximum benefit under the joint and several liabilities under Section 2.10(f), each Swiss Borrower undertakes to promptly implement all such measures and/or to promptly obtain the fulfillment of all prerequisites allowing it to promptly make the requested payment(s) hereunder from time to time, including the following:

(i) preparation of an up-to-date audited balance sheet of such Swiss Borrower;

(ii) confirmation of the auditors of such Swiss Borrower that the relevant amount represents the maximum freely distributable profits;

(iii) approval by a quotaholders' meeting of such Swiss Borrower of the resulting profit distribution; and

(iv) all such other measures legally permitted at such time to allow such Swiss Borrower to make the payments agreed hereunder with a minimum of limitations to the extent such measures have been specifically and reasonably requested by the Administrative Agent and provided that such measures would not have materially adverse tax consequences for such Swiss Borrower or any of its Affiliates.

SECTION 2.26. Interest Act (Canada).

(a) For the purposes of the Interest Act (Canada) and disclosure thereunder, whenever any interest or any fee to be paid hereunder or in connection herewith by any Canadian Borrower or any Guarantor incorporated or otherwise organized under the laws of Canada or any province or territory thereof is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement.

(b) If any provision of this Agreement would oblige any Canadian Borrower or any Guarantor incorporated or otherwise organized under the laws of Canada or any province or territory thereof to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by such Lender of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by such Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(i) first, by reducing the amount or rate of interest; and

(ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid which would constitute interest for purposes of section 347 of the *Criminal Code* (Canada).

(c) If, notwithstanding the provisions of Section 2.26(b) and after giving effect to all adjustments contemplated thereby, a Lender shall have reserved an amount in excess of the maximum permitted by Section 2.26(b), then such excess shall be applied by such Lender in reduction of the principal balance of Loans owing to it.

ARTICLE III

Representations and Warranties

Each Loan Party represents and warrants to the Lenders with respect to itself and its respective Subsidiaries (as applicable) that:

SECTION 3.01. Organization; Powers; Subsidiaries. Each of such Loan Party and its Material Subsidiaries is duly organized or incorporated, validly existing and in good standing (to the extent such concept is applicable in the relevant jurisdiction) under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing (to the extent such concept is applicable) in, every jurisdiction where such qualification is required. Schedule 3.01 hereto (as supplemented from time to time) identifies each Subsidiary, noting whether such Subsidiary is a Material Subsidiary, the jurisdiction of its incorporation or organization, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by such Loan Party and the other Subsidiaries and, if such percentage is not 100% (excluding directors' qualifying shares as required by law), a description of each class issued and outstanding.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. Each Loan Document has been duly executed and delivered by each Loan Party which is a party thereto and constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, liquidation, reconstruction, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of such Loan Party or any of its Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture or any material agreement or other material instrument binding upon such Loan Party or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by such Loan Party or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of such Loan Party or any of its Subsidiaries.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) MK Holdings has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended March 31, 2012, reported on by PricewaterhouseCoopers LLP, independent public accountants, and (ii) as of and for the fiscal quarters and the portion of the fiscal year ended June 30, 2012 and September 29, 2012, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position

and results of operations and cash flows of the Company and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since March 31, 2012, there has been no material adverse change in the business, operations, property or financial condition of MK Holdings and its Subsidiaries, taken as a whole.

SECTION 3.05. Properties. (a) Each Loan Party and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to the operation of its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes or such other defects as, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) Each Loan Party and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by such Loan Party and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation, Environmental and Labor Matters. (a) Except as set forth on Schedule 3.06, there are no actions, suits, proceedings or investigations by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Loan Party, threatened against or affecting MK Holdings or any of its Subsidiaries (i) which would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(b) Except with respect to any other matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, neither any Loan Party nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) There are no strikes, slowdowns, work stoppages or controversies pending or, to the knowledge of the Loan Parties, threatened between the Loan Parties and their Subsidiaries and their respective employees which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements. Each Loan Party and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08. Investment Company Status. Neither any Loan Party nor any of its Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. Each Loan Party and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes

required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or such Subsidiary, as applicable, has set aside on its books adequate reserves to the extent required by GAAP or (b) to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. (i) Except as would not reasonably be expected to result in a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA and the provisions of the Code relating to Plans and the regulations and published interpretations thereunder, and each Foreign Plan is in compliance with applicable non-United States law and regulations thereunder, and (ii) no ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure. All of the written reports, financial statements and certificates furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or hereafter delivered hereunder or reports filed pursuant to the Securities Exchange Act of 1934, as amended (other than projections, budgets, other estimates and information of a general economic or industry specific nature) (in each case, as modified or supplemented by other information so furnished prior to the date on which this representation and warranty is made or deemed made), as of the date of such reports, financial statements or certificates, and when taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time prepared.

SECTION 3.12. Federal Reserve Regulations. No part of the proceeds of any Loan have been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 3.13. No Default. No Default or Event of Default has occurred and is continuing.

SECTION 3.14. Solvency.

(a) (i) The fair value of the assets of the Loan Parties and their Subsidiaries, taken as a whole, at a fair valuation, exceeds their debts and liabilities, subordinated, contingent or otherwise and (ii) the fair salable value of the business of the Loan Parties and their Subsidiaries, taken as a whole, is not less than the amount that will be required to be paid on or in respect of the probable liability on the existing debts and other liabilities (including contingent and subordinated liabilities) of the Loan Parties and their Subsidiaries, taken as a whole, as they become absolute and mature.

(b) None of the Loan Parties or any of their Subsidiaries, taken as a whole, have unreasonably small capital to carry out their business as now conducted and as proposed to be conducted including the capital needs of the Loan Parties and their Subsidiaries, taken as a whole, taking into account the particular capital requirements of the business conducted by the Loan Parties and their Subsidiaries, and projected capital requirements and capital availability thereof.

(c) None of the Loan Parties nor any of their Subsidiaries intends to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be received by the Loan Parties or any of their Subsidiaries, and of amounts to be payable on or in respect of debt of the Loan Parties or any of their Subsidiaries).

SECTION 3.15. Senior Indebtedness. The Loan Parties have no Indebtedness outstanding the payment priority of which ranks senior to the Obligations.

SECTION 3.16. USA Patriot Act. (a) Neither any Loan Party nor any of its Subsidiaries or, to the knowledge of any Loan Party, any of their respective Affiliates over which any of the foregoing exercises management control (each, a "Controlled Affiliate") is a Prohibited Person, and such Loan Party, its Subsidiaries and, to the knowledge of any Loan Party, such Controlled Affiliates are in compliance with all applicable orders, rules and regulations of OFAC.

(b) Neither any Loan Party nor any of its Subsidiaries or, to the knowledge of the Company, any of their respective Controlled Affiliates: (i) is targeted by United States or multilateral economic or trade sanctions currently in force; (ii) is owned or controlled by, or acts on behalf of, any Person that is targeted by United States or multilateral economic or trade sanctions currently in force; or (iii) is named, identified or described on any list of Persons with whom United States Persons may not conduct business, including any such blocked persons list, designated nationals list, denied persons list, entity list, debarred party list, unverified list, sanctions list or other such lists published or maintained by the United States, including OFAC, the United States Department of Commerce or the United States Department of State.

SECTION 3.17. Embargoed Persons. (a) None of any Loan Party's or its Subsidiaries' assets constitute property of, or are beneficially owned, directly or indirectly, by any Person targeted by economic or trade sanctions under United States law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq. (the "Trading With the Enemy Act"), any of the foreign assets control regulations of the Treasury (31 C.F.R., Subtitle B, Chapter V, as amended) (the "Foreign Assets Control Regulations") or any enabling legislation or regulations promulgated thereunder or executive order relating thereto (which includes, without limitation, (i) Executive Order No. 13224, effective as of September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Executive Order") and (ii) the USA PATRIOT Act), if the result of such ownership would be that any Loan made by any Lender would be in violation of law ("Embargoed Person"); (b) no Embargoed Person has any interest of any nature whatsoever in any Borrower if the result of such interest would be that any Loan would be in violation of law; (c) no Loan Party has engaged in business with Embargoed Persons if the result of such business would be that any Loan made by any Lender would be in violation of law; and (d) neither any Loan Party nor any Controlled Affiliate (i) is or will become a "blocked person" as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations or (ii) engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person". For purposes of determining whether or not a representation is true under this Section 3.17, no Loan Party shall be required to make any investigation into (i) the ownership of publicly traded stock or other publicly traded securities or (ii) the beneficial ownership of any collective investment fund.

SECTION 3.18. Compliance with the Swiss Twenty Non-Bank Rule.

(a) Each Swiss Borrower is compliant with the Swiss Twenty Non-Bank Rule; provided however that no Swiss Borrower shall be in breach of this Section 3.18 if such number of creditors (which are not Swiss Qualifying Banks) is exceeded solely by reason of a breach by one or more Lenders of a confirmation contained in Section 2.17(j) or a failure by one or more Lenders to comply with their obligations and transfer restrictions in Section 9.04.

(b) For the purposes of paragraph (a) above, each Swiss Borrower shall assume that the aggregate number of Lenders under this Agreement which are not Swiss Qualifying Banks is 10 (ten).

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence reasonably satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the other Loan Documents and such other legal opinions, certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit E.

(b) The Administrative Agent shall have received favorable written opinions (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP, (ii) Harneys, special British Virgin Islands counsel to the Loan Parties, (iii) VanEps Kunneman VanDoorne, special Curaçao counsel to the Loan Parties, (iv) Baker & McKenzie LLP, special United Kingdom, Netherlands and Swiss counsel to the Loan Parties and (v) Stewart McKelvey, special Nova Scotia counsel to the Loan Parties, each in form and substance reasonably satisfactory to the Administrative Agent and its counsel and covering such matters relating to the Loan Parties, the Loan Documents or the Transactions as the Administrative Agent shall reasonably request. The Loan Parties hereby request such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the initial Loan Parties, the authorization of the Transactions and any other legal matters relating to such Loan Parties, the Loan Documents or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit E.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of MK Holdings, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(e) The Lenders shall have received (i) the financial statements described in the first sentence of Section 3.04 and (ii) reasonably satisfactory financial statement projections through and including MK Holdings' 2018 fiscal year, together with such additional information as the Administrative Agent shall reasonably request (including, without limitation, a detailed description of the assumptions used in preparing such projections).

(f) The Administrative Agent shall have received evidence reasonably satisfactory to it that the credit facility evidenced by the Existing Credit Agreement shall be concurrently terminated and cancelled and all indebtedness thereunder shall have been fully repaid (except to the extent being so repaid with the initial Revolving Loans and except for the Existing Letters of Credit deemed issued hereunder) and any and all Liens granted thereunder shall be concurrently terminated.

(g) The Administrative Agent shall have received all fees payable on or prior to the Effective Date and, to the extent invoiced at least one Business Day prior to the Effective Date, all other amounts due and payable pursuant to the Loan Documents on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all reasonable out-of-pocket expenses required to be reimbursed or paid by the Loan Parties hereunder or under any Loan Document.

The Administrative Agent shall notify the Company and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in this Agreement shall be true and correct in all material respects (or in all respects if any such representation or warranty is qualified by "material" or "Material Adverse Effect"), on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable; provided that any such representation or warranty that by its express terms is made as of a specific date shall have been true and correct in all material respects (or in all respects if such representation or warranty is qualified by "material" or "Material Adverse Effect") as of such specific date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. Designation of a Foreign Subsidiary Borrower. The designation of a Foreign Subsidiary Borrower pursuant to Section 2.23 is subject to the condition precedent that the Company or such proposed Foreign Subsidiary Borrower shall have furnished or caused to be furnished to the Administrative Agent:

(a) Copies, certified by the Secretary or Assistant Secretary of such Subsidiary (or if such Subsidiary has not appointed a Secretary or Assistant Secretary, any officer, director or manager of such Subsidiary), of its Board of Directors' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for the Administrative Agent) approving the Borrowing Subsidiary Agreement and any other Loan Documents to which such Subsidiary is becoming a party and such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of such Subsidiary;

(b) An incumbency certificate, executed by the Secretary or Assistant Secretary of such Subsidiary (or if such Subsidiary has not appointed a Secretary or Assistant Secretary, any officer, director or manager of such Subsidiary), which shall identify by name and title and bear the signature of the officers or authorized signatories of such Subsidiary authorized to request Borrowings hereunder and sign the Borrowing Subsidiary Agreement and the other Loan Documents to which such Subsidiary is becoming a party, upon which certificate the Administrative Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Company or such Subsidiary;

(c) Opinions of counsel to such Subsidiary, in form and substance reasonably satisfactory to the Administrative Agent and its counsel, with respect to the laws of its jurisdiction of organization and such other matters as are reasonably requested by counsel to the Administrative Agent and addressed to the Administrative Agent and the Lenders; and

(d) Any promissory notes requested by any Lender, and any other instruments and documents reasonably requested by the Administrative Agent.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated, in each case without any pending draw, or cash collateralized in accordance with Section 2.06(j), and all LC Disbursements shall have been reimbursed, each Loan Party covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. MK Holdings will furnish to the Administrative Agent and each Lender through the Administrative Agent:

(a) within ninety (90) days after the end of each fiscal year of MK Holdings, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by an independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of MK Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within sixty (60) days after the end of each of the first three fiscal quarters of each fiscal year of MK Holdings, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter (other than with respect to statements of cash flows) and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet and statement of cash flows, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of MK Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of MK Holdings (i) stating that he or she has obtained no knowledge that a Default has occurred (except as set forth in such certificate) and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) identifying all Material Subsidiaries, (iii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.10 and (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by MK Holdings or any Subsidiary with the SEC, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by MK Holdings to its shareholders generally, as the case may be; and

(e) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of MK Holdings or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

Documents required to be delivered pursuant to clauses (a) to (d) of this Section 5.01 may be delivered electronically, and MK Holdings may elect in a writing delivered to the Administrative Agent to have such documents (other than in the case of documents delivered pursuant to clause (c)), deemed to have been delivered on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System.

SECTION 5.02. Notices of Material Events. MK Holdings will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting any Loan Party or any Subsidiary thereof that would reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect; and

(d) any other development that results in, or would reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of MK Holdings setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. Each Loan Party will, and will cause each of its Subsidiaries to, do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, licenses, permits, privileges, franchises, governmental authorizations and intellectual property rights material to the conduct of its

business, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except, in each case (other than in the case of the foregoing requirements insofar as they relate to the legal existence of the Borrowers and the Guarantors), to the extent that failure to do so would not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, amalgamation, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04. Payment of Obligations. Each Loan Party will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that if not paid would reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) MK Holdings or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. Except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect, each Loan Party will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted and except for surplus and obsolete properties, and (b) maintain, with financially sound and reputable insurance companies, insurance on such of its property and in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.06. Books and Records; Inspection Rights. Each Loan Party will, and will cause each of its Subsidiaries to, keep proper books of record and account in which entries in conformity in all material respects with all applicable laws, rules and regulations of any Governmental Authority are made of all dealings and transactions in relation to its business and activities. Each Loan Party will, and will cause each of its Subsidiaries to, on an annual basis at the request of the Administrative Agent (or at any time after the occurrence and during the continuance of an Event of Default), permit any representatives designated by the Administrative Agent (prior to the occurrence or continuation of an Event of Default, at the Administrative Agent's expense, as applicable, unless otherwise agreed to by the Administrative Agent and the Company, and following the occurrence or continuation of an Event of Default, at the Borrowers' expense), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records (other than materials protected by the attorney-client privilege and materials which such Loan Party or such Subsidiary, as applicable, may not disclose without violation of a confidentiality obligation binding upon it), and to discuss its affairs, finances and condition with its appropriate officers and independent accountants, so long as afforded an opportunity to be present, all during reasonable business hours. It is understood that such visits and inspections shall be coordinated through the Administrative Agent. If an Event of Default has occurred and is continuing, representatives of each Lender (at the Borrowers' expense) will be permitted to accompany representatives of the Administrative Agent during each inspection conducted during the existence of such Event of Default. The Company acknowledges that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Company and its Subsidiaries' assets for internal use by the Administrative Agent and the Lenders.

SECTION 5.07. Compliance with Laws and Material Contractual Obligations. Each Loan Party will, and will cause each of its Subsidiaries to, (i) comply with all laws, rules, regulations and orders of any Governmental Authority, applicable to it or its property (including without limitation Environmental Laws), except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect and (ii) perform in all material respects its obligations under material agreements to which it is a party, in each case except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08. Use of Proceeds and Letters of Credit. The proceeds of the Loans will be used only (i) to refinance indebtedness in existence on the Effective Date under the Existing Credit Agreement and (ii) to finance the working capital needs, capital expenditures, Permitted Acquisitions, Investments permitted under Section 6.04, Restricted Payments permitted under Section 6.06 and other general corporate purposes of MK Holdings and its Subsidiaries. No part of the proceeds of any Loan will be used, whether directly or indirectly, for the purpose of purchasing or carrying, or to extend credit to others for the purpose of purchasing or carrying any "margin stock" as defined in Regulation T, U or X of the Board or for any other purpose that entails a violation of any such regulations. The Commercial Letters of Credit shall be used solely to finance purchases of goods by MK Holdings and its Subsidiaries, in the ordinary course of their business, and the Standby Letters of Credit shall be used solely for the purposes described in the definition of such term in Section 1.01.

SECTION 5.09. Guarantors.

(a) Except as set forth in Section 5.09(b), (i) if an Eligible Foreign Subsidiary is designated as a Foreign Subsidiary Borrower pursuant to Section 2.23, contemporaneously with the deliveries required to be furnished to the Administrative Agent pursuant to Section 4.03, and (ii) if any Person becomes a Subsidiary of MK Holdings or any Subsidiary qualifies independently as, or is designated by the Company or the Administrative Agent as, a Guarantor pursuant to the definition of "Material Subsidiary", as promptly as possible but in any event within thirty (30) days (or such later date as may be agreed upon by the Administrative Agent) thereof, (A) solely in the case of clause (ii) above, the Company shall provide the Administrative Agent with written notice thereof setting forth information in reasonable detail as to whether such Subsidiary is a Material Subsidiary and (B) in each case, the Company shall cause each such Foreign Subsidiary Borrower or each such Subsidiary which qualifies as a Material Subsidiary to deliver to the Administrative Agent (1) (x) a joinder to the Guaranty described in clause (a) of the definition of "Guaranty" (in the form contemplated thereby) pursuant to which such Foreign Subsidiary Borrower or Subsidiary, as applicable, agrees to be bound by the terms and provisions thereof or (y) if such Subsidiary is a Foreign Subsidiary and local counsel advises the Administrative Agent that such Guaranty is not effective under the laws of such Foreign Subsidiary's jurisdiction of organization to provide a guarantee of the Obligations by such Foreign Subsidiary with substantially the substance and scope as contemplated by the terms of such Guaranty, a Guaranty described in clause (b) of the definition of "Guaranty" that is governed by the laws of such Foreign Subsidiary's jurisdiction of organization, in form and substance reasonably satisfactory to the Administrative Agent, and (2) to the extent not appropriately included in the documentation described in the preceding clause (1) or in documentation required by Sections 2.23 and 4.03 (in the case of a Material Subsidiary that is a Foreign Subsidiary Borrower), a joinder to this Agreement pursuant to which such Subsidiary agrees to be bound by the terms and provisions hereof, in any such case, to be accompanied by appropriate corporate resolutions, other corporate documentation and legal opinions as reasonably requested by the Administrative Agent and in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(b) No Person that is a CFC (or a CFC Holding Company) shall be required to become (or if already a Guarantor, shall be required to continue as) a Guarantor of the Company's or any Domestic Subsidiary's Obligations.

SECTION 5.10. Centre of Main Interests and Establishment. No Loan Party incorporated in a member state of the European Union shall, without the prior written consent of the Administrative Agent, take any action that shall cause its centre of main interests (as that term is used in Article 3(1) of the Regulation) to be situated outside of its jurisdiction of incorporation.

SECTION 5.11. Compliance with the Swiss Twenty Non-Bank Rule.

(a) Each Swiss Borrower shall be in compliance with the Swiss Twenty Non-Bank Rule; provided, however, that no Swiss Borrower shall be in breach of this Section 5.11 if such number of creditors (which are not Swiss Qualifying Banks) is exceeded solely by reason of a breach by one or more Lenders of a confirmation contained in Section 2.17(j) or a failure by one or more Lenders to comply with their obligations and transfer restrictions in Section 9.04.

(b) For the purposes of paragraph (a) above, each Swiss Borrower shall assume that the aggregate number of Lenders under this Agreement which are not Swiss Qualifying Banks is 10 (ten).

ARTICLE VI
Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated, in each case, without any pending draw, or cash collateralized in accordance with Section 2.06(j), and all LC Disbursements shall have been reimbursed, each Loan Party covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Loan Parties will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness existing on the Effective Date and set forth in Schedule 6.01 and extensions, refinancings, renewals and replacements of any such Indebtedness that does not increase the outstanding principal amount thereof (plus unpaid accrued interest and premium (including tender premiums) thereon and underwriting discounts, defeasance costs, fees, commissions and expenses) or shorten the final maturity or weighted average life to maturity thereof (it being understood that if the existing Indebtedness did not constitute Priority Indebtedness, then the extended, refinanced, renewed or replacement Indebtedness shall only constitute Priority Indebtedness if separately permitted to be incurred under clause (g) below);

(c) Indebtedness of MK Holdings to any Subsidiary and of any Subsidiary to MK Holdings or any other Subsidiary;

(d) Guarantees by (i) MK Holdings of Indebtedness of any Subsidiary, (ii) any Subsidiary of Indebtedness of MK Holdings or any other Subsidiary and (iii) MK Holdings or any Subsidiary of Indebtedness of any joint venture; provided that the aggregate amount of such Guarantees incurred pursuant to this clause (iii) shall not exceed $75,000,000 in the aggregate at any time outstanding;

(e) Indebtedness of MK Holdings or any Subsidiary incurred to finance or refinance the acquisition, ownership, development, construction, repair, replacement or improvement of

any fixed or capital assets, including Capital Lease Obligations, any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that such Indebtedness is incurred prior to or within 180 days after such ownership, development, acquisition or the completion of such construction, repair, replacement or improvement;

(f) Indebtedness acquired or assumed in Permitted Acquisitions and extensions, refinancings, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof (plus unpaid accrued interest and premium (including tender premiums) thereon and underwriting discounts, defeasance costs, fees, commissions and expenses) or shorten the final maturity or weighted average life to maturity thereof (it being understood that if the existing Indebtedness did not constitute Priority Indebtedness, then the extended, renewed or replacement Indebtedness shall only constitute Priority Indebtedness if separately permitted under clause (g) below);

(g) Priority Indebtedness (excluding any Indebtedness permitted by Section 6.01(e) or (f)) in an aggregate principal amount that at the time of, and after giving effect to, the incurrence thereof, together with the aggregate principal amount of other Priority Indebtedness incurred pursuant to this clause (g) and then outstanding, does not exceed 10% of MK Holdings' Consolidated Net Worth (determined as of the last day of the most recently completed fiscal quarter for which financial statements are available);

(h) endorsements for collection, deposit or negotiation and warranties of products or services, in each case incurred in the ordinary course of business;

(i) Indebtedness in respect of letters of credit in the ordinary course of business (other than Letters of Credit);

(j) Indebtedness under Swap Agreements permitted by Section 6.05;

(k) [reserved];

(l) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(m) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds, performance and completion guarantees, import and export custom and duty guaranties and similar obligations, or obligations in respect of letters of credit, bank acceptances or guarantees or similar instruments related thereto, in each case provided in the ordinary course of business;

(n) (i) contingent liabilities in respect of any indemnification, adjustment of purchase price, earn-out, non-compete, consulting, deferred compensation and similar obligations of MK Holdings and its Subsidiaries incurred in connection with Permitted Acquisitions and (ii) Indebtedness incurred by MK Holdings or its Subsidiaries in a Permitted Acquisition under agreements providing for earn-outs or the adjustment of the purchase price or similar adjustments;

(o) Indebtedness owed to any Person providing property, casualty or liability insurance to MK Holdings or any of its Subsidiaries, so long as such Indebtedness shall not be in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness shall be outstanding only during such year;

(p) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided that (i) such Indebtedness (other than credit or purchase cards) is extinguished within three (3) Business Days of its incurrence and (ii) such Indebtedness in respect of credit or purchase cards is extinguished within 90 days from its incurrence;

(q) Indebtedness representing deferred compensation to employees of MK Holdings and its Subsidiaries;

(r) Indebtedness (if any) attributed to the sale of accounts receivable pursuant to a Permitted Factoring Program;

(s) Indebtedness incurred in connection with Investments in joint ventures permitted under Section 6.04 in an aggregate amount not to exceed $75,000,000 at any time outstanding;

(t) unsecured Indebtedness of any Loan Party if at the time of, and after giving effect to, the incurrence thereof (i) no Default or Event of Default has occurred and is continuing or would occur and (ii) on a Pro Forma Basis, the Leverage Ratio is not greater than 3.25 to 1.00;

(u) unsecured Subordinated Indebtedness (that has been subordinated to the Obligations pursuant to terms reasonably satisfactory to the Administrative Agent) of MK Holdings or any Subsidiary in an aggregate amount not to exceed $75,000,000 at any time outstanding; and

(v) additional unsecured Indebtedness of any Loan Party; provided that the aggregate amount of Indebtedness incurred in reliance on this clause (v) shall not exceed $25,000,000 at any time outstanding.

For purposes of determining compliance with this Section 6.01, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in clauses (a) through (v) of this Section 6.01, the Company, in its sole discretion, shall classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness (or any portion thereof) and shall only be required to include the amount and type of such Indebtedness in one or more of the above clauses.

For purposes of this subsection 6.01, any Person becoming a Subsidiary of MK Holdings after the date of this Agreement shall be deemed to have incurred all of its then outstanding Indebtedness at the time it becomes a Subsidiary, and any Indebtedness assumed by MK Holdings or any of its Subsidiaries shall be deemed to have been incurred on the date of assumption.

SECTION 6.02. Liens. MK Holdings will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) Liens existing on the Effective Date and set forth on Schedule 6.02;

(c) any Lien on any property or asset of MK Holdings or any Subsidiary securing Indebtedness permitted by Section 6.01 (e) incurred to own, develop, lease, acquire, construct, repair, replace or improve such property or asset;

(d) Liens solely constituting the right of any other Person to a share of any licensing royalties (pursuant to a licensing agreement or other related agreement entered into by MK Holdings or any of its Subsidiaries with such Person in the ordinary course of MK Holdings' or such Subsidiary's business) otherwise payable to MK Holdings or any of its Subsidiaries, provided that such right shall have been conveyed to such Person for consideration received by MK Holdings or such Subsidiary on an arm's-length basis;

(e) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to operating leases entered into by MK Holdings or any of its Subsidiaries in the ordinary course of business;

(f) Liens securing Indebtedness described in clause (a) of the definition of Priority Indebtedness;

(g) Liens securing Indebtedness permitted under Section 6.01(c);

(h) Liens of depositary banks, securities intermediaries and commodity intermediaries maintaining deposit accounts, securities accounts or commodity accounts of MK Holdings or any Subsidiary arising as a matter of law or in the ordinary course of business encumbering such accounts, and deposits, funds or assets maintained in such accounts (including rights of setoff);

(i) Liens attaching solely to cash earnest money or similar deposits in connection with any letter of intent or purchase agreement in connection with a Permitted Acquisition or other Investment permitted hereunder;

(j) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to consignments, provided that such Liens extend solely to the assets subject to such consignments;

(k) Liens securing obligations under Swap Agreements permitted under Section 6.05 (regardless of whether such obligations are subject to hedge accounting);

(l) Liens, if any, in respect of leases that have been, or should be, in accordance with GAAP as in effect on the date hereof, classified as Capital Lease Obligations;

(m) Liens pursuant to supply or consignment contracts or otherwise for the receipt of goods or services, encumbering only the goods covered thereby, where the contracts are not overdue by more than 90 days or are being contested in good faith by appropriate proceedings and for which reasonable reserves are being maintained;

(n) Liens on accounts receivable subject to a Permitted Factoring Program, as well as supporting obligations and proceeds in respect thereof, and other ancillary property and rights related to such accounts receivable;

(o) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods so long as such Liens attach only to the imported goods; and

(p) extensions, renewals, refinancings and replacements of the Liens described above, so long as (i) the Indebtedness or other obligations secured by any such Lien at the time of any such extension, renewal, refinancing or replacement is not increased to any amount greater than the sum of (A) the outstanding principal amount (or accreted value, if applicable) of such Indebtedness or obligations and (B) an amount necessary to pay any unpaid accrued interest and premium (including tender premiums) thereon and underwriting discounts, defeasance costs, fees, commissions and expenses related to such extension, renewal, refinancing or replacement and (ii) no additional property (other than accessions, improvements, and replacements in respect of such property or, if the Lien being extended, renewed, refinanced or replaced attaches to a class of asset, after-acquired assets of the same class) is subject to such Lien.

SECTION 6.03. Fundamental Changes and Asset Sales. (a) MK Holdings will not, and will not permit any Subsidiary to, merge into or amalgamate or consolidate with any other Person, or permit any other Person to merge into or amalgamate or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing:

(i) any Subsidiary (other than a Borrower) may merge into or consolidate or amalgamate with MK Holdings in a transaction in which MK Holdings is the surviving entity (subject to providing such documents with respect to the surviving entity as may be reasonably required by the Administrative Agent);

(ii) any Subsidiary may merge into or consolidate or amalgamate with (subject to providing such documents as may be reasonably required by the Administrative Agent) the Company in a transaction in which the Company is the surviving entity (subject to providing such documents with respect to the surviving entity as may be reasonably required by the Administrative Agent);

(iii) any Subsidiary (other than the Company) may merge into or consolidate or amalgamate with any other Subsidiary (other than the Company) in a transaction in which the surviving entity is a Subsidiary (and if the surviving entity is a Loan Party, subject to providing such documents with respect to the surviving entity as may be reasonably required by the Administrative Agent); provided that (x) in the case of a merger, consolidation or amalgamation of a Subsidiary that is not a Foreign Subsidiary Borrower into or with a Foreign Subsidiary Borrower in which the surviving entity is not the Foreign Subsidiary Borrower, the surviving Subsidiary shall be an Eligible Foreign Subsidiary and shall execute and deliver to the Administrative Agent a Borrowing Subsidiary Agreement executed by such Subsidiary and the Company and shall satisfy the other conditions precedent set forth in Section 4.03), and (y) in the case of a merger, consolidation or amalgamation of a Subsidiary that is not a Guarantor into or with a Guarantor, the surviving company shall be a Guarantor; and

(iv) any Subsidiary (other than a Borrower) may liquidate or dissolve if MK Holdings determines in good faith that such liquidation or dissolution is in the best interests of MK Holdings and its Subsidiaries and is not materially disadvantageous to the Lenders;

(v) MK Holdings or any Subsidiary may effect any Investment permitted by Section 6.04 by means of a merger, consolidation or amalgamation of or with the Person that is the subject of such Investment with MK Holdings or any of its Subsidiaries (provided that, in the case of a merger or amalgamation with any Loan Party, the Loan Party is the survivor); and

(vi) any Subsidiary (other than a Borrower) may change its legal form and any Domestic Subsidiary may be a party to a merger the sole purpose of which is to reincorporate or reorganize in another jurisdiction in the United States if, in any such case, MK Holdings reasonably determines in good faith that such action is in the best interests of MK Holdings and its Subsidiaries and is not materially disadvantageous to the Lenders (it being understood that a Subsidiary that is a Loan Party will remain a Loan Party).

(b) MK Holdings will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than a Related Line of Business.

(c) MK Holdings will not, nor will it permit any of its Subsidiaries to, change its fiscal year from the basis in effect on the Effective Date except that Subsidiaries acquired after the Effective Date may change their fiscal year to the fiscal year of MK Holdings.

(d) MK Holdings will not, and will not permit any Subsidiary to, Dispose of (in one or in a series of transactions) any of its assets or any of the Equity Interests of any of its Subsidiaries (in each case, whether now owned or hereafter acquired, except that MK Holdings and its Subsidiaries may make, enter into or permit:

(i) sales of inventory and licensing of Intellectual Property in the ordinary course of business and sales of accounts receivable pursuant to the terms of a Permitted Factoring Program;

(ii) Dispositions of (x) immaterial assets in the ordinary course of business and (y) worn out, obsolete, scrap or surplus assets or assets no longer useful in the conduct of the business of the Loan Parties and their Subsidiaries;

(iii) liquidations of Permitted Investments and Investments permitted by Section 6.04(g);

(iv) Investments and Guarantees permitted by Section 6.04, Restricted Payments permitted by Section 6.07, Liens permitted by Section 6.02 and transactions permitted by Section 6.03(a);

(v) Dispositions of assets resulting from a loss of title with respect to such assets or any loss or damage to or destruction of, or any condemnation or other taking (including by any Governmental Authority) of, such property, or any interruption of the business which is covered by business interruption insurance;

(vi) Dispositions of Intellectual Property registered, created or otherwise existing under the laws of a jurisdiction outside the United States to a Wholly Owned Subsidiary of MK Holdings;

(vii) the lease and sublease of real property in the ordinary course of business if circumstances reasonably warrant such lease or sublease;

(viii) Dispositions of assets among the Loan Parties and their Subsidiaries in the ordinary course of business;

(ix) subject to additional limitations on amendments or modifications of agreements set forth herein, the termination, amendment or modification of agreements in the ordinary course of business consistent with past practice or that the Company has reasonably determined in good faith is in the best interests of the Loan Parties and their Subsidiaries, provided that such terminations, amendments or modifications could not reasonably be expected to result in a Material Adverse Effect;

(x) Dispositions by the Loan Parties or any of their Subsidiaries to Persons other than Affiliates, of any asset acquired by it after the date hereof pursuant to an Investment or Permitted Acquisition; provided, however, that, within 365 days following the consummation of such Investment or Permitted Acquisition, the Administrative Agent receives written notice from the Company identifying such asset (with reasonable specificity) and stating that such asset is being held for resale;

(xi) Dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property;

(xii) any transfer of property or assets that represents a surrender or waiver of a contract right or a settlement, surrender or release of a contract or tort claim; provided, that such surrender or waiver could not reasonably be expected to result in a Material Adverse Effect;

(xiii) dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture agreements and similar binding agreements;

(xiv) the unwinding of any Swap Agreement;

(xv) if required by applicable law, the sale of the Equity Interests of any Foreign Subsidiary to (A) foreign nationals to the extent required by applicable law or (B) in order to render eligible under applicable law the members of the governing body of such Foreign Subsidiary;

(xvi) the lapse or abandonment in the ordinary course of business of any immaterial Intellectual Property; and

(xvii) Dispositions of property to Persons other than Loan Parties and their Subsidiaries; provided that (A) the aggregate amount of consideration received from Dispositions made in reliance in this clause (xvii) shall not exceed $50,000,000 or the Dollar Equivalent thereof during the term of this Agreement, (B) no Default or Event of Default shall exist at the time of, or would result from, such Disposition and (C) with respect to any Disposition pursuant to this clause (xvii) for a purchase price in excess of $5,000,000, the applicable Loan Party or Subsidiary shall receive not less than 75% of

such consideration in the form of cash or Permitted Investments, provided, however, that for purposes of this clause (C), any liabilities of any Loan Party or any Subsidiary that are assumed by the transferee with respect to the applicable Disposition and for which such Loan Party or such Subsidiary has been validly released by all applicable creditors in writing, shall be deemed to be cash and (y) any securities received by any Loan Party or any Subsidiary from such transferee that are converted by such Loan Party or such Subsidiary into cash or Permitted Investments within 180 days following the closing of the applicable Disposition, shall be deemed to be cash;

provided, that Dispositions pursuant to clause (x) or (xvii) of this Section 6.03(d) shall be for no less than the fair market value of such property at the time of such Disposition.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. MK Holdings will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger, amalgamation or consolidation with any Person that was not a wholly owned Subsidiary prior to such merger, amalgamation or consolidation) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any Person or any assets of any other Person constituting a business unit or the rights of any licensee under a trademark license to such licensee from MK Holdings or any of its Affiliates (collectively, "Investments"), except:

(a) Permitted Investments and Investments that were Permitted Investments when made;

(b) Investments by MK Holdings or a Subsidiary in the capital stock of its Subsidiaries;

(c) loans or advances made by MK Holdings to, and Guarantees by MK Holdings of obligations of, any Subsidiary, and loans or advances made by any Subsidiary to, and Guarantees by any Subsidiary of obligations of, MK Holdings or any other Subsidiary;

(d) Guarantees made in the ordinary course of business; provided, that such Guarantees are not of Indebtedness for borrowed money except to the extent permitted pursuant to Section 6.01 and otherwise could not in the aggregate reasonably be expected to have a Material Adverse Effect;

(e) advances or loans made in the ordinary course of business to officers, directors, employees and agents of MK Holdings or any of its Subsidiaries;

(f) Investments existing on the Effective Date and described in Schedule 6.04 hereto and any renewals, amendments and replacements thereof that do not increase the amount thereof (other than in respect of capitalized interest and reasonable expenses);

(g) Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers, customers and other third parties or in settlement of delinquent obligations of, or other disputes with, customers, suppliers and other third parties arising in the ordinary course of business or in connection with the bona fide settlement of any defaulted Indebtedness or other liability owed to MK Holdings or any Subsidiary;

(h) Permitted Acquisitions and Investments of a Person or business acquired in such Permitted Acquisition so long as such Investment was not made in contemplation of such Acquisition; provided that if, as a result of a Permitted Acquisition, (i) a new Subsidiary shall be created and such Subsidiary is a Material Subsidiary or (ii) any then existing Subsidiary shall become a Material Subsidiary, in each case such Subsidiary shall thereafter become a Guarantor in accordance with Section 5.09;

(i) Swap Agreements permitted by Section 6.05;

(j) Investments in joint ventures in an amount not to exceed $75,000,000 in the aggregate;

(k) indemnities made and security deposits and surety bonds issued in the ordinary course of business;

(l) indemnities made in the Loan Documents;

(m) accounts, chattel paper and notes receivable arising from the sale or lease of goods or the performance of services in the ordinary course of business;

(n) promissory notes and other non-cash consideration that is permitted to be received in connection with Dispositions permitted by Section 6.03;

(o) Investments held by a Subsidiary acquired after the Effective Date or of a Person merged into a Loan Party or any Subsidiary of a Loan Party, in either case, in a transaction permitted by Section 6.03 after the Effective Date to the extent such Investments were not made in contemplation of or in connection with such merger, amalgamation or consolidation and were in existence on the date of such merger, amalgamation or consolidation;

(p) loans and advances to any direct or indirect parent of MK Holdings in lieu of, and not in excess of the amount (after giving effect to any other loans, advances or Restricted Payments in respect thereof), Restricted Payments to the extent permitted to be made to such direct or indirect parent in accordance with Section 6.07(d), (e) or (f);

(q) Investments for which no consideration is provided by any Loan Party or any Subsidiary;

(r) Investments to the extent that payment for such Investments is made solely in exchange for Equity Interests of MK Holdings; and

(s) other Investments in any Person or Persons made after the date hereof, in an aggregate outstanding amount not to exceed $75,000,000.

Any Investment in any person other than a Loan Party that is otherwise permitted by this Section 6.04 may be made through intermediate Investments in Subsidiaries that are not Loan Parties and such intermediate Investments shall be disregarded for purposes of determining the outstanding amount of Investments pursuant to any clause set forth above.

For purposes of compliance with this Section 6.04, the amount of any Investment shall be the amount initially invested, without adjustment for subsequent increases or decreases in the value of such Investment, less any amount paid, repaid, returned, distributed or otherwise received in cash in respect of such Investment.

SECTION 6.05. Swap Agreements. MK Holdings will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except Swap Agreements that are entered into in the ordinary course of business and not for speculative purposes.

SECTION 6.06. Transactions with Affiliates. MK Holdings will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on financial terms and conditions not less favorable to MK Holdings or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among MK Holdings and its wholly owned Subsidiaries (or any Person that becomes a Wholly-Owned Subsidiary as a result of such transaction) not involving any other Affiliate, (c) any Restricted Payment permitted by Section 6.06; (d) any Investment permitted by Section 6.04; (e) fees and compensation paid (including through the issuance of Equity Interests in MK Holdings or any direct or indirect parent thereof) and benefits provided to, and customary indemnity and reimbursement provided on behalf of, officers, directors, employees, agents or consultants of MK Holdings or any of its Subsidiaries; (f) employment and severance arrangements entered into by MK Holdings or any of its Subsidiaries in the ordinary course of business and transactions pursuant to any employee or director equity plan, employee or director stock option plan or any other employee or director benefit plan; provided that any payments made under such agreements or plans are made in compliance with this Agreement; and (g) any agreement, instrument or arrangement as in effect on the Effective Date and set forth on Schedule 6.06, and any amendment, supplement or other modification thereto, so long as any such amendment, supplement or modification is not adverse to the Lenders in any material respect as compared to the terms of the applicable agreement, instrument or arrangement as in effect on the Effective Date.

SECTION 6.07. Restricted Payments. MK Holdings will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) MK Holdings may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) MK Holdings may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Company and its Subsidiaries (including, without limitation, redemptions or repurchases of Equity Interests (i) deemed to occur upon exercise of options or warrants or similar rights by the delivery of Equity Interests in satisfaction of the exercise price such options or warrants or similar rights or (ii) in consideration of withholding or similar taxes payable by any future, present or former employee, director, manager or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing)), (d) MK Holdings and its Subsidiaries may make any Restricted Payment so long as prior to making such Restricted Payment and after giving effect thereto (i) no Default or Event of Default has occurred and is continuing or would occur, (ii) on a Pro Forma Basis the Leverage Ratio as at the last day of the most recently ended fiscal quarter of MK Holdings for which financial statements are available does not exceed 3.25 to 1.00 and (iii) on a Pro Forma Basis the Fixed Charge Coverage Ratio as of the last day of the most recently ended fiscal quarter of MK Holdings for which financial statements are available does not exceed 2.00 to 1.00, and (e) MK Holdings and its Subsidiaries may make other Restricted Payments so long as prior to making such Restricted Payment and after giving effect thereto no Event of Default has occurred and is continuing or would occur; provided that the aggregate amount of all Restricted Payments made pursuant to this clause (e) shall not exceed $25,000,000 during any fiscal year of MK Holdings.

SECTION 6.08. Restrictive Agreements. MK Holdings will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of MK Holdings or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets in favor of the Administrative Agent (for the benefit of itself and the Lenders) to secure the Obligations, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to holders of its Equity Interests or to make or repay loans or advances to MK Holdings or any other Subsidiary or to Guarantee Indebtedness of MK Holdings or any other Subsidiary; provided that (i) the foregoing clauses (a) and (b) shall not apply to restrictions and conditions imposed by law or by any of the Loan Documents, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 6.08 (but shall apply to any amendment, modification, renewal or extension expanding the scope of any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale or other Disposition of a Subsidiary or any asset pending such sale or other Disposition, provided such restrictions and conditions apply only to the Subsidiary or asset that is to be sold or otherwise Disposed of and such sale or other Disposition is permitted hereunder, (iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to Liens permitted by this Agreement if such restrictions or conditions apply only to the property or assets subject to such permitted Lien, (v) clause (a) of the foregoing shall not apply to customary provisions in leases, licenses and other contracts restricting the assignment thereof or subleasing or sublicensing in connection therewith, (vi) the foregoing shall not apply to (x) restrictions and conditions binding on a Subsidiary at the time such Subsidiary first becomes a Subsidiary, so long as such restrictions or conditions were not entered into solely in contemplation of such Person becoming a Subsidiary and (y) any amendment, modification or renewal of a restriction permitted by clause (vi)(x) or any agreement evidencing such restriction or condition so long as such amendment, modification or renewal does not expand the scope of such restriction or condition and (vi) the foregoing shall not apply to customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 6.04.

SECTION 6.09. Subordinated Indebtedness; Amendments to Subordinated Indebtedness Documents; Amendments to Organizational Documents.

(a) Each Loan Party will not, and will not permit any of its Subsidiaries to, directly or indirectly voluntarily prepay, redeem, purchase or retire any Subordinated Indebtedness in violation of the subordination terms applicable thereto.

(b) Each Loan Party will not, and will not permit any of its Subsidiaries to, modify, amend or supplement (i) the subordination provisions contained in any Subordinated Indebtedness Documents in a manner which would reasonably be expect to be adverse to the Lenders or (ii) any other provision of the Subordinated Indebtedness Documents or any document, agreement or instrument evidencing any Indebtedness incurred pursuant to the Subordinated Indebtedness Documents or pursuant to which such Indebtedness is issued, in the case of any modification, amendment or supplement under this clause (ii), in a manner which would reasonably be expected to have a Material Adverse Effect or would otherwise be materially disadvantageous to the Lenders. Notwithstanding the foregoing, it is understood and agreed that the limitations in this clause (b) shall only apply to (x) Subordinated Indebtedness, all or any portion of which was initially incurred pursuant to Section 6.01(u) (without giving effect to any subsequent reclassification or division of such Indebtedness among other clauses in Section 6.01) (such Subordinated Indebtedness, "Restricted Subordinated Indebtedness") and (y) Subordinated Indebtedness Documents evidencing, or entered into in connection with, Restricted Subordinated Indebtedness.

(c) Each Loan Party will not, and will not permit any of its Subsidiaries to, modify, amend or alter their operating agreements, certificates or articles of incorporation or other organic documents in a manner which would reasonably be expected to have a Material Adverse Effect or would otherwise be materially disadvantageous to the Lenders.

SECTION 6.10. Financial Covenants.

(a) Leverage Ratio. The Loan Parties will not permit the Leverage Ratio, determined as of the end of each fiscal quarter of MK Holdings and its consolidated Subsidiaries ending on and after March 31, 2013, to be greater than 3.50 to 1.00.

(b) Fixed Charge Coverage Ratio. The Loan Parties will not permit the Fixed Charge Coverage Ratio, determined as of the end of each fiscal quarter of MK Holdings and its consolidated Subsidiaries ending on or after March 31, 2013, to be less than 2.00 to 1.00.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any Loan Party shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Loan Party or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect when made or deemed made in any material respect (or in any respect if such representation or warranty is qualified by "material" or "Material Adverse Effect");

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to MK Holdings' or any Borrower's existence), 5.08 or 5.09 or in Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30) days after notice thereof from the Administrative Agent to the Company (which notice will be given at the request of any Lender);

(f) MK Holdings or any Subsidiary shall fail to make any payment of principal or interest, regardless of amount, in respect of any Material Indebtedness, when and as the same

shall become due and payable beyond the period of grace, if any, provided in the instrument or agreement under which such Material Indebtedness was created (after giving effect to any extensions, waivers, amendments or other modifications of such instrument or agreement that are in effect prior to the end of any applicable grace period), and, prior to any termination of Commitments or the acceleration of payment of Loans pursuant to this Article VII, such failure is not cured or waived in writing by the requisite holders of such Material Indebtedness;

(g) any event or condition occurs (after giving effect to any applicable grace periods and after giving effect to any extensions, waivers, amendments or other modifications of any applicable provision or agreement) that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause, with the giving of an acceleration or similar notice if required, any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer (including as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness to the extent such Indebtedness is paid when due (after giving effect to any applicable grace period and after giving effect to any extensions, waivers, amendments or other modifications of any applicable provision or agreement);

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization, arrangement, administration or other relief in respect of MK Holdings or any Material Subsidiary (other than those described in the proviso to the definition thereof) or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, administrator, monitor, liquidator or similar official for MK Holdings or any such Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) (1) any Loan Party or any Material Subsidiary (other than those described in the proviso to the definition thereof) shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization, arrangement, administration or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator, administrator, monitor, liquidator or similar official for such Loan Party or any such Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) any Loan Party or any Material Subsidiary (other than those described in the proviso to the definition thereof) shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount (not paid or covered by insurance) in excess of $35,000,000 shall be rendered against MK Holdings, any Subsidiary or any combination thereof and (i) the same shall remain undischarged for a period of 60 consecutive days from the entry thereof during which execution shall not be effectively stayed or bonded, or (ii) any action shall be legally taken by a judgment creditor to attach or levy upon any assets of MK Holdings or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or MK Holdings or any Subsidiary shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms);

(o) a BVI Insolvency Event shall occur;

(p) a Swiss Insolvency Event shall occur; or

(q) a UK Insolvency Event shall occur in respect of any UK Relevant Entity.

then, and in every such event (other than an event with respect to any Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Company, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Borrowers accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any event with respect to any Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity.

ARTICLE VIII

The Administrative Agent

Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with MK Holdings or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to MK Holdings or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence, bad faith or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by MK Holdings, the Company or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the

Issuing Bank and the Company. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by any Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between such Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, requiring or holding commercial loans in the ordinary course of its business and that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender shall, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information (which may contain material, nonpublic information within the meaning of the United States securities laws concerning MK Holdings and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder and in deciding whether to or to the extent to which it will continue as a lender or assign or otherwise transfer its rights, interests and obligations hereunder.

None of the Lenders, if any, identified in this Agreement as a Syndication Agent or Co-Documentation Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as Syndication Agent or Co-Documentation Agents, as applicable, as it makes with respect to the Administrative Agent in the preceding paragraph.

The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or telecopy, as follows:

(i) if to MK Holdings or any Borrower (other than MKE or MK Switzerland), to it at (A) c/o Michael Kors (USA), Inc., 11 West 42nd Street, New York, New York 10036, Attention of Lee Sporn, Senior Vice President, General Counsel and Secretary (Telecopy No. 646-354-4834) and (B) One Meadowlands Plaza, 12th Floor, East Rutherford, NJ 07073, Attention of Joseph B. Parsons, Chief Financial Officer (Telecopy No. 646-354-4969);

(ii) if to the Administrative Agent, (A) in the case of Borrowings by the Company denominated in U.S. Dollars, to JPMorgan Chase Bank, N.A., 10 South Dearborn, Chicago, Illinois 60603, Attention of Nikki Gilmore (Telecopy No. (312) 385-7101), (B) in the case of Borrowings denominated in Canadian Dollars, to JPMorgan Chase Bank, N.A., 10 South Dearborn, Chicago, Illinois 60603, Attention of Nikki Gilmore (Telecopy No. (312) 385-7101) and (C) in the case of Borrowings by any Foreign Subsidiary Borrower or Borrowings denominated in Alternative Currencies (other than Borrowings denominated in Canadian Dollars), to J.P. Morgan Europe Limited, 25 Bank Street, Canary Wharf, London E14 5JP, Attention of The Manager, Loan & Agency Services (Telecopy No. 44 207 777 2360), and in each case with a copy to JPMorgan Chase Bank, N.A., 270 Park Avenue, 43rd Floor, New York, NY 10017, Attention of James A. Knight (Telecopy No. (646) 534-3081);

(iii) if to the Issuing Bank, to it at JPMorgan Chase Bank, N.A., 131 South Dearborn, IL1-0236, Chicago, IL 60603, Attention of Katherine Moses (Telecopy No. (312) 233-2266));

(iv) if to the Swingline Lender, to it at to JPMorgan Chase Bank, N.A., 10 South Dearborn, Chicago, Illinois 60603, Attention of Nikki Gilmore (Telecopy No. (312) 385-7101), with a copy to J.P. Morgan Europe Limited, 25 Bank Street, Canary Wharf, London E14 5JP, Attention of The Manager, Loan & Agency Services (Telecopy No. 44 207 777 2360); and

(v) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Loan Parties may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in Section 2.20 with respect to an Incremental Term Loan Amendment, neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, provided that (x) any amendment of the definition of "Leverage Ratio" (or any defined term embedded therein) shall not constitute a reduction in the rate of interest for purposes of this clause (ii) even if the effect of such amendment would be to reduce the rate of interest on any Loan or any LC Disbursement or to reduce any fee payable hereunder and (y) that only the consent of the Required Lenders shall be necessary to reduce or waive any obligation of the Borrowers to pay interest or fees at the applicable default rate set forth in Section 2.13(c), (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.18(b) or (d) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender (it being understood that, solely with the consent of the parties prescribed by Section 2.20 to be parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the determination of Required Lenders on substantially the same basis as the Commitments and the Revolving Loans are included on the Effective Date), or (vi) release MK Holdings or all or substantially all of the other Guarantors from their obligations under the Guaranty without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be (it being understood that any change to Section 2.24 shall require the consent of the Administrative Agent, the Issuing Bank and the Swingline Lender). Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

(c) Notwithstanding the foregoing, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrowers (x) to add one or more credit facilities (in addition to the Incremental Term Loans pursuant to an Incremental Term Loan Amendment) to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans, Incremental Term Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Company may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Company and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) each Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by such Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.13(f), 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

(e) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrowers only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

(f) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrowers only, amend, restate, modify or supplement this Agreement as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent (i) following approval of any Foreign Subsidiary as an Eligible Foreign Subsidiary by the Administrative Agent and the Lenders, to effect the provisions of Section 2.23 and the designation of such Foreign Subsidiary as a Foreign Subsidiary Borrower (including with respect to borrowing mechanics and to otherwise reflect the existence of a Loan Party organized under the laws of such Foreign Subsidiary's jurisdiction of organization), (ii) concurrently with or following the addition of a Foreign Subsidiary as a Guarantor pursuant to Section 5.09, to reflect the existence of a Loan Party organized under the laws of such Foreign Subsidiary's jurisdiction of organization or (iii) to comply with local law or advice of local counsel.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Loan Parties shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one primary counsel and one local

counsel in each applicable jurisdiction for all such parties and, in the case of an actual or reasonably perceived conflict of interest, one additional counsel per affected party, and other counsel retained with the Company's consent (such consent not to be unreasonably withheld or delayed), in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as IntraLinks) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Issuing Bank or any Lender, including the reasonable fees, charges and disbursements of one primary counsel and of any special and local counsel for all such parties and, in the case of an actual or reasonably perceived conflict of interest, one additional counsel per affected party, and other counsel retained with the Company's consent (such consent not to be unreasonably withheld or delayed), in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Loan Parties shall jointly and severally indemnify the Administrative Agent, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (which, in the case of counsel, shall be limited to the reasonable and documented out-of-pocket fees, charges and disbursements of (x) one primary counsel and one local counsel in each applicable jurisdiction for the Administrative Agent, (y) one additional counsel, and one additional counsel in each applicable jurisdiction, for all Indemnitees other than the Administrative Agent and (z) additional counsel for affected Indemnitees in light of actual or reasonably perceived conflicts of interest), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by MK Holdings or any of its Subsidiaries, or any Environmental Liability related in any way to MK Holdings or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by MK Holdings or any of its Subsidiaries, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (x) the gross negligence or willful misconduct of such Indemnitee or any of its Controlled Affiliates or any of its or their officers, directors, employees, advisors or agents, (y) a material breach of its express obligations under the Loan Documents by such Indemnitee or any of its Controlled Affiliates pursuant to a claim made by a Loan Party or (z) any dispute between and among Indemnitees that does not involve an act or omission by any Loan Party or any Subsidiary of a Loan Party, except that the Administrative Agent, the Lead Arranger, the Swingline Lender and the Issuing Bank, to the extent acting in its capacity as such, shall remain indemnified in respect of such disputes to the extent otherwise

entitled to be so indemnified hereunder. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) To the extent that the Loan Parties fail to pay any amount required to be paid by them to the Administrative Agent, the Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Loan Parties' failure to pay any such amount shall not relieve the Loan Parties of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Bank or the Swingline Lender in its capacity as such.

(d) To the extent permitted by applicable law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than fifteen (15) days after receipt by the Company of a written invoice relating thereto setting forth (subject to attorney-client and other confidentiality concerns of the applicable Indemnitee) such expenses in reasonable detail.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) other than in accordance with Section 6.03(a)(iii), no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Company (provided that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having

received notice thereof); provided, further, that no consent of the Company shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent; and

(C) the Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Company and the Administrative Agent otherwise consent, provided that no such consent of the Company shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about MK Holdings and its affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws;

(E) no assignment shall be made (i) to the Company or any of its Subsidiaries or Affiliates or to a natural person or (ii) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the Persons described in this clause (ii);

(F) other than assignments to an existing Lender, assignments shall always be in an amount exceeding €100,000 (or its equivalent in another currency); and

(G) the prior written consent of each Swiss Borrower, if the assignee is not a Swiss Qualifying Bank (such consent however not to be unreasonably withheld or delayed); provided that no consent of any Swiss Borrower shall be required if an Event of Default under clauses (a), (b), (h) or (i) of Article VII has occurred and is continuing.

For the purposes of this Section 9.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits and be subject to the obligations of Sections 2.13(f), 2.15, 2.16, 2.17 and 9.03 with respect to circumstances occurring prior to the assignment). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of each Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant

to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of any Borrower, the Administrative Agent, the Issuing Bank or the Swingline Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the Borrowers, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (D) each Participant shall be a Swiss Qualifying Bank or, if not, the prior written consent of each Swiss Borrower has been obtained (such consent however not to be unreasonably withheld or delayed; provided that no consent of any Swiss Borrower shall be required if an Event of Default under clauses (a), (b), (h) or (i) of Article VII has occurred and is continuing). Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13(f), 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.13(f), 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(d) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid (other than contingent obligations for indemnification) or any Letter of Credit is outstanding (that has not been cash collateralized in accordance with Section 2.06(j)) and so long as the Commitments have not expired or terminated. The provisions of Sections 2.13(f), 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time,

to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower or any Guarantor against any of and all of the Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County, Borough of Manhattan, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. MK Holdings and each other Loan Party which is a Foreign Subsidiary (each, a "Foreign Kors Person") irrevocably designates and appoints the Company, as its authorized agent, to accept and acknowledge on its behalf, service of any and all process which may be served in any suit, action or proceeding of the nature referred to in Section 9.09(b) in any federal or New York State court sitting in New York City. The Company hereby represents, warrants and confirms that the Company has agreed to accept such appointment (and any similar appointment by any other Foreign Kors Person). Said designation and appointment shall be irrevocable by each such Foreign Kors Person until all Loans, all reimbursement obligations, interest thereon and all other amounts payable by such Foreign Kors Person hereunder and under the other Loan Documents shall have been paid in full in accordance with the provisions hereof and thereof and such Foreign Kors Person shall have been terminated as a Borrower hereunder pursuant to Section 2.23 or as a Guarantor pursuant to Section 9.14. Each Foreign Kors Person hereby consents to process being served in any suit, action or proceeding of the nature referred to in Section 9.09(b) in any federal or New York State court sitting in New York City by service of process upon the Company as provided in this Section 9.09(d); provided that, to the extent lawful and possible, notice of said service upon such agent shall be mailed by registered or certified air mail, postage prepaid, return receipt requested,

to the Company and (if applicable to) such Foreign Kors Person at its address set forth in the Borrowing Subsidiary Agreement to which it is a party or to any other address of which such Foreign Kors Person shall have given written notice to the Administrative Agent (with a copy thereof to the Company). Each Foreign Kors Person irrevocably waives, to the fullest extent permitted by law, all claim of error by reason of any such service in such manner and agrees that such service shall be deemed in every respect effective service of process upon such Foreign Kors Person in any such suit, action or proceeding and shall, to the fullest extent permitted by law, be taken and held to be valid and personal service upon and personal delivery to such Foreign Kors Person. To the extent any Foreign Kors Person has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether from service or notice, attachment prior to judgment, attachment in aid of execution of a judgment, execution or otherwise), each Foreign Kors Person hereby irrevocably waives such immunity in respect of its obligations under the Loan Documents. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, including any self-regulatory authority, such as the National Association of Insurance Commissioners (provided that, except with respect to any audit or examination by bank accountants or by any governmental bank regulatory authority exercising examination or regulatory authority, each of the Administrative Agent, the Issuing Banks and the Lenders shall, to the extent practicable and not prohibited by applicable law, use reasonable efforts to promptly notify the Company of such disclosure), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (g) with the consent of MK Holdings or the Company or (h) to the extent such

Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis from a source other than the Company. For the purposes of this Section, "Information" means all information received from or on behalf of MK Holdings or any Subsidiary relating to MK Holdings, the Company, or its business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by MK Holdings or such Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. USA PATRIOT Act; Anti-Money Laundering Laws.

(a) Each Lender that is subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act") hereby notifies each Loan Party that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Act.

(b) Each Canadian Borrower acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Lenders and the Administrative Agent may be required to obtain, verify and record information regarding such Canadian Borrower, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Canadian Borrower, and the transactions contemplated hereby. Each Canadian Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Administrative Agent, or any prospective assign or participant of a Lender or the Administrative Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

If the Administrative Agent has ascertained the identity of any Canadian Borrower or any authorized signatories of any Canadian Borrower for the purposes of applicable AML Legislation, then the Administrative Agent:

(i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Administrative Agent within the meaning of applicable AML Legislation; and

(ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders agrees that the Administrative Agent has no obligation to ascertain the identity of any Canadian Borrower or any authorized signatories of any Canadian Borrower on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from any Canadian Borrower or any such authorized signatory in doing so.

SECTION 9.14. Releases of Guarantors.

(a) A Guarantor shall automatically be released from its obligations under the Guaranty and this Agreement upon the consummation of any transaction permitted by this Agreement as a result of which such Guarantor ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. In connection with any termination or release pursuant to this Section, the Administrative Agent shall (and is hereby irrevocably authorized by each Lender to) execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Further, the Administrative Agent may (and is hereby irrevocably authorized by each Lender to), upon the request of the Company, release any Guarantor from its obligations under the Guaranty and this Agreement if such Guarantor is no longer a Material Subsidiary.

(c) At such time as the principal and interest on the Loans, all LC Disbursements, the fees, expenses and other amounts payable under the Loan Documents and the other Obligations (other than obligations under any Swap Agreement or any Banking Services Agreement, and other Obligations expressly stated to survive such payment and termination) shall have been paid in full in cash, the Commitments shall have been terminated and no Letters of Credit shall be outstanding, the Guaranty and all obligations (other than those expressly stated to survive such termination) of each Guarantor thereunder and under this Agreement shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

SECTION 9.15. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.16. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between such Borrower and its Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (B) such Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) such Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Lenders and their Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for such Borrower or any of its

Affiliates, or any other Person and (B) no Lender or any of its Affiliates has any obligation to such Borrower or any of its Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of such Borrower and its Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to such Borrower or its Affiliates. To the fullest extent permitted by law, each Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

MICHAEL KORS (USA), INC.
as the Company

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer

MICHAEL KORS (EUROPE) B.V.,
as a Foreign Subsidiary Borrower and as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Attorney

MICHAEL KORS (CANADA) CO.,
as a Foreign Subsidiary Borrower and as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President and Chief Financial Officer

MICHAEL KORS (SWITZERLAND) GMBH,
as a Foreign Subsidiary Borrower and as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Managing Officer

MICHAEL KORS HOLDINGS LIMITED,
as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer

MICHAEL KORS (EUROPE) HOLDINGS B.V.,
as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Attorney

MICHAEL KORS INTERNATIONAL LIMITED,
as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial Officer and Treasurer

MICHAEL KORS (EUROPE) HOLDING COÖPERATIE U.A.,
as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Attorney

MICHAEL KORS (UK) LIMITED,
as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Director

MICHAEL KORS (USA) HOLDINGS, INC.,
as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer

MICHAEL KORS (SWITZERLAND) HOLDINGS GMBH,
as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Managing Officer

MICHAEL KORS STORES, L.L.C.,
as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer

MICHAEL KORS RETAIL, INC.,
as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial Officer and Treasurer

MICHAEL KORS STORES (CALIFORNIA), INC.,
as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial Officer and Treasurer

MICHAEL KORS, L.L.C.,
as a Guarantor

By /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer

JPMORGAN CHASE BANK, N.A., individually as a Lender, as the Swingline Lender, as the Issuing Bank and as Administrative Agent

By /s/ James A. Knight
Name: James A. Knight
Title: Vice President

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as a Lender

By /s/ Michael N. Tam
Name: Michael N. Tam
Title: Senior Vice President

BANK OF AMERICA, N.A., individually as a Lender and as Syndication Agent

By /s/ Sean Slattery
Name: Sean Slattery
Title: SVP

BANK OF AMERICA, N.A. (CANADA BRANCH), as a Lender

By /s/ Medina Sales de Andrade
Name: Medina Sales de Andrade
Title: Vice President

HSBC BANK USA, NATIONAL ASSOCIATION, individually as a Lender and as a Co-Documentation Agent

By /s/ Darren Pinsker
Name: Darren Pinsker
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, individually as a Lender and as a Co-Documentation Agent

By /s/ Tony Sood
Name: Tony Sood
Title: Director

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By /s/ Mark D. Rodgers
Name: Mark D. Rodgers
Title: Assistant Vice President

U.S. BANK NATIONAL ASSOCIATION
CANADIAN BRANCH, as a Lender

By /s/ Joseph Rauhala
Name: Joseph Rauhala
Title: Principal Officer

SCHEDULE 2.01
COMMITMENTS

LENDER	COMMITMENT
JPMORGAN CHASE BANK, N.A.	$ 55,000,000
BANK OF AMERICA, N.A.	$ 50,000,000
HSBC BANK USA, NATIONAL ASSOCIATION	$ 35,000,000
WELLS FARGO BANK, NATIONAL ASSOCIATION	$ 35,000,000
U.S. BANK NATIONAL ASSOCIATION	$ 25,000,000
AGGREGATE COMMITMENT	**$200,000,000**

SCHEDULE 2.02
MANDATORY COST

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Administrative Agent shall calculate, as a percentage rate, a rate (the "Associated Costs Rate") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Administrative Agent as a weighted average of the Lenders' Associated Costs Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

3. The Associated Costs Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Administrative Agent. This percentage will be certified by that Lender in its notice to the Administrative Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

4. The Associated Costs Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Administrative Agent as follows:

   (a) in relation to a Loan in Pounds Sterling:

   $$\frac{AB + C(B - D) + E \times 0.01}{100 - (A + C)}$$ per cent. per annum

   (b) in relation to a Loan in any currency other than Pounds Sterling:

   $$\frac{E \times 0.01}{300}$$ per cent. per annum.

   Where:

   A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

   B is the percentage rate of interest (excluding the Applicable Rate and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in Section 2.13(c)) payable for the relevant Interest Period on the Loan.

   C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Administrative Agent on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Administrative Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Administrative Agent pursuant to paragraph 7 below and expressed in Pounds Sterling per £1,000,000.

5. For the purposes of this Schedule:

(a) "**Eligible Liabilities**" and "**Special Deposits**" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "**Facility Office**" means the office or offices notified by a Lender to the Administrative Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement;

(c) "**Fees Rules**" means the rules on periodic fees contained in the Financial Services Authority Fees Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(d) "**Fee Tariffs**" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate);

(e) "**Reference Banks**" means, in relation to Mandatory Cost, the principal London offices of JPMorgan Chase Bank, N.A.;

(f) "**Tariff Base**" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules; and

(g) "**Unpaid Sum**" means any sum due and payable but unpaid by any Borrower under the Loan Documents.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Administrative Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Administrative Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in Pounds Sterling per £1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Administrative Agent for the purpose of calculating its Associated Costs Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

   (a) the jurisdiction of its Facility Office; and

   (b) any other information that the Administrative Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Administrative Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Administrative Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Administrative Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Administrative Agent shall have no liability to any person if such determination results in an Associated Costs Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Administrative Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Associated Costs Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Administrative Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Associated Costs Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all parties hereto.

13. The Administrative Agent may from time to time, after consultation with the Company and the relevant Lenders, determine and notify to all parties hereto any amendments which are required to be made to this Schedule 2.02 in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties hereto.

Schedule 2.06

EXISTING LETTERS OF CREDIT

Standby Letters of Credit

[Please See Attached – all issued by JPMorgan Chase Bank, N.A.]

Trade Letters of Credit

[Please See Attached – all issued by JPMorgan Chase Bank, N.A.]

STANDBY LETTERS OF CREDIT

Bank Reference	Applicant	Account Party	Beneficiary	Expiry Date	Amount (USD)
4L4S-310222	Michael Kors (USA), Inc.	Michael Kors (France) SAS	Hammerson Marseille Sci	01/31/15	309,864.28
CPCS-842785	Michael Kors (USA), Inc.	Michael Kors (France) SAS	Kugel + Cie	12/15/13	475,055.00
CPCS-273502	Michael Kors (USA), Inc.	Michael Kors (France) SAS	Sci Mlh 33	07/21/13	93,463.27
CPCS-273505	Michael Kors (USA), Inc.	Michael Kors Spain S.L.	Invesjel Sl	11/30/13	137,947.50
TPTS-379118	Michael Kors (USA), Inc.	Michael Kors (USA), Inc.	Urban Wildlife	08/20/13	243,223.50
CPCS-917287	Michael Kors (USA), Inc.	Michael Kors (USA), Inc.	Kbsii One Meadowlands, Llc	09/30/13	414,625.02
CPCS-892391	Michael Kors (USA), Inc.	Michael Kors (USA), Inc.	The Robert Allen Group, Inc.	12/31/13	250,000.00
CPCS-739698	Michael Kors (USA), Inc.	Michael Kors (USA), Inc.	Viris Spa	04/15/14	390,902.40
T-712985	Michael Kors (USA), Inc.	Michael Kors (USA), Inc.	11 West Realty Investors, L.L.C.	06/30/13	2,756,736.23
TPTS-351497	Michael Kors (USA), Inc.	Michael Kors Retail, Inc.	Valhar Chemical Corporation	10/01/13	90,949.68
CPCS-918590	Michael Kors (USA), Inc.	Michael Kors Stores, L.L.C.	Whip Holdings, Llc	02/28/13	108,000.00
CPCS-881252	Michael Kors (USA), Inc.	Michael Kors Stores (California), Inc.	360 N. Rodeo Drive	10/31/13	500,000.00
CPCS-424130	Michael Kors (USA), Inc.	Michael Kors Stores, L.L.C.	520 Broadway Company, L.P.	12/26/13	987,500.00
CPCS-870086	Michael Kors (USA), Inc.	Michael Kors Stores, L.L.C.	Dezer Properties 133 Llc	09/01/13	144,843.75
CPCS-897730	Michael Kors (USA), Inc.	Michael Kors Stores, L.L.C.	Rcpi Landmark Properties, L.L.C.	12/31/13	1,000,000.00
CPCS-838991	Michael Kors (USA), Inc.	Michael Kors Stores, L.L.C.	382/384 Perry Retail, Llc	08/01/13	131,250.00
CPCS-943773	Michael Kors (USA), Inc.	Michael Kors Stores, L.L.C.	667 Madison Avenue Spe, Inc.	07/31/13	1,260,000.00

Trade Letters of Credit

Bank Reference	Applicant	Beneficiary	Expiry Date	Amount (USD)
4L4I-751887	Michael Kors (Switzerland) Gmbh	Verde Garment Manufacturing Limited	04/16/13	15,367.65
R1RI-480564	Michael Kors (USA), Inc.	Well Start Fashion Co., Ltd.	01/25/13	40,874.82
R1RI-480563	Michael Kors (USA), Inc.	Well Start Fashion Co., Ltd.	01/25/13	5,333.65
R1RI-480554	Michael Kors (USA), Inc.	Zhejiang Jiaxin Silk Corp., Ltd.	02/10/13	815,513.90
R1RI-480502	Michael Kors (USA), Inc.	Shenzhen Zhaowen Textile Clothing	02/15/13	66,622.50
R1RI-480553	Michael Kors (USA), Inc.	Zhejiang Jiaxin Silk Corp., Ltd.	02/20/13	85,575.90
R1RI-439944	Michael Kors (USA), Inc.	Zhejiang Jiaxin Silk Corp., Ltd.	02/25/13	152,502.74
R1RI-439946	Michael Kors (USA), Inc.	Verde Garment Manufacturing, Ltd.	01/10/13	9,249.52
R1RI-439947	Michael Kors (USA), Inc.	Verde Garment Manufacturing, Ltd.	01/10/13	1,585.30
R1RI-480501	Michael Kors (USA), Inc.	Euha Int'l., Ltd.	02/10/13	13,734.00

Schedule 3.01

SUBSIDIARIES

Owner	Subsidiary	Jurisdiction	Interest
Michael Kors Holdings Limited (G)	Michael Kors International Limited (G)	British Virgin Islands	100%
	Michael Kors (Europe) Holdings B.V. (G)	Curacao	100%
Michael Kors International Limited	Michael Kors Limited	Hong Kong	100%
	Michael Kors (Europe) Holding Cooperatie U.A. (G)	Netherlands	1%
Michael Kors (Europe) Holdings B.V.	Michael Kors (Europe) Holding Cooperatie U.A. (G)	Netherlands	99%
Michael Kors (Europe) Holding Cooperatie U.A.	Michael Kors do Brasil Participações Ltda	Brazil	1%
	Michael Kors Belgium BVBA	Belgium	1%
	Michael Kors (Czech Republic) s.r.o.	Czech Republic	1%
	Michael Kors (Portugal), Lda	Portugal	1%
	Michael Kors (Europe) B.V. (G)	Netherlands	100%
Michael Kors (Europe) B.V.	Michael Kors do Brasil Participações Ltda	Brazil	99%
	Michael Kors Belgium BVBA	Belgium	99%
	Michael Kors (Czech Republic) s.r.o.	Czech Republic	99%
	Michael Kors (Portugal), Lda	Portugal	99%
	Michael Kors (UK) Limited (M) (G)	England and Wales	100%
	Michael Kors (Switzerland) GmbH (M) (G)	Switzerland	100%
	Michael Kors Japan K.K.	Japan	100%
	Michael Kors Spain, S.L.	Spain	100%
	Michael Kors Italy Holdings S.r.l.	Italy	100%
	Michael Kors Italy S.R.L. Con Socio Unico	Italy	100%
	Michael Kors (Switzerland) Holdings GmbH (G)	Switzerland	100%

Owner	Subsidiary	Jurisdiction	Interest
	Michael Kors (Poland) sp. z. o.o.	Poland	100%
	Michael Kors (Netherlands) B.V.	Netherlands	100%
	Michael Kors (Austria), GmbH	Austria	100%
	Michael Kors (Canada) Co. (M)	Nova Scotia	100%
Michael Kors (UK) Limited	Michael Kors (France) SAS	France	100%
	Michael Kors (Germany) GmbH	Germany	100%
Michael Kors (Switzerland) Holdings GmbH	Michael Kors (USA) Holdings, Inc. (G)	Delaware	100%
Michael Kors (USA) Holdings, Inc.	Michael Kors (USA), Inc. (G)	Delaware	100%
Michael Kors (USA), Inc.	Michael Kors Retail, Inc. (G)	Delaware	100%
	Michael Kors Stores (California), Inc. (G)	Delaware	100%
	Michael Kors, L.L.C. (G)	Delaware	100%
Michael Kors, L.L.C.	Michael Kors Stores, L.L.C. (G)	New York	100%

(M): Denotes Material Subsidiaries
(G): Denotes Guarantor

Schedule 3.06

LITIGATION

None.

Schedule 6.01

EXISTING INDEBTEDNESS

None.

Schedule 6.02

EXISTING LIENS

1. Pursuant to terms of the Amended and Restated Employment Agreement, dated as of July 7, 2011, as amended, by and between Michael Kors (USA), Inc., Michael Kors Holdings Limited, Michael Kors, and, solely for purposes of Section 10(d) thereof, Sportswear Holdings Limited (the "Employment Agreement"), the consent of Michael Kors is required to, among other things, sell, license, lease or convey any interest in the Marks (as defined in the Employment Agreement) and create, incur, assume or suffer to exist any indebtedness in connection with which a lien is created on any Mark (as defined in the Employment Agreement) or interest in the Marks.
2. NYC tax warrant lien in respect of NYC Department of Finance, as creditor and Michael Kors Inc., as debtor in the amount of $435.84 dated as of January 3, 1994.

Schedule 6.04

EXISTING INVESTMENTS

1. Investments in Subsidiaries set forth on Schedule 3.01.
2. Joint Venture Agreement, dated as of November 8, 2012, by and among MK (Panama) Holdings, S.A., Michael Kors (Europe) B.V. and Exclusive Brands International, S.A. in connection with 49% equity ownership of Michael Kors (Europe) B.V. in MK (Panama) Holdings, S.A.
3. Shareholder Loan Agreement, dated as of February 4, 2013, by and between Michael Kors (Europe) B.V. (the "Shareholder") and MK (Panama) Holdings, S.A. ("MK Panama") providing for a $6 million loan from the Shareholder to MK Panama.

Schedule 6.06

EXISTING TRANSACTIONS WITH AFFILIATES

None.

Schedule 6.08

EXISTING RESTRICTIVE AGREEMENTS

1. Restrictions under the Wells Fargo Factoring Agreement and related agreements.
2. See item 1 set forth on Schedule 6.02.

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
   [and is an Affiliate/Approved Fund of [identify Lender][1]]

3. Borrowers: Michael Kors (USA), Inc., Michael Kors (Europe) B.V., Michael Kors (Canada) Co., Michael Kors (Switzerland) GmbH and the other Foreign Subsidiary Borrowers from time to time party thereto

4. Administrative Agent: JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement dated as of February 8, 2013 among Michael Kors (USA), Inc., the Foreign Subsidiary Borrowers from time to time parties thereto, the Guarantors from time to time parties thereto, the Lenders parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans[2]
$	$	%
$	$	%
$	$	%

[1] Select as applicable.

[2] Set forth, so at least 9 decimals, as percentage of the Commitment/Loans of all Lenders thereunder.

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent and Issuing Bank

By: _____
Name:
Title:

[Consented to:][3]

MICHAEL KORS (USA), INC.

By: _____
Name:
Title:

[SWISS BORROWER] [if assignee is a Swiss Non-Qualifying Bank][4]

By: _____
Name:
Title:

[3] To be added only if the consent of the Company or the Swiss Borrower is required by the terms of the Credit Agreement.
[4] Except if an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing.

ANNEX I

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Company, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Company, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that [(i) it is a Swiss [Non-] Qualifying Bank,] (ii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (iii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iv) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (v) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (vi) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B

[Intentionally Omitted]

EXHIBIT C

FORM OF INCREASING LENDER SUPPLEMENT

INCREASING LENDER SUPPLEMENT, dated , 20 (this "Supplement"), by and among each of the signatories hereto, to the Credit Agreement, dated as of February 8, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Michael Kors (USA), Inc. (the "Company"), the Foreign Subsidiary Borrowers from time to time party thereto, the Guarantors from time to time party thereto, the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H

WHEREAS, pursuant to Section 2.20 of the Credit Agreement, the Company has the right, subject to the terms and conditions thereof, to effectuate from time to time an increase in the Aggregate Commitment and/or enter into one or more tranches of Incremental Term Loans under the Credit Agreement by requesting one or more Lenders to increase the amount of its Commitment and/or to participate in such a tranche;

WHEREAS, the Company has given notice to the Administrative Agent of its intention to [increase the Aggregate Commitment] [and] [enter into a tranche of Incremental Term Loans] pursuant to such Section 2.20; and

WHEREAS, pursuant to Section 2.20 of the Credit Agreement, the undersigned Increasing Lender now desires to [increase the amount of its Commitment] [and] [participate in a tranche of Incremental Term Loans] under the Credit Agreement by executing and delivering to the Company and the Administrative Agent this Supplement;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Increasing Lender agrees, subject to the terms and conditions of the Credit Agreement, that on the date of this Supplement it shall [have its Commitment increased by $[ ], thereby making the aggregate amount of its total Commitments equal to $[ ]] [and] [participate in a tranche of Incremental Term Loans with a commitment amount equal to $[ ] with respect thereto].

2. The Company hereby represents and warrants that no Default or Event of Default has occurred and is continuing on and as of the date hereof.

3. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

4. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

5. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF INCREASING LENDER]

By: _____
Name:
Title:

Accepted and agreed to as of the date first written above:

MICHAEL KORS (USA), INC.

By: _____
Name:
Title:

Acknowledged as of the date first written above:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

EXHIBIT D

FORM OF AUGMENTING LENDER SUPPLEMENT

AUGMENTING LENDER SUPPLEMENT, dated , 20 (this "Supplement"), by and among each of the signatories hereto, to the Credit Agreement, dated as of February 8, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Michael Kors (USA), Inc. (the "Company"), the Foreign Subsidiary Borrowers from time to time party thereto, the Guarantors from time to time party thereto, the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H

WHEREAS, the Credit Agreement provides in Section 2.20 thereof that any bank, financial institution or other entity may [extend Commitments] [and] [participate in tranches of Incremental Term Loans] under the Credit Agreement subject to the approval of the Company and the Administrative Agent, by executing and delivering to the Company and the Administrative Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned Augmenting Lender was not an original party to the Credit Agreement but now desires to become a party thereto;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Augmenting Lender agrees to be bound by the provisions of the Credit Agreement and agrees that it shall, on the date of this Supplement, become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a [Commitment with respect to Revolving Loans of $[ ]] [and] [a commitment with respect to Incremental Term Loans of $[ ]].

2. The undersigned Augmenting Lender (a) represents and warrants that it is legally authorized to enter into this Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and has reviewed such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement; (c) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; and (f) represents and warrants that, if it is a Foreign Lender, attached to this Supplement is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the undersigned Augmenting Lender.

3. The undersigned's address for notices for the purposes of the Credit Agreement is as follows:

[ ]

4. The Company hereby represents and warrants that no Default or Event of Default has occurred and is continuing on and as of the date hereof.

5. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

6. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

7. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF AUGMENTING LENDER]

By: _____
Name:
Title:

Accepted and agreed to as of the date first written above:

MICHAEL KORS (USA), INC.

By: _____
Name:
Title:

Acknowledged as of the date first written above:

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

By: _____
Name:
Title:

EXHIBIT E

LIST OF CLOSING DOCUMENTS

Attached.

EXHIBIT F-1

FORM OF BORROWING SUBSIDIARY AGREEMENT

BORROWING SUBSIDIARY AGREEMENT dated as of [ ], among Michael Kors (USA), Inc., a Delaware corporation (the "Company"), [Name of Foreign Subsidiary Borrower], a [ ] (the "New Borrowing Subsidiary"), and JPMorgan Chase Bank, N.A. as Administrative Agent (the "Administrative Agent").

Reference is hereby made to the Credit Agreement dated as of February 8, 2013 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Company, the Foreign Subsidiary Borrowers from time to time party thereto, the Guarantors from time to time party thereto, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A. as Administrative Agent. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. Under the Credit Agreement, the Lenders have agreed, upon the terms and subject to the conditions therein set forth, to make Loans to certain Foreign Subsidiary Borrowers (collectively with the Company, the "Borrowers"), and the Company and the New Borrowing Subsidiary desire that the New Borrowing Subsidiary become a Foreign Subsidiary Borrower. In addition, the New Borrowing Subsidiary hereby authorizes the Company to act on its behalf as and to the extent provided for in Article II of the Credit Agreement. [Notwithstanding the preceding sentence, the New Borrowing Subsidiary hereby designates the following officers as being authorized to request Borrowings under the Credit Agreement on behalf of the New Subsidiary Borrower and sign this Borrowing Subsidiary Agreement and the other Loan Documents to which the New Borrowing Subsidiary is, or may from time to time become, a party: [ ].]

Each of the Company and the New Borrowing Subsidiary represents and warrants that the representations and warranties of the Company in the Credit Agreement relating to the New Borrowing Subsidiary and this Agreement are true and correct in all material respects (or in all respects if any such representation or warranty is qualified by "material" or "Material Adverse Effect") on and as of the date hereof, other than representations given as of a particular date, in which case they shall be true and correct in all material respects (or in all respects if any such representation or warranty is qualified by "material" or "Material Adverse Effect") as of that date. [The Company and the New Borrowing Subsidiary further represent and warrant that the execution, delivery and performance by the New Borrowing Subsidiary of the transactions contemplated under this Agreement and the use of any of the proceeds raised in connection with this Agreement will not contravene or conflict with, or otherwise constitute unlawful financial assistance under, Sections 677 to 683 (inclusive) of the United Kingdom Companies Act 2006 of England and Wales (as amended).] [1] [INSERT OTHER PROVISIONS REASONABLY REQUESTED BY ADMINISTRATIVE AGENT OR ITS COUNSELS] The Company agrees that the guarantee of the Company contained in the Guaranty will apply to the Obligations of the New Borrowing Subsidiary. Upon execution of this Agreement by each of the Company, the New Borrowing Subsidiary and the Administrative Agent, the New Borrowing Subsidiary shall be a party to the Credit Agreement and shall constitute a "Foreign Subsidiary Borrower" for all purposes thereof, and the New Borrowing Subsidiary hereby agrees to be bound by all provisions of the Credit Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[Signature Page Follows]

[1] To be included only if a New Borrowing Subsidiary will be a Borrower organized under the laws of England and Wales.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers as of the date first appearing above.

MICHAEL KORS (USA), INC.

By: _____
Name:
Title:

[NAME OF NEW BORROWING SUBSIDIARY]

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: _____
Name:
Title:

EXHIBIT F-2

FORM OF BORROWING SUBSIDIARY TERMINATION

JPMorgan Chase Bank, N.A.
as Administrative Agent
for the Lenders referred to below
10 South Dearborn Street
Chicago, Illinois 60603
Attention: [ ]

[Date]

Ladies and Gentlemen:

The undersigned, Michael Kors (USA), Inc. (the "Company"), refers to the Credit Agreement dated as of February 8, 2013 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Company, the Foreign Subsidiary Borrowers from time to time party thereto, the Guarantors from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Company hereby terminates the status of [ ] (the "Terminated Borrowing Subsidiary") as a Foreign Subsidiary Borrower under the Credit Agreement. [The Company represents and warrants that no Loans made to the Terminated Borrowing Subsidiary are outstanding as of the date hereof and that all amounts payable by the Terminated Borrowing Subsidiary in respect of interest and/or fees (and, to the extent notified by the Administrative Agent or any Lender, any other amounts payable under the Credit Agreement) pursuant to the Credit Agreement have been paid in full on or prior to the date hereof.] [The Company acknowledges that the Terminated Borrowing Subsidiary shall continue to be a Borrower until such time as all Loans made to the Terminated Borrowing Subsidiary shall have been prepaid and all amounts payable by the Terminated Borrowing Subsidiary in respect of interest and/or fees (and, to the extent notified by the Administrative Agent or any Lender, any other amounts payable under the Credit Agreement) pursuant to the Credit Agreement shall have been paid in full, provided that the Terminated Borrowing Subsidiary shall not have the right to make further Borrowings under the Credit Agreement.]

[Signature Page Follows]

This instrument shall be construed in accordance with and governed by the laws of the State of New York.

Very truly yours,

MICHAEL KORS (USA), INC.

By: _____
Name:
Title:

Copy to: JPMorgan Chase Bank, N.A.
10 South Dearborn Street
Chicago, Illinois 60603

EXHIBIT G

FORM OF GUARANTY

Attached.

EXHIBIT H-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of February 8, 2013 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Michael Kors (USA), Inc. (the "Company"), the Foreign Subsidiary Borrowers from time to time party thereto (collectively with the Company, the "Borrowers"), the Guarantors from time to time party thereto, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name:

Title:

Date: , 20[ ]

EXHIBIT H-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of February 8, 2013 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Michael Kors (USA), Inc. (the "Company"), the Foreign Subsidiary Borrowers from time to time party thereto (collectively with the Company, the "Borrowers"), the Guarantors from time to time party thereto, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT H-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of February 8, 2013 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Michael Kors (USA), Inc. (the "Company"), the Foreign Subsidiary Borrowers from time to time party thereto (collectively with the Company, the "Borrowers"), the Guarantors from time to time party thereto, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT H-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of February 8, 2013 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Michael Kors (USA), Inc. (the "Company"), the Foreign Subsidiary Borrowers from time to time party thereto (collectively with the Company, the "Borrowers"), the Guarantors from time to time party thereto, the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to the Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrowers and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT I-1

FORM OF BORROWING REQUEST

JPMorgan Chase Bank, N.A.,
as Administrative Agent
for the Lenders referred to below

[10 South Dearborn
Chicago, Illinois 60603
Attention: [ ]
Facsimile: [ ]][6]

With a copy to:

[ ]
[ ]
Attention: [ ]
Facsimile: [ ]

Re: Michael Kors (USA), Inc.

[Date]

Ladies and Gentlemen:

Reference is hereby made to the Credit Agreement dated as of February 8, 2013 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Michael Kors (USA), Inc. (the "Company"), the Foreign Subsidiary Borrowers from time to time party thereto, the Guarantors from time to time party thereto, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement. The [undersigned Borrower][Company[, on behalf of Foreign Subsidiary Borrower],] hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that it requests a Borrowing under the Credit Agreement, and in that connection the [undersigned Borrower] [Company[, on behalf of Foreign Subsidiary Borrower],] specifies the following information with respect to such Borrowing requested hereby:

1. Name of Borrower: _____
2. Aggregate principal amount of Borrowing:[7] _____
3. Date of Borrowing (which shall be a Business Day): _____

[6] If request is in respect of Revolving Loans in a Foreign Currency, please replace this address with the London address from Section 9.01(a)(ii).

[7] Not less than applicable amounts specified in Section 2.02(c).

4. Type of Borrowing (Revolving or Swingline and if a Revolving Borrowing ABR or Eurocurrency (or in the case of a Canadian Borrowing, Canadian Base Rate or BA Equivalent)): _____

5. Interest Period and the last day thereof (if a Eurocurrency Borrowing or a BA Equivalent Borrowing):[8] _____

6. Agreed Currency: _____

7. Location and number of the applicable Borrower's account or any other account agreed upon by the Administrative Agent and such Borrower to which proceeds of Borrowing are to be disbursed: _____

[Signature Page Follows]

[8] Which must comply with the definition of "Interest Period" and end not later than the Maturity Date.

The undersigned hereby represents and warrants that the conditions to lending specified in Section[s] [4.01 and][1] 4.02 of the Credit Agreement are satisfied as of the date hereof.

Very truly yours,

[MICHAEL KORS (USA), INC.,
as the Company]
[FOREIGN SUBSIDIARY BORROWER,
as a Borrower]

By: _____
Name:
Title:

[1] To be included only for Borrowings on the Effective Date.

EXHIBIT I-2

FORM OF INTEREST ELECTION REQUEST

JPMorgan Chase Bank, N.A.,
as Administrative Agent
for the Lenders referred to below

[10 South Dearborn
Chicago, Illinois 60603
Attention: [ ]
Facsimile: ([ ]) [ ]-[ ]][1]

Re: Michael Kors (USA), Inc.

[Date]

Ladies and Gentlemen:

Reference is hereby made to the Credit Agreement dated as of February 8, 2013 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Michael Kors (USA), Inc. (the "Company"), the Foreign Subsidiary Borrowers from time to time party thereto, the Guarantors from time to time party thereto, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement. The [undersigned Borrower][Company[, on behalf of Foreign Subsidiary Borrower,]] hereby gives you notice pursuant to Section 2.08 of the Credit Agreement that it requests to convert an existing Borrowing under the Credit Agreement, and in that connection the [undersigned Borrower][Company[, on behalf of Foreign Subsidiary Borrower,]] specifies the following information with respect to such conversion requested hereby:

1. List Borrower, date, Type, principal amount, Agreed Currency and Interest Period (if applicable) of existing Borrowing: _____
2. Aggregate principal amount of resulting Borrowing: _____
3. Effective date of interest election (which shall be a Business Day): _____
4. Type of Borrowing (ABR or Eurocurrency (or, in the case of a Canadian Borrowing, Canadian Base Rate or BA Equivalent)): _____
5. Interest Period and the last day thereof (if a Eurocurrency Borrowing or a BA Equivalent Borrowing):[2] _____
6. Agreed Currency: _____

[Signature Page Follows]

[1] If request is in respect of Revolving Loans in a Foreign Currency, please replace this address with the London address from Section 9.01(a)(ii).

[2] Which must comply with the definition of "Interest Period" and end not later than the Maturity Date.

Very truly yours,

[MICHAEL KORS (USA), INC.,
as the Company]
[FOREIGN SUBSIDIARY BORROWER,
as a Borrower]

By: _____
Name:
Title:

EXHIBIT J

FORM OF NOTE

[ ], 20[ ]

FOR VALUE RECEIVED, the undersigned, [MICHAEL KORS (USA), INC.][FOREIGN SUBSIDIARY BORROWER], a [ ] (the "Borrower"), HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of [NAME OF LENDER] (the "Lender") the aggregate unpaid Dollar Amount of all Loans made by the Lender to the Borrower pursuant to the "Credit Agreement" (as defined below) on the Maturity Date or on such earlier date as may be required by the terms of the Credit Agreement. Capitalized terms used herein and not otherwise defined herein are as defined in the Credit Agreement.

The undersigned Borrower promises to pay interest on the unpaid principal amount of each Loan made to it from the date of such Loan until such principal amount is paid in full at a rate or rates per annum determined in accordance with the terms of the Credit Agreement. Interest hereunder is due and payable at such times and on such dates as set forth in the Credit Agreement.

At the time of each Loan, and upon each payment or prepayment of principal of each Loan, the Lender shall make a notation either on the schedule attached hereto and made a part hereof, or in such Lender's own books and records, in each case specifying the amount of such Loan, the respective Interest Period thereof (in the case of Eurocurrency Loans or BA Equivalent Loans) or the amount of principal paid or prepaid with respect to such Loan, as applicable; provided that the failure of the Lender to make any such recordation or notation shall not affect the Obligations of the undersigned Borrower hereunder or under the Credit Agreement.

This Note is one of the notes referred to in, and is entitled to the benefits of, that certain Credit Agreement dated as of February 8, 2013 by and among the Borrower, [Michael Kors (USA), Inc., the other][the] Foreign Subsidiary Borrowers from time to time parties thereto, the Guarantors from time to time parties thereto, the financial institutions from time to time parties thereto as Lenders and JPMorgan Chase Bank, N.A., as Administrative Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). The Credit Agreement, among other things, (i) provides for the making of Loans by the Lender to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the Dollar Amount of such Lender's Commitment, the indebtedness of the Borrower resulting from each such Loan to it being evidenced by this Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments of the principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

Demand, presentment, protest and notice of nonpayment and protest are hereby waived by the Borrower.

Whenever in this Note reference is made to the Administrative Agent, the Lender or the Borrower, such reference shall be deemed to include, as applicable, a reference to their respective successors and assigns. The provisions of this Note shall be binding upon and shall inure to the benefit of said successors and assigns. The Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor in possession of or for the Borrower.

This Note shall be construed in accordance with and governed by the law of the State of New York.

[Signature Page Follows]

[MICHAEL KORS (USA), INC.][FOREIGN SUBSIDIARY BORROWER]

By: _____
Name:
Title:

SCHEDULE OF LOANS AND PAYMENTS OR PREPAYMENTS

Date	Amount of Loan	Type of Loan Currency	Interest Period/Rate	Amount of Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made By

Exhibit 10.7

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of May 23, 2013 (this "Agreement"), by and among **MICHAEL KORS (USA), INC.**, a Delaware corporation having its principal executive offices in New York County, New York (the "Corporation"), **MICHAEL KORS HOLDINGS LIMITED**, a British Virgin Islands corporation having its registered office in Road Town, Tortola, British Virgin Islands ("MKHL") and **MICHAEL D. KORS**, a resident of New York, New York ("Kors").

IT IS AGREED AS FOLLOWS:

1. Term. The Corporation agrees to employ Kors, and Kors agrees to serve the Corporation, for a term (the "Term") that began on January 29, 2003 and ending as provided herein, upon the terms and conditions set forth herein.

2. Offices and Positions; CEO Consultation. Throughout the Term, Kors shall have the title of Honorary Chairman of the Board and Chief Creative Officer of the Corporation and MKHL shall use its best efforts to cause Kors to be appointed or elected, as the case may be, to the Boards of Directors of the Corporation (the "Board") and MKHL. During the Term, MKHL shall consult with Kors regarding the hiring of any Chief Executive Officer (or equivalent executive officer) of MKHL or the Corporation.

3. Duties.

(a) Throughout the Term, Kors shall devote substantially all of his business time exclusively to the business of the Corporation and its affiliates to design collections of apparel, accessories and related products as needed by the Corporation and its affiliates and to promote the business and affairs of the Corporation and its affiliates. It is agreed and understood that, during the Term, Kors will have creative and aesthetic control of the products produced and sold under or bearing the "MICHAEL KORS" trademark and any variation of such name and the initials of such name in whatever form or style and all related trade names, copyrights, logos and similar rights (the "Marks"), including exclusive control of the design of such products; provided, that this sentence shall not apply to any attempted exercise by Kors of the foregoing rights that is not commercially reasonable.

(b) Throughout the Term, Kors shall not, without the prior written consent of the Corporation, directly or indirectly, render services to or for any other person or firm whether or not for compensation or engage in any activity that, in either case, is in competition with the business of MKHL, the Corporation or any other subsidiary of MKHL (MKHL and its subsidiaries collectively, the "MK Group"); provided, however, that Kors may participate in charitable activities not inconsistent with the intent of this Agreement. The making of passive personal investments shall not be prohibited hereunder. For the avoidance of doubt, the parties agree that, subject to Section 3(a), Kors may render services with respect to the television show "Project Runway" and that such services are not in competition with the business of MKHL, the Corporation or any other subsidiary of MKHL for the purposes of this paragraph. In

addition, subject to Section 3(a), Kors may participate in literary, theatrical or artistic activities, but only if and to the extent that the Corporation shall have determined in advance (in its reasonable discretion) that such activities would not be detrimental to the Marks.

4. Compensation.

(a) Throughout the Term, the Corporation shall pay to Kors a salary (the "Base Salary") at the rate of $2,500,000 per annum, payable in periodic installments in accordance with the Corporation's customary payroll practices. Effective with the Corporation's fiscal year which ends on April 2, 2011, and for each complete fiscal year during the Term (or, on a prorated basis for any period representing less than a full fiscal year), Kors, as additional compensation hereunder, shall be entitled to receive a bonus equal to 2.5% of MKHL's consolidated earnings before interest, taxes, depreciation and amortization ("EBITDA") for such fiscal year of the Term, up to a maximum bonus of $5,000,000 for any fiscal year (the "Bonus Payment"). Such Bonus Payment shall be payable in a single lump sum cash payment within thirty (30) days of the determination of EBITDA, and shall be paid at such time that the Corporation generally makes bonus payments to its executives; provided, however, that in any event such Bonus Payment shall be paid during the calendar year in which the applicable fiscal year has ended. EBITDA for any fiscal year shall be determined, and certified, by the accounting firm that regularly performs the audit functions for MKHL, whose determination shall be final and binding on the parties. Such determination shall be made in accordance with applicable generally accepted accounting principles.

(b) In addition to what is required pursuant to Section 5, the Corporation may pay, but shall have no obligation to pay, to Kors such additional compensation in the form of bonuses, fringe benefits or otherwise in such amounts and at such times as the Compensation Committee of the Board of MKHL (the "Compensation Committee") shall from time to time determine in its sole and absolute discretion.

(c) In the event that following the IPO, the compensation payable to you hereunder becomes (or is reasonably likely to become) subject to the deduction limitations of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), taking into account the application of any applicable transition period under Section 162(m) of the Code and the regulations promulgated thereunder, the parties agree to negotiate in good faith to implement as promptly as possible such revisions to the structure (including the timing, form and type) of such compensation so as to achieve to the greatest extent possible full tax deductibility of such compensation under Section 162(m) of the Code; provided, however, that in no event shall any such revisions result in a reduction in the aggregate amount of compensation otherwise contemplated to be payable to Kors hereunder or otherwise cause Kors to incur any tax, penalty or interest charge under Section 409A of the Code.

5. Benefits.

(a) In addition to the compensation described in Section 4, during the Term, Kors shall be entitled to the following:

(i) Kors shall be entitled to participate in all Corporation employee benefit plans (to the extent Kors is eligible therefor), including, without limitation, any health and retirement plans (but, except as otherwise provided in this Agreement or as determined by the Compensation Committee of the Board, excluding bonus and equity-based plans), in each case subject to any applicable laws which shall be in effect from time to time and on the same basis as is available to the other senior officers of the Corporation. If any such benefit plan shall be unavailable to Kors by reason of his nationality or residence, the Corporation shall use it best efforts to provide a substantially equivalent benefit, through another source, at its expense.

(ii) The Corporation shall provide the health and medical insurance coverage referred to in Section 5(a)(i) above at its own cost without contribution from Kors. The Corporation also shall pay during the Term the premiums on (A) the whole life insurance policy (the "Whole Life Policy") currently in place on the life of Kors and (B) the $500,000 term life insurance policy (the "Term Life Policy") currently in place on the life of Kors, both of which policies are owned by Kors. Upon termination of this Agreement, the Corporation shall cease to pay premiums on the Whole Life Policy and the Term Life Policy and Kors shall thereafter be solely responsible for the payment of any premiums on both such policies.

(iii) Reimbursement of reasonable out-of-pocket professional costs incurred for the preparation of any of his tax returns to be filed in the United States.

(iv) Membership in a health club, at the request of Kors.

(v) The Corporation shall provide Kors with an automobile and driver for transportation to and from the Corporation's offices and for other business purposes. Such automobile shall be a Mercedes-Benz S-Class or an automobile at least substantially equivalent in price thereto.

(b) In addition to the foregoing, Kors acknowledges and agrees that the Corporation may apply for, and purchase, key-man life insurance covering Kors (the "Key-Man Insurance"). The Corporation shall own all rights in any such Key-Man Insurance policies and the proceeds thereof, and Kors shall not have any right, title or interest therein. Kors agrees to assist the Corporation, at the Corporation's expense, in obtaining such Key-Man Insurance by, among other things, submitting to the customary examinations and correctly preparing, signing and delivering such applications and other documents as may be required by potential insurers.

(c) Anything to the contrary herein notwithstanding, in the event of the occurrence of a condition that may with the passage of time constitute a Permanent Disability (as defined below) of Kors, then the Corporation shall continue to pay to Kors his Base Salary and all other compensation and benefits owed to Kors hereunder until the termination of this Agreement as provided in Section 10 below, less any payments received by Kors from any disability insurance policy whose premiums are paid by the Corporation. For purposes of this Agreement, the term "Permanent Disability" shall mean any mental or physical condition that: (i) prevents Kors from reasonably discharging his services and employment duties hereunder; (ii) is attested to in writing by a physician who is licensed to practice in the State of New York and is mutually acceptable to Kors and the Corporation (or, if Kors and the Corporation are unable to mutually agree on a physician, the Board may select a physician who is a chairman of a department of medicine at a university-affiliated hospital in the City of New York); and (iii) continues, for any one or related condition, during any period of six (6) consecutive months or for a period aggregating six (6) months in any twelve-month period; and such Permanent Disability shall be deemed to have occurred on the last day of such applicable six-month period.

6. Vacation; Meetings.

Kors shall be entitled to five weeks of vacation annually, and such additional vacation time as may be agreed to by any Chairman of the Board of the Corporation. Kors shall be entitled to additional time off for attendance at meetings, conventions and educational courses, as any Chairman or of the Board of the Corporation may from time to time allow.

7. Expenses; Indemnification.

(a) The Corporation shall reimburse Kors for the reasonable business expenses (including travel at the highest class of service available) incurred by Kors in the course of performing his duties for the Corporation, subject to Kors' compliance with the policies and procedures for reimbursement generally in effect from time to time for senior officers of the Corporation.

(b) The Corporation and/or MKHL (as applicable) will indemnify Kors and hold him harmless to the maximum extent permitted by applicable law, against all costs, charges, liabilities and expenses incurred or sustained by him in connection with any action, suit, claim or proceeding to which he may be made a party by reason of his being an officer, director or employee of the Corporation or of any affiliate of the Corporation; provided, however, that in no event shall Kors be indemnified for acts taken by him in bad faith or in breach of his duty of loyalty to the Corporation or MKHL under applicable law. Notwithstanding the foregoing, Kors' indemnification and hold harmless rights under this Section 7 shall in no event be less favorable in any respect than the terms of any indemnification and hold harmless rights provided by the Corporation and/or MKHL to any senior officer of the Corporation under an employment agreement, indemnification agreement or otherwise. The provisions of this subsection (b) shall survive the termination of this Agreement.

8. Confidentiality; Intellectual Property Rights.

(a) Kors acknowledges that his work for and with the Corporation and its affiliates will bring him into close contact with the confidential affairs of the Corporation and its affiliates, including, without limitation, confidential information and trade secrets concerning the Corporation's and its affiliates' working methods, processes, business and other plans, programs, designs, products, profit formulas, customer names, customer requirements and supplier names (collectively, "Confidential Information"). "Confidential Information" shall not include (i) information generally known to the public, (ii) information properly received by Kors outside his engagement with the Corporation (or any predecessor or affiliate of the Corporation) from any third party not affiliated with the Corporation (or any affiliate of the Corporation) and not under any duty to the Corporation not to disclose such information, and (iii) any materials, including designs and products created by Kors and which are otherwise "Confidential Information", to the extent approved in writing by the Corporation, which approval shall not be unreasonably withheld. Kors acknowledges that such Confidential Information is reposed in him in trust and he shall, both during and for a period of three years after the Term (or such longer period as the Corporation may be bound to keep any such Confidential Information confidential pursuant to any agreement or otherwise), maintain such Confidential Information in confidence and, except as may be required under applicable law, neither disclose to others nor use such Confidential Information personally without written permission of the Corporation. Kors agrees, upon termination of this Agreement, to return to the Corporation all documents or recorded material of any type (including all copies thereof) which may be in his possession or under his control dealing with the Confidential Information.

(b) All trademarks, designs, copyrights and other intellectual property created by or at the direction of Kors in the course of his employment by the Corporation shall remain the property of, and be exclusively owned by, the Corporation without further act of either party. Kors shall, at the reasonable request of the Corporation, execute such documents as may be reasonably necessary to confirm or evidence the Corporation's ownership of such property.

(c) The obligations of this Section 8 shall survive the termination of this Agreement. Notwithstanding anything to the contrary set forth herein or in any other agreement to which Kors, on the one hand, and the Corporation or any of its affiliates, on the other hand, are parties or by which they are bound, the obligations of confidentiality contained herein and therein, as they relate to the transactions contemplated by this Agreement, shall not apply to the "structure or the tax aspects" (as that phrase is used in Section 1.6011-4T(a)(3) (or any successor provision) of the Treasury Regulations promulgated under Section 6011 of the Code) of such transactions.

9. Notices.

Any notice or request permitted or required hereunder shall be in writing deemed sufficient when delivered in person or mailed by certified mail, postage prepaid, or transmitted by facsimile, and addressed if to the Corporation or MKHL, c/o the Corporation at the

Corporation's principal executive offices in New York, New York, Facsimile No.: (646) 354-4826, Attn: Chief Executive Officer, and if to Kors, to his home address on file with the Company, with copy to:

Patterson Belknap, Webb & Tyler LLP
1133 Avenue of the Americas
New York, New York 10036-6710
Attention: Peter J. Schaeffer, Esq.
Facsimile No.: (212) 336-2222

or to such other address as may be provided by such notice.

10. No Termination.

(a) The Corporation may not terminate the Agreement and Kors' employment hereunder for any reason other than Cause (as defined below). It is expressly understood that Kors is to be employed hereunder until he dies or becomes Permanently Disabled (in which case this Agreement shall immediately terminate and the Corporation shall only be liable to promptly pay to Kors or his estate (as applicable) the Accrued Obligations and Pro Rata Bonus Payment (each as defined below)); provided, however, that Kors has not been terminated for Cause as aforesaid. In the event that the Corporation materially breaches its obligations hereunder, including, without limitation, the Corporation's obligations to make payments pursuant to Section 4 hereof then upon thirty (30) days notice to the Corporation (which notice shall describe the Corporation's breach in reasonable detail), unless the Corporation (i) cures such breach within such thirty (30)-day period (or, if the breach cannot reasonably be cured within such thirty (30)-day period, initiates all possible action that substantially cures the breach within such thirty (30)-day period) to Kors' reasonable satisfaction (which curative action, at a minimum, places Kors in a no less favorable economic and financial position than he would have been in had the breach not occurred) and (ii) provides evidence satisfactory to Kors that the Corporation has done so, Kors may terminate his employment under this Agreement and in such event shall be relieved of all his further obligations hereunder and entitled to exercise any rights and remedies he may have at law or in equity with respect to such material breach. In the event of such termination due to breach by the Corporation, the Corporation shall, in addition and not in limitation to any other rights and remedies Kors may have hereunder, at law or in equity, (A) promptly pay Kors any Base Salary earned but not yet paid prior to the date of termination, and reimburse Kors for any expenses pursuant to Section 7(a) (collectively, the "Accrued Obligations") and (B) at the time the Bonus Payment would otherwise be payable under Section 4(a) with respect to the fiscal year of the Corporation in which such termination occurs, pay Kors the pro rated Bonus Payment specified in Section 4(a) that would otherwise have been payable to Kors in respect of such fiscal year (the "Pro Rata Bonus Payment").

"Cause" shall mean: (i) the material breach by Kors of any material provision contained in this Agreement (including, without limitation, the provisions set forth in Section 3 hereof), which breach continues without the cure thereof by Kors for a period of thirty (30) days following written notice thereof from the Corporation to Kors (which

notice shall describe Kors' breach in reasonable detail); (ii) the conviction of Kors for fraudulent or criminal conduct adversely affecting the Corporation; (iii) the commission by Kors of any willful, reckless, or grossly negligent act which has a material adverse effect on the Corporation or its products, trademarks or goodwill (including, without limitation, the reputation thereof).

(b) If Kors shall terminate his employment under this Agreement without the consent of the Corporation other than by reason of Kors' death, Permanent Disability or pursuant to the third sentence of Section 10(a) of this Agreement, the obligations of the Corporation, other than for the Accrued Obligations, shall cease and, subject to Section 11, the parties hereto shall be relieved of all further obligations hereunder.

(c) If Kors' employment is terminated by the Corporation for Cause, (i) MKHL shall have the option to purchase all of the ordinary shares and/or other equity interests of MKHL held directly or indirectly by Kors for their book value as of the last day of the calendar month immediately preceding such termination, as determined by MKHL's independent auditors in accordance with U.S. generally accepted accounting principles, consistently applied, and (ii) other than for the Accrued Obligations, the Corporation shall be relieved of all further obligations hereunder. If the Corporation makes the election to purchase all the ordinary shares and/or other equity interests pursuant to this Section 10(c), it shall provide a written notice to Kors of such election within thirty (30) days of such termination, the closing for such purchase shall occur as promptly as practicable but in no event more than thirty (30) days following such notice and the purchase price shall be paid in cash in a single lump sum at such closing.

11. Kors Non-Competition. If Kors shall have terminated this Agreement pursuant to Section 10(b), for the remainder of Kors' lifetime, (i) Kors agrees to serve as an independent and exclusive design consultant to the Corporation for a fee of $1,000,000 per year, payable monthly in arrears in equal installments with such duties as shall be mutually agreed in good faith at such time, and (ii) in consideration thereof, Kors shall not, without the written consent of the Board, engage anywhere in the world where the Corporation or any other member of the MK Group is doing business, directly or indirectly, as a designer, consultant, officer, director, employee, agent, proprietor, partner or shareholder in any business (other than on behalf of the Corporation or any other member of the MK Group) which engages in activities in competition with the Corporation or any other member of the MK Group to the extent those activities were carried on by the Corporation or any other member of the MK Group during the Term; provided, however, that the Corporation may terminate such consulting arrangement and cease making such payments at any time, in which event Kors' obligations to serve as a consultant to the Corporation and to comply with such non-competition restrictions shall immediately terminate. Notwithstanding the foregoing, at any time, Kors may own up to 5% of the common stock or other securities of any public corporation and may have an interest as a limited partner in any partnership provided he provides no services or advice of any kind to any such corporation or partnership.

12. Other Lines of Business; Transfer or Encumbrance of Marks. The Corporation and its subsidiaries shall not enter into any new line of business without the consent of Kors if Kors shall reasonably determine that such line of business is detrimental to the Marks.

13. Miscellaneous. This Agreement (i) constitutes the entire agreement between the parties concerning the subjects hereof and supersedes all prior agreements, (ii) may not be assigned by Kors without the prior written consent of the Corporation, but shall be binding upon and inure to the benefit of Kors' heirs, legal representatives and permitted assigns (without limiting the generality of the foregoing, the provisions of Sections 4 and 7 hereof specifically shall inure to the benefit of such heirs, legal representatives, successors and permitted assigns), (iii) may be assigned by the Corporation in connection with any transfer of all or a substantial portion of the Corporation's assets and shall be binding upon, and inure to the benefit of, the Corporation's successors and assigns, and (iv) may not be amended, modified or supplemented except by a writing signed by each party.

14. Arbitration. All disputes arising under this Agreement including but not limited to any claim for specific performance under Section 15 of this Agreement shall be submitted to binding arbitration in accordance with the rules of commercial arbitration of the American Arbitration Association of the City of New York. Any arbitration proceeding shall be conducted in New York, New York before a single arbitrator or, if requested by either party, by a panel of three arbitrators.

15. Specific Enforcement. In addition to any remedies available to the parties at law, the parties each acknowledge that they would be irreparably damaged and there would be no adequate remedy at law for breach of either's obligations hereunder and, accordingly, this Agreement is to be specifically enforced if not performed according to its terms.

16. Severability. The provisions of this Agreement are severable. The invalidity of any provision shall not affect the validity of any other provision.

17. Governing Law. This Agreement shall be construed and governed in all respects under the laws of the State of New York (without reference to such State's conflict of law rules).

18. Headings. Headings in this Agreement are for convenience of reference only and shall not define, limit or interpret the contents hereof.

19. Code Section 409A.

(a) It is the intention of the parties hereto that, to the extent any amounts or benefits payable under or otherwise with respect to this Agreement constitute nonqualified deferred compensation that is or may be subject to Section 409A of the Code and the treasury regulations or other official pronouncements thereunder (herein, collectively, "Section 409A"), the provisions of this Agreement shall be interpreted and administered in a manner (which may, as appropriate, include amendments to this Agreement) that will enable such amounts or benefits to satisfy the requirements of Section 409A (either pursuant to qualifying for an exemption from coverage under Section 409A or satisfying the substantive provisions for compliance with such section).

(b) For purposes of any reimbursement of expenses due to Kors or the provision of in-kind benefits with respect to Kors (including, without limitation, pursuant to Section 7 above), such reimbursements shall be made in a manner consistent with Code Section 409A, including Treasury Regulation Section 1.409A-3(i)(1)(iv). In that regard (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, (ii) the reimbursement of eligible expenses shall be made on or before the end of the calendar year following the calendar year in which the expense was incurred, and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(c) In the event that any amount or benefit payable under or otherwise with respect to this Agreement is conditioned on Kors' termination of employment and such amount or benefit is not otherwise exempt from Section 409A, such termination of employment shall mean a "separation from service" within the meaning of Section 409A. In addition, if any such payment is conditioned on a separation from service by Kors and Kors shall then be a "specified employee" (as defined in Treasury Regulation section 1.409A-1(i)), then, to the extent necessary to avoid a violation of Section 409A, the portion of any such payment that would otherwise be paid within the six-month period immediately following Kors' separation from service shall instead be deferred and paid in a single sum on the first day following the end of such six-month period.

IN WITNESS WHEREOF, this Agreement is entered into as of the day and year first above written.

MICHAEL KORS (USA), INC.

By: /s/ John D. Idol
Name: John D. Idol
Title: Chairman and Chief Executive Officer

MICHAEL KORS HOLDINGS LIMITED

By: /s/ John D. Idol
Name: John D. Idol
Title: Chairman and Chief Executive Officer

/s/ Michael D. Kors
Michael D. Kors

Exhibit 10.8

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement"), dated as of May 23, 2013, by and among **MICHAEL KORS (USA), INC.**, a Delaware corporation having its principal executive offices in New York County, New York (the "Company"), **MICHAEL KORS HOLDINGS LIMITED**, a British Virgin Islands corporation having its registered office Road Town, Tortola, British Virgin Islands ("MKHL") and **JOHN D. IDOL** ("Executive").

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, in accordance with the terms and provisions herein contained;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. Employment.

(a) The Company hereby employs Executive, and Executive hereby accepts such employment, on the terms and subject to the conditions contained herein.

(b) Executive shall serve as the Chief Executive Officer of the Company and MKHL faithfully and to the best of his ability. Initially, all of Executive's business time will be dedicated to serving as Chief Executive Officer of the Company. Subject to any existing contractual obligations of MKHL and its subsidiaries, Executive shall have general authority over the business of the Company and shall manage the day-to-day operations of the Company; provided, however, that Executive understands and agrees that (i) the Board of Directors of MKHL (the "Board") will be responsible for setting overall strategic goals of MKHL and its subsidiaries (including, without limitation, the Company) and advising Executive with respect thereto, and (ii) the Board's and/or certain of its members' active strategic involvement in matters relating to design direction, marketing concepts, production logistics and financial objectives shall not be deemed to constitute managing day-to-day operations. Executive will report only to the Board, and, subject to any existing contractual obligations of MKHL and its subsidiaries, all other executives of the Company shall report to Executive, unless Executive determines otherwise. Executive acknowledges and agrees that, except as otherwise provided in accordance with Section 1(c), the Company will be his sole employer under this Agreement and the Company will provide all payments and benefits to Executive under this Agreement.

(c) At the request of MKHL, Executive further agrees, without additional compensation, to act as an officer and/or director of subsidiaries of MKHL, other than the Company. At the direction of MKHL, any rights and obligations of the Company hereunder may be assigned, in whole or in part, to such subsidiaries; provided that the Company's obligations with respect to compensation and benefits, including, without limitation, Base Salary (as defined below), shall remain the Company's obligations, unless Executive consents in writing to such assignment, which such consent shall not be unreasonably withheld.

(d) During Executive's employment hereunder, MKHL shall use its best efforts to cause Executive to be elected or appointed, as the case may be, to a position on the Board and the Company's Board of Directors (the "Company Board"). Executive agrees that upon termination of his employment hereunder for any reason, he shall resign immediately from both the Board and the Company Board, as well as from any officerships and/or other directorships with MKHL or any of its subsidiaries.

(e) Executive shall devote substantially his full business time and attention and his best efforts to the performance of his duties hereunder; provided, however, that Executive may engage in charitable, educational, civic and religious activities and may participate as an investor, officer or director with respect to passive investments owned by or for the benefit of Executive or members of his immediate family, but only to the extent such activities and service do not result in a conflict of interest with the Company or interfere with the performance of Executive's duties and responsibilities hereunder.

2. Term. The term of the employment of Executive with the Company commenced on December 2, 2003 and shall continue under this Agreement through March 31, 2015 (the "Initial Term"), subject to the terms and provisions of this Agreement. After the expiration of the Initial Term, this Agreement shall be automatically renewed for additional one-year terms (each, a "Renewal Term") unless either the Company or Executive gives written notice to the other of the termination of this Agreement at least ninety (90) days in advance of the next successive one-year term. Any election by the Company or Executive not to renew such employment at the end of the Initial Term or any Renewal Term shall be at the sole, absolute discretion of the Company or Executive, respectively. The period Executive is employed hereunder during the Initial Term and any such Renewal Terms is referred to herein as the "Term".

3. Salary. Executive's base salary ("Base Salary") shall be at the rate of $2,500,000 per year, which shall be payable in accordance with the Company's customary payroll practices in effect from time to time. The Base Salary shall be subject to possible increases at the sole discretion of the Board; provided, however, that in no event shall Executive's Base Salary during the Term be less than at the rate of $2,500,000 per year.

4. Annual Bonus. For each complete fiscal year during the Term (or, on a prorated basis for any period representing less than a full fiscal year), Executive, as additional compensation hereunder, shall be entitled to receive a bonus equal to 2.5% of MKHL's consolidated earnings before interest, taxes, depreciation and amortization ("EBITDA") for such fiscal year of the Term, up to a maximum of $5,000,000 for any fiscal year (the "Annual Bonus"). Such Annual Bonus shall be payable in a single lump sum cash payment within thirty (30) days of the determination of EBITDA. EBITDA for any fiscal year shall be determined, and certified, by the accounting firm that regularly performs the audit functions for MKHL, whose determination shall be final and binding on the parties**.** Such determination shall be made in accordance with U.S. generally accepted accounting principles, consistently applied, as in effect on the date of this Agreement.

5. IPO. In the event that following MKHL's initial public offering, the compensation payable to Executive hereunder becomes (or is reasonably likely to become) subject

to the deduction limitations of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), taking into account the application of any applicable transition period under Section 162(m) of the Code and the regulations promulgated thereunder, the parties agree to negotiate in good faith to implement as promptly as possible such revisions to the structure (including the timing, form and type) of such compensation so as to achieve to the greatest extent possible full tax deductibility of such compensation under Section 162(m) of the Code; provided, however, that in no event shall any such revisions result in a reduction in the aggregate amount of compensation otherwise contemplated to be payable to Executive hereunder.

6. Employee Benefits.

(a) Generally. During the Term, Executive shall be entitled to participate in any and all Company employee benefit plans and programs (but, except as otherwise provided in this Agreement or as determined by the Compensation Committee of the Board, excluding bonus and equity-based plans), which generally are made available to senior officers of the Company, in accordance with, and subject to, the terms and conditions of such plans and programs (including, without limitation, any eligibility limitations) as they may be modified by the Company from time to time in its sole discretion.

(b) Life Insurance. During the Term, the Company shall pay the premiums, up to a maximum of $50,000 per annum, for the $5,000,000 whole life insurance policy presently maintained by Executive. Upon termination of this Agreement, Executive will reimburse to the Company the amount of any such annual premium paid by it attributable to any period after the end of the Term.

(c) Vacation. During the Term, Executive shall be entitled to five (5) weeks of paid vacation in each fiscal year of the Company. Executive shall forfeit any vacation time that remains unused at the end of any fiscal year.

(d) Transportation. During the Term, the Company shall provide Executive with an automobile and driver for transportation to and from the Company's offices and for other business purposes. Such automobile shall be a Mercedes-Benz S-Class or an automobile at least substantially equivalent in price thereto.

(e) Expense Reimbursement. During the Term, the Company shall reimburse Executive for all reasonable and necessary expenses (including first class air travel and the use of a private jet leased by the Company or one of its affiliates for select trips, as appropriate) incurred by Executive incident to the performance of his duties hereunder, in accordance with the Company's policies and procedures.

7. Termination of Employment.

(a) Death and Total Disability. Executive's employment under this Agreement shall terminate immediately upon his death or Total Disability (as defined below). For purposes of this Agreement, the term "Total Disability" shall mean any mental or physical condition that: (i) prevents Executive from reasonably discharging his services and employment duties hereunder; (ii) is attested to in writing by a physician who is licensed to practice in the State of New York and is mutually acceptable to Executive and the Company (or, if the

Executive and the Company are unable to mutually agree on a physician, the Company Board may select a physician who is a chairman of a department of medicine at a university-affiliated hospital in the City of New York); and (iii) continues, for any one or related condition, during any period of six (6) consecutive months or for a period aggregating six (6) months in any twelve-month period. Total Disability shall be deemed to have occurred on the last day of such applicable six-month period.

(b) Cause. The Company shall at all times, upon written notice to Executive given at least ten (10) days prior to the Termination Date, have the right to terminate this Agreement and the employment of Executive hereunder for Cause (as defined below); provided, however, that prior to such termination taking effect, Executive shall have been given an opportunity to meet with the Board, and a majority of the Board shall have thereafter voted to terminate Executive's employment.

For purposes of this Agreement, the term "Cause" means the occurrence of any one of the following events: (i) Executive's gross negligence, willful misconduct or dishonesty in performing his duties hereunder; (ii) Executive's conviction of a felony (other than a felony involving a traffic violation); (iii) Executive's commission of a felony involving a fraud or other business crime against MKHL or any of its subsidiaries; or (iv) Executive's breach of any of the covenants set forth in Section 9 hereof; provided that, if such breach is curable, Executive shall have an opportunity to correct such breach within thirty (30) days after written notice by the Company to Executive thereof.

(c) Change of Control. Unless otherwise agreed by the Company and Executive, this Agreement shall automatically terminate upon a Change of Control. For purposes of this Agreement, a "Change of Control" shall be deemed to have occurred when any person, entity or group of affiliated persons or entities purchase or otherwise acquire (i) more than 50% of the combined voting power of the outstanding stock of MKHL or (ii) all or substantially all of MKHL's assets.

(d) Executive Termination Without Good Reason. Executive agrees that he shall not terminate his employment for any reason other than Good Reason without giving the Company at least six months' prior written notice of the effective date of such termination. Executive acknowledges that the Company retains the right to waive the notice requirement, in whole or in part, and accelerate the effective date of Executive's termination. If the Company elects to waive the notice requirement, in whole or in part, the Company shall have no further obligations to Executive under this Agreement other than to make the payments specified in Section 8(a). After Executive provides a notice of termination, the Company may, but shall not be obligated to, provide Executive with work to do and the Company may, in its discretion, in respect of all or part of an unexpired notice period, (i) require Executive to comply with such conditions as it may specify in relation to attending at, or remaining away from, the Company's places of business, or (ii) withdraw any powers vested in, or duties assigned to, Executive. For purposes of a notice of termination given pursuant to this Section 7(d), the Termination Date (as defined below) shall be the last day of the six month notice period, unless the Company elects to waive the notice requirement as set forth herein.

For purposes of this Agreement, "Good Reason" means and shall be deemed to exist if: (i) Executive is assigned duties or responsibilities that are inconsistent in any material respect with the scope of the duties or responsibilities of his title or position, as set forth in this Agreement; (ii) the Company or MKHL fails to perform substantially any material term of this Agreement, and, if such failure is curable, fails to correct such failure within thirty (30) days after written notice by Executive to the Company or MKHL, as applicable; (iii) Executive's office is relocated more than fifty (50) miles from its location immediately prior to such relocation; (iv) the Company or MKHL fails to have this Agreement assumed by a successor; (v) Executive's duties or responsibilities are significantly reduced, except with respect to any corporate action initiated or recommended by Executive and approved by the Board; (vi) Executive is involuntarily removed from the Boards of the Company and MKHL (other than in connection with a termination of employment for Cause, voluntary termination without Good Reason, death or Total Disability); or (vii) subject to the proviso set forth in the third sentence of Section 1(b) above, the Board is managing the day-to-day operations of the Company and, after receipt of written notice from Executive to such effect (and sufficient time to cease such involvement), the Board continues to do so.

(e) Executive Termination for Good Reason. Executive may terminate his employment hereunder for Good Reason (and this Agreement shall accordingly terminate) by providing written notice of his intention to terminate, and specifying the circumstances relating thereto, to the Board within thirty (30) days following the occurrence of any of the events specified above as constituting Good Reason and at least ten (10) days prior to the Termination Date.

8. Consequences of Termination or Breach.

(a) Termination Due to Death or Total Disability, for Cause, Upon Change of Control or Without Good Reason. If Executive's employment under this Agreement is terminated under Sections 7(a), 7(b), 7(c) or 7(d) hereunder, or Executive terminates his employment for any reason other than Good Reason, Executive shall not thereafter be entitled to receive any compensation and benefits under this Agreement other than for (i) Base Salary earned but not yet paid prior to the Termination Date, and (ii) reimbursement of any expenses pursuant to Section 6(e) incurred prior to the Termination Date (collectively, the "Accrued Obligations").

(b) Termination Without Cause or With Good Reason. If Executive's employment under this Agreement is terminated by the Company without Cause (which right the Company shall have at any time during the Term) and other than for the reasons provided for in Sections 7(a) or 7(c) above, or Executive terminates his employment for Good Reason, the sole obligations of the Company to Executive shall be (i) to make the payments described in Section 8(a) for Accrued Obligations, and (ii) to pay to Executive in a single lump sum payment, within thirty (30) days from the Termination Date, a separation allowance equal to two times (A) Executive's then current Base Salary and (B) the Annual Bonus paid or payable to Executive pursuant to Section 4 with respect to the Company's last full fiscal year ended prior to the Termination Date. Executive acknowledges and agrees that in the event the Company terminates Executive's employment without Cause and other than for the reasons provided for in Sections 7(a) or 7(c) or Executive terminates his employment for Good Reason, Executive's sole remedy shall be to receive the payments specified in this Section 8(b).

(c) No Duty to Mitigate. Executive shall not be required to mitigate the amount of any damages that Executive may incur or other payments to be made to Executive hereunder as a result of any termination or expiration of this Agreement, nor shall any payments to Executive be reduced by any other payments Executive may receive, except as set forth herein.

9. Restrictive Covenants and Confidentiality.

(a) No-Hire. During the two year period following the date of Executive's termination of employment hereunder for any reason (the "Termination Date"), Executive shall not employ or retain (or participate in or arrange for the employment or retention of) any person who was employed or retained by the Company or any of its parents, subsidiaries or affiliates within the one-year period immediately preceding such employment or retention.

(b) Confidentiality. Recognizing that the knowledge, information and relationship with customers, suppliers and agents, and the knowledge of the Company's and its parents', subsidiaries' and affiliates' business methods, systems, plans and policies, which Executive shall hereafter establish, receive or obtain as an employee of the Company or any such parent, subsidiary or affiliate, are valuable and unique assets of the businesses of the Company and its parents, subsidiaries and affiliates, Executive agrees that, during and after the Term hereunder, he shall not (otherwise than pursuant to his duties hereunder) disclose, without the prior written approval of the Board, any such knowledge or information pertaining to the Company or any of its parents, subsidiaries and affiliates, their business, personnel or policies, to any person, firm, corporation or other entity, for any reason or purpose whatsoever. The provisions of this Section 9(b) shall not apply to information which is or shall become generally known to the public or the trade (except by reason of Executive's breach of his obligations hereunder), information which is or shall become available in trade or other publications and information which Executive is required to disclose by law or an order of a court of competent jurisdiction. If Executive is required by law or a court order to disclose such information, he shall notify the Company of such requirement and provide the Company an opportunity (if the Company so elects) to contest such law or court order. Executive agrees that all tangible materials containing confidential information, whether created by Executive or others which shall come into Executive's custody or possession during Executive's employment shall be and is the exclusive property of the Company or its parents, subsidiaries and affiliates. Upon termination of Executive's employment for any reason whatsoever, Executive shall immediately surrender to the Company all confidential information and property of the Company or its parents, subsidiaries or affiliates in Executive's possession.

(c) Non-Compete. Executive agrees that during the Term, Executive will not engage in, or carry on, directly or indirectly, either for himself or as an officer or director of a corporation or as an employee, agent, associate, or consultant of any person, partnership, business or corporation, any business in competition with the business carried on by the Company and its parents, subsidiaries and affiliates in any market in which the Company or its parents, subsidiaries and affiliates actively conduct business.

10. Injunction. It is recognized and hereby acknowledged by the parties hereto that a breach or violation by Executive of any of the covenants or agreements contained in Section 9 of this Agreement may cause irreparable harm and damage to the Company or its parents, subsidiaries or affiliates, the monetary amount of which may be virtually impossible to ascertain. Therefore, Executive recognizes and hereby agrees that the Company and its parents, subsidiaries and affiliates shall be entitled to an injunction from any court of competent jurisdiction enjoining and restraining any breach or violation of any or all of the covenants and agreements contained in Section 9 of this Agreement by Executive and/or his employees, associates, partners or agents, or entities controlled by one or more of them, either directly or indirectly, and that such right to injunction shall be cumulative and in addition to whatever other rights or remedies the Company, and its parents, subsidiaries or affiliates may possess.

11. Indemnification. To the extent permitted by law and the Company's or MKHL's by-laws, the Company and/or MKHL (as applicable) will indemnify Executive with respect to any claims made against him as an officer, director or employee of the MKHL, the Company or any other subsidiary of MKHL, except for acts taken in bad faith or in breach of his duty of loyalty to the Company or MKHL. Executive shall be covered under a directors and officers liability insurance policy with a coverage limit of at least $2,000,000, to be maintained by the Company during the Term (and for as long thereafter as is practicable).

12. Attorney's Fees. The Company shall pay or reimburse Executive for reasonable legal expenses (including reasonable attorney's fees and expenses) incurred in connection with the preparation of this Agreement up to a maximum of $25,000.

13. Taxes. All payments to be made to and on behalf of Executive under this Agreement will be subject to required withholding of federal, state and local income and employment taxes, and to related record reporting requirements.

14. Executive's Representations; No Delegation. Executive hereby represents and warrants that he is not precluded, by any agreement to which he is a party or to which he is subject, from executing and delivering this Agreement, and that this Agreement and his performance of the duties and responsibilities set forth herein does not violate any such agreement. Executive shall indemnify and hold harmless the Company and its parents, subsidiaries and affiliates and their officers, directors, employees, agents and advisors for any liabilities, losses and costs (including reasonable attorney's fees) arising from any breach or alleged breach of the foregoing representation and warranty. Executive shall not delegate his employment obligations under this Agreement to any other person.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in that state, without regard to its conflict of laws provisions.

16. Entire Agreement; Amendment. This Agreement supersedes all prior agreements between the parties with respect to its subject matter, is intended (with the documents referred to herein) as a complete and exclusive statement of the terms of the agreement between the parties with respect thereto and may be amended only by a writing signed by all parties hereto.

17. Notices. Any notice or other communication made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand, by facsimile transmission, by a nationally recognized overnight delivery service or mailed by registered mail, return receipt requested, to a party at his or its address set forth below or at such other address as a party may specify by notice to the others:

If to the Company or MKHL:

c/o Michael Kors (USA), Inc.
11 West 42nd Street, 28th Floor
New York, NY 10036
Fax: 646-354-4824
Attention: General Counsel

If to Executive:

At the home address on file with the Company
Fax: 516-365-6872

with a copy to:

Schlesinger Gannon & Lazetera LLP
535 Madison Avenue
New York, NY 10022
Fax: 212-652-3789
Attention: Sanford J. Schlesinger, Esq.

or to such other addresses as either party hereto may from time to time specify to the other. Any notice given as aforesaid shall be deemed received upon actual delivery.

18. Assignment. Except as otherwise provided in this Section 18 and Section 1(c), this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns. This Agreement shall not be assignable by Executive and shall be assignable by the Company and MKHL, in whole or in part, only (i) to MKHL or any of its subsidiaries and (ii) subject to compliance with Section 1(c).

19. Severability. The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement, or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall be declared invalid, this Agreement shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted.

20. Waiver. The failure of any party to insist upon strict adherence to any term or condition of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in writing.

21. Section Headings. The section headings contained in this Agreement are for reference purpose only and shall not affect in any way the meaning or interpretation of this Agreement.

22. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be considered an original, but all of which together shall constitute the same instrument.

23. Arbitration. Any dispute or claim between the parties hereto arising out of, or in connection with, this Agreement and/or Executive's employment shall become a matter for arbitration; provided, however, that Executive acknowledges and agrees that in the event of any alleged violation of Section 9 hereof, the Company and any of its parents, subsidiaries and affiliates shall be entitled to obtain from any court in the State of New York, temporary, preliminary or permanent injunctive relief as well as damages, which rights shall be in addition to any other rights or remedies to which it may be entitled. The arbitration shall take place in New York City and shall be before a neutral arbitrator in accordance with the Commercial Rules of the American Arbitration Association; provided however, that to the extent such arbitration involves any allegation(s) of a violation of any law, rule or regulation which prohibits discrimination in employment, the arbitrator shall apply the National Rules for the Resolution of Employment Disputes (as modified) of the American Arbitration Association then existing in determining the damages, if any, to be awarded and the allocation of costs and attorneys fees between or among the parties. The decision or award of the arbitrator shall be final and binding upon the parties hereto. The parties shall abide by all awards recorded in such arbitration proceedings, and all such awards may be entered and executed upon in any court having jurisdiction over the party against whom or which enforcement of such award is sought.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

MICHAEL KORS (USA), INC.

By: /s/ Lee S. Sporn
Name: Lee S. Sporn
Title: Senior Vice President of Business Affairs, General Counsel and Secretary

MICHAEL KORS HOLDINGS LIMITED

By: /s/ Lee S. Sporn
Name: Lee S. Sporn
Title: Senior Vice President of Business Affairs, General Counsel and Secretary

/s/ John D. Idol
JOHN D. IDOL

Exhibit 10.9

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement"), dated as of the 23rd day of May, 2013 by and among Michael Kors (USA), Inc. (the "Company"), Michael Kors Holdings Limited ("MKHL") and Joseph B. Parsons ("Executive").

WHEREAS, the parties desire to enter into this Agreement to reflect their mutual agreements with respect to the employment of Executive by the Company.

NOW, THEREFORE, in consideration of the mutual covenants, warranties and undertakings herein contained, the parties hereto agree as follows:

1. Term. The employment of Executive with the Company commenced on January 5, 2004 and shall continue under this Agreement through March 31, 2015 (the "Initial Term"), subject to the terms and provisions of this Agreement. After the expiration of the Initial Term, this Agreement shall be automatically renewed for additional one-year terms (each, a "Renewal Term") unless either the Company or Executive gives written notice to the other of the termination of this Agreement at least six (6) months in advance of the next successive one-year term. Any election by the Company or Executive not to renew such employment at the end of the Initial Term or any Renewal Term shall be at the sole, absolute discretion of the Company or Executive, respectively. The period Executive is employed hereunder during the Initial Term and any such Renewal Terms is referred to herein as the "Term".

2. Position and Duties.

(a) General. Executive shall be employed as Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer of the Company and MKHL. Executive shall perform such duties and services as are commensurate with Executive's position and such other duties and services as are from time to time reasonably assigned to Executive by the Chief Executive Officer or, if no Chief Executive Officer is then serving, by the Board of Directions of MKHL. Except for vacation, holiday, personal and sick days in accordance with this Agreement and the Company's policies, Executive shall devote his full business time during the Term to providing services to the Company and its affiliates. Notwithstanding the foregoing, Executive may serve on one or more boards of directors with the consent of the Board of Directors of MKHL. Executive shall maintain a primary residence in the New York City metropolitan area during the Term.

(b) Additional Duties. All of Executive's business time will be dedicated to serving as Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer of the Company. Executive acknowledges and agrees that, except as otherwise provided in accordance with this Section 2(b), the Company will be his sole employer under this Agreement and the Company will provide all payments and benefits to Executive under this Agreement. At the request of MKHL,

Executive further agrees, without additional compensation, to act as an officer or director of subsidiaries of MKHL, other than the Company. At the direction of MKHL, any rights and obligations of the Company hereunder may be assigned, in whole or in part, to such subsidiaries; provided, that the Company's obligations with respect to compensation and benefits shall remain the Company's obligations, unless Executive consents in writing to such assignment, which such consent shall not be unreasonably withheld.

3. Compensation.

(a) Base Salary. Executive's base salary (the "Base Salary") shall be at the rate of $500,000 per year with an increase to $600,000 per year effective June 1, 2013. The Base Salary shall be payable in substantially equal installments in accordance with the normal payroll practices of the Company.

(b) Periodic Review of Compensation. On an annual basis during the Term, but without any obligation to increase or otherwise change and with no right to reduce, the compensation provisions of this Agreement, the Company agrees to undertake a review of the performance by Executive of his duties under this Agreement and of the efforts he has undertaken for and on behalf of the Company.

(c) Annual Bonus.

(i) With respect to each full fiscal year of the Company during the Term, Executive shall be eligible to receive a cash bonus (the "Bonus") based on a percentage of Executive's Base Salary (with the incentive levels set at 50% target – 75% stretch – 100% maximum), in accordance with, and subject to, the terms and conditions of the Company's then existing executive bonus plan (the "Bonus Plan"). The Bonus shall be 70% based on the achievement of divisional performance targets and 30% based on the achievement of overall corporate performance targets (in each case based on criteria established by the MKHL Board of Directors (or any appropriate committee thereof) at the beginning of each fiscal year), shall be determined annually at the same time bonuses are determined for comparable senior executives of the Company in accordance with the Bonus Plan, and shall be payable at the same time and in the same manner as bonuses are paid to comparable senior executives of the Company.

(ii) During the Term, the targets and performance goals, including, without limitation, the extent to which they will be based on corporate performance, divisional performance or other criteria consistent with the terms and conditions of the Bonus Plan shall be established annually by the MKHL Board of Directors (or any appropriate committee thereof) in accordance with the Bonus Plan.

(d) Benefits. During the Term, Executive shall be entitled to participate in the benefit plans and programs, including, without limitation, medical, dental and 401(k), that the Company provides generally to comparable executives in accordance with, and subject to, the terms and conditions of such plans and programs (including, without limitation, any eligibility limitations) as they may be modified by the Company from time to time in its sole discretion.

(e) Expense Reimbursement. The Company shall reimburse Executive for the ordinary and necessary business expenses incurred by him in the performance of his duties in accordance with the Company's reimbursement policies and procedures.

(f) Equity-Based Compensation.

(i) Equity-Based Awards. Executive shall be eligible for stock option awards, restricted stock awards and other equity-based awards under the equity incentive plan generally applicable to eligible employees of the Company (the "Equity Incentive Plan"), in an amount at least equal to the largest award made under such plan at such time to any employee of MKHL or such subsidiary other than its Chief Executive Officer and Chief Creative Officer, in accordance with, and subject to, the terms and conditions of the Equity Incentive Plan as it may be modified by MKHL or such subsidiary from time to time in its sole discretion and the applicable equity award agreement.

(ii) Effect of Termination. Except in the case of the termination of Executive for Cause, in which case any restricted stock granted to Executive shall be forfeited and any stock options granted to Executive under the Employee Option Plan will immediately terminate (whether or not vested and/or exercisable), any such awards that have become vested and/or exercisable prior to the Termination Date shall remain vested and/or exercisable after the Termination Date in accordance with the terms and conditions of the Equity Incentive Plan and/or any applicable stock option or restricted stock award agreement (provided that any such exercisable stock options shall remain exercisable for at least one (1) year after the Termination Date).

(g) Taxes. All payments to be made to and on behalf of Executive under this Agreement will be subject to required withholding of federal, state and local income and employment taxes, and to related reporting requirements.

(h) Vacations. Executive shall be entitled to a total of four (4) weeks of paid vacation during each fiscal year of the Company during the Term; provided, however, that such vacations shall be taken by the Executive at such times as will not interfere with the performance by Executive of his duties hereunder.

4. Termination of Employment.

(a) Death and Disability. Executive's employment under this Agreement shall terminate automatically upon his death. The Company may terminate Executive's employment under this Agreement if Executive is unable to perform substantially all of the duties required hereunder due to illness or incapacity for a period of at least 90 days (whether or not consecutive) in any period of 365 consecutive days.

(b) Cause. The Company may terminate Executive's employment under this Agreement at any time with Cause. For purposes of this Agreement, "Cause" means the occurrence of any of the following events: (i) a material breach by the Executive of his obligations under this Agreement that Executive has failed to cure within thirty (30) days following written notice of such breach from the Company to Executive; (ii) a refusal by the Executive to perform his duties under this Agreement that continues for at least five (5) days after written notice from the Company to Executive; (iii) the commission by the Executive of a fraud or theft against the Company or any of its affiliates or licensees or his conviction for the commission of, or aiding and abetting, a felony or of a fraud or a crime involving moral turpitude or a business crime; (iv) the possession or use by Executive of illegal drugs or prohibited substances, the excessive drinking of alcoholic beverages on a recurring basis which impairs the Executive's ability to perform his abilities under this Agreement, or the appearance during hours of employment on a recurring basis of being under the influence of such drugs, substances or alcohol.

5. Consequences of Termination or Breach.

(a) Death or Disability; Termination for Cause or Without Good Reason. If Executive's employment under this Agreement is terminated under Section 4(a) or 4(b) or as a result of the Company or Executive giving a non-renewal notice pursuant to Section 1, or Executive terminates his employment for any reason other than for Good Reason (which right Executive shall have at any time during the Term), Executive shall not thereafter be entitled to receive any compensation or benefits under this Agreement, other than (i) Base Salary earned but not yet paid prior to the Termination Date, and (ii) reimbursement of any expenses pursuant to Section 3(e) incurred prior to the Termination Date, For purposes of this Agreement, "Good Reason" means (A) a material breach by the Company of its obligations under this Agreement that it has failed to cure within thirty (30) days following written notice of such breach from Executive to the Company, or (B) a material diminution during the Term in Executive's title, duties or responsibilities, as set forth in Section 2(a) hereof, that continues for at least five (5) days after written notice from Executive to the Company.

(b) Termination Without Cause or With Good Reason. If Executive's employment under this Agreement is terminated by the Company without Cause (which right the Company shall have at any time during the Term) and other than under Section 4(a) or as a result of the Company giving a non-renewal notice pursuant to Section 1, or Executive terminates his employment for Good Reason, the sole obligations of the Company to Executive shall be to make the payments described in clauses (i) and (ii) of Section 5 (a), and, subject to Executive providing the Company with the release and separation agreement described below, to pay to Executive, in substantially equal installments in accordance with the normal payroll practices of the Company over a one-year period commencing with the Termination Date, an amount equal to (i) Executive's then current Base Salary plus (ii) the Bonus paid to Executive by the Company for the most recent fiscal year of the Company ended prior to the Termination Date, which amount shall be offset by any compensation and benefits that Executive receives from other employment (including self-employment) during such payment period. Executive agrees to promptly notify the Company upon his obtaining other employment or commencing self-employment during the severance period and to provide the Company with complete information regarding his compensation thereunder. The Company's obligations to provide the payments referred to in this Section 5(b) shall be contingent upon (A) Executive having delivered to the Company a fully executed separation agreement and release (that is not subject to revocation) of claims against the Company and its affiliates and their respective directors, officers, employees, agents and representatives substantially in the form attached hereto as Annex A and (B) Executive's continued compliance with his obligations under Section 6 of this Agreement. Executive acknowledges and agrees that in the event the Company terminates Executive's employment without Cause or Executive terminates his employment for Good Reason, except as otherwise provided by applicable law, (1) Executive's sole remedy shall be to receive the payments specified in this Section 5(b) and (2) if Executive does not execute the separation agreement and release described above, Executive shall have no remedy with respect to such termination.

6. Certain Covenants and Representations.

(a) Confidentiality. Executive acknowledges that in the course of his employment by the Company, Executive will receive and or be in possession of confidential information of the Company and its affiliates, including, but not limited to, information relating to their financial affairs, business methods, strategic plans, marketing plans, product and styling development plans, pricing, products, vendors, suppliers, manufacturers, licensees, computer programs and software. Executive agrees that he will not, without the prior written consent of the Company, during the Term or thereafter, disclose or make use of any such confidential information, except as

may be required by law or in the course of Executive's employment hereunder. Executive agrees that all tangible materials containing confidential information, whether created by Executive or others which shall come into Executive's custody or possession during Executive's employment shall be and is the exclusive property of the Company. Upon termination of Executive's employment for any reason whatsoever, Executive shall immediately make good faith efforts to identify and surrender to the Company all confidential information and property of the Company in Executive's possession and shall also immediately surrender any such information of which he thereafter becomes aware.

(b) Non-Competition. Executive agrees that during the Term and for a one-year period commencing with the Termination Date (the "Non-Competition Period"), Executive will not engage in, or carry on, directly or indirectly, either for himself or as an officer or director of a corporation or as an employee, agent, associate, or consultant of any person, partnership, business or corporation, any business in competition with the business carried on by the Company or any of its affiliates in any jurisdiction in which the Company or any of its affiliates actively conduct business; provided, however, that if the Company elects to enforce this provision, which election must be made by written notice to the Executive no later than ten (10) days after the Termination Date, and the Executive is not otherwise receiving separation pay pursuant to Section 5(b) herein, the Company shall continue Executive's then current Base Salary during the Non-Competition Period, payable in substantially equal installments in accordance with the normal payroll practices of the Company; provided, further, that the Company may, at its sole option, cease such Base Salary continuation if Executive shall have breached any of its obligations under Section 6 of this Agreement.

(c) No Hiring. During the two-year period immediately following the Termination Date, Executive shall not employ or retain (or participate in or arrange for the employment or retention of) any person who was employed or retained by the Company or any of its affiliates within the one-year period immediately preceding such employment or retention.

(d) Copyrights, Inventions, etc. Any interest in patents, patent applications, inventions, technological innovations, copyrights, copyrightable works, developments, discoveries, designs, concepts, ideas and processes ("Such Inventions") that Executive now or hereafter during the Term may own or develop either individually or with others relating to the fields in which the Company or any of its affiliates may then be engaged or contemplate being engaged shall belong to the Company or such affiliate and forthwith upon request of the Company, Executive shall execute all such assignments and other documents (including applications for patents, copyrights, trademarks and assignments thereof) and take all such other action as the Company may reasonably request in order to assign to and vest in the Company or its affiliates all

of Executive's right, title and interest (including, without limitation, waivers to moral rights) in and to Such Inventions throughout the world, free and clear of liens, mortgages, security interests, pledges, charges and encumbrances. Executive acknowledges and agrees that (i) all copyrightable works created by Executive as an employee will be "works made for hire" on behalf of the Company and its affiliates and that the Company and its affiliates shall have all rights therein in perpetuity throughout the world and (ii) to the extent that any such works do not qualify as works made for hire, Executive irrevocably assigns and transfers to the Company and its affiliates all worldwide right, title and interest in and to such works. Executive hereby appoints any officer of the Company as Executive's duly authorized attorney-in-fact to execute, file, prosecute and protect Such Inventions before any governmental agency, court or authority. If for any reason the Company does not own any Such Invention, the Company and its affiliates shall have the exclusive and royalty-free right to use in their businesses, and to make products therefrom, Such Invention as well as any improvements or know-how related thereto.

(e) Remedy for Breach and Modification. Executive acknowledges that the foregoing provisions of this Section 6 are reasonable and necessary for the protection of the Company and its affiliates, and that they will be materially and irrevocably damaged if these provisions are not specifically enforced. Accordingly, Executive agrees that, in addition to any other relief or remedies available to the Company and its affiliates, they shall be entitled to seek an appropriate injunctive or other equitable remedy for the purposes of restraining Executive from any actual or threatened breach of or otherwise enforcing these provisions and no bond or security will be required in connection therewith. If any provision of this Section 6 is deemed invalid or unenforceable, such provision shall be deemed modified and limited to the extent necessary to make it valid and enforceable.

7. Miscellaneous.

(a) Representations. The Company, MKHL and Executive each represents and warrants that (i) they have full power and authority to execute and deliver this Agreement and to perform their respective obligations hereunder and (ii) this Agreement constitutes the legal, valid and binding obligation of such party and is enforceable against them in accordance with its terms. In addition, Executive represents and warrants that the entering into and performance of this Agreement by him will not be in violation of any other agreement to which Executive is a party and no activities of the Executive currently conflict with the provisions of Section 6(b).

(b) Notices. Any notice or other communication made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand, by facsimile transmission, by a nationally

recognized overnight delivery service or mailed by certified mail, return receipt requested, to the Company or MKHL, c/o the Company at the Company's principal executive offices in New York, New York, Facsimile No.: (646) 354-4888 Attn: Chief Executive Officer, and if to Executive, to his home address on file with the Company or to such other address as may be provided by such notice.

(c) Entire Agreement; Amendment. This Agreement supersedes all prior agreements between the parties with respect to its subject matter. This Agreement is intended (with any documents referred to herein) as a complete and exclusive statement of the terms of the agreement between the parties with respect thereto and may be amended only by a writing signed by both parties hereto.

(d) Waiver. The failure of any party to insist upon strict adherence to any term or condition of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in a writing signed by the party to be charged with such waiver.

(e) Assignment. Except as otherwise provided in this Section 7(e) and Section 2(b), this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns. This Agreement shall not be assignable by Executive and shall be assignable by the Company and MKHL, in whole or in part, only (i) to MKHL or any of its subsidiaries and (ii) subject to compliance with Section 2(b).

(f) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be considered an original, but all of which together shall constitute the same instrument.

(g) Captions. The captions in this Agreement are for convenience of reference only and shall not be given any effect in the interpretation of the Agreement.

(h) Governing Law. This Agreement shall be governed by the laws of the State of New York applicable to agreements made and to be performed in that State, without regard to its conflict of laws principles

(i) Arbitration. Any dispute or claim between the parties hereto arising out of, or, in connection with this Agreement, shall, upon written request of either party, become a matter for arbitration; provided, however, that Executive acknowledges that in the event of any violation of Section 6 hereof, the Company shall be entitled to obtain from any court in the State of New York, temporary, preliminary or permanent injunctive relief as well as damages, which rights shall be in addition to any other rights

or remedies to which it may be entitled. The arbitration shall be before a neutral arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association and take place in New York City. Each party shall bear its own fees, costs and disbursements in such proceeding. The decision or award of the arbitrator shall be final and binding upon the parties hereto. The parties shall abide by all awards recorded in such arbitration proceedings, and all such awards may be entered and executed upon in any court having jurisdiction over the party against whom or which enforcement of such award is sought.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

MICHAEL KORS (USA), INC.

By: /s/ John D. Idol
Name: John D. Idol
Title: Chief Executive Officer

MICHAEL KORS HOLDINGS LIMITED

By: /s/ John D. Idol
Name: John D. Idol
Title: Chief Executive Officer

EXECUTIVE

/s/ Joseph B. Parsons
Joseph B. Parsons

AGREEMENT AND GENERAL RELEASE

Agreement and General Release ("Agreement"), by and between ("Employee" or "you") who resides at and Michael Kors (USA), Inc. (together with all of its affiliates, the "Company").

1. Employee acknowledges that Employee's employment with the Company is being terminated effective (the "Termination Date"), and that after the Termination Date you shall not represent yourself as being an employee, officer, agent or representative of the Company for any purpose. The Termination Date shall be the termination date of your employment for purposes of participation in and coverage under all benefit plans and programs sponsored by or through any "Company Entities" (as defined in paragraph 4 hereof), including but not limited to the Company's 401(k) Plan.

2. Following the Termination Date of this Agreement and in exchange for your waiver of claims against the Company Entities and compliance with all the other terms and conditions of this Agreement, the Company agrees to pay you severance [INSERT AMOUNT AND TERMS OF SEVERANCE SET FORTH IN SECTION 5 OF EMPLOYMENT AGREEMENT].

3. You acknowledge and agree that the payment provided pursuant to paragraph 2 of this Agreement: (i) is in full discharge of any and all liabilities and obligations of all Company Entities to you, monetarily or with respect to employee benefits or otherwise, including but not limited to any and all obligations arising under any alleged written or oral employment agreement, policy, plan or procedure of the Company and/or any alleged understanding or arrangement between you and the Company; and (ii) is in addition to any payment, benefit, or other thing of value to which you might otherwise be entitled under any policy, procedure or plan of the Company and/or any agreement between you and the Company, other than any policy, plan or procedure relating to severance. Notwithstanding the foregoing, the Company shall reimburse you for appropriate expenses incurred by you during your employment promptly after you submit appropriate documentation with respect thereto.

4. (a) In consideration for the payment to be provided you pursuant to paragraph 2 above, you, for yourself and for your heirs, executors, administrators, trustees, legal representatives and assigns (hereinafter referred to collectively as "Releasors"), forever release and discharge (i) the Company and its past, present and future parent entities, subsidiaries, divisions, affiliates and related business entities, successors and assigns, assets, employee benefit plans or funds, and (ii) any of its or their respective past, present and/or future directors, officers, fiduciaries, agents, trustees, administrators, employees and assigns, but only to the extent acting on behalf of the Company or any of its past, present and future parent entities, subsidiaries, divisions, affiliates and related business entities, successors and assigns, assets, employee benefit plans or funds (collectively the "Company Entities") from any and all claims, demands, causes of action, fees and liabilities of any kind

whatsoever, whether known or unknown, which you ever had, now have, or may have against any of the Company Entities by reason of any act, omission, transaction, practice, plan, policy, procedure, conduct, occurrence, or other matter up to and including the date on which you sign this Agreement.

(b) Without limiting the generality of the foregoing, this Agreement is intended to and shall release the Company Entities from any and all claims, whether known or unknown, which Releasors ever had, now have, or may have against the Companies Entities arising out of your employment and/or your separation from that employment, including, but not limited to: (i) any claim under the Age Discrimination in Employment Act, or the Older Workers Benefit Protection Act, (ii) any claim under Title VII of the Civil Rights Act of 1964 or under the Civil Rights Act of 1991, (iii) any claim under the Americans with Disabilities Act; (iv) any claim under the Employee Retirement Income Security Act of 1974 (excluding claims for accrued, vested benefits under any employee benefit or pension plan of the Company Entities subject to the terms and conditions of such plan and applicable law) or the Family and Medical Leave Act; (v) any claim under the New York State or New York City Human Rights Laws; [the New Jersey Law Against Discrimination, New Jersey Equal Pay Act, New Jersey Family Leave Act, or the New Jersey Conscientious Employee Protection Act]; (vi) any other claim of discrimination or retaliation in employment (whether based on federal, state, or local law, statutory or decisional); (vii) any other claim relating to or arising out of your employment, the terms and conditions of such employment, the termination of such employment, and/or any of the events relating directly or indirectly to or surrounding the termination of that employment, including but not limited to breach of contract (express or implied), wrongful discharge, detrimental reliance, defamation, emotional distress or compensatory or punitive damages; and (viii) any claim for attorneys' fees, costs, disbursements and/or the like. Nothing in this Agreement shall be a waiver of claims that may arise after the date on which you sign this Agreement.

5. You acknowledge and agree that you have not commenced, maintained, prosecuted or participated in any action, suit, charge, grievance, complaint or proceeding of any kind against Company Entities in any court or before any administrative or investigative body or agency and/or that you are hereby withdrawing with prejudice any such complaints, charges, or actions that you may have filed against Company Entities. You further acknowledge and agree that by virtue of the foregoing, you have waived all relief available to you (including without limitation, monetary damages, equitable relief and reinstatement) under any of the claims and/or causes of action waived in paragraph 4 above.

6. (a) You agree that you will reasonably cooperate with the Company and/or the Company Entities and its or their respective counsel in connection with any investigation, administrative proceeding or litigation relating to any matter that occurred during your employment in which you were involved or of which you have knowledge.

(b) You agree that, in the event you are subpoenaed by any person or entity (including, but not limited to, any government agency) to give testimony (in a deposition, court proceeding or otherwise) which in any way relates to your employment by the Company and/or the Company

Entities, you will give prompt notice of such request to the Company's Senior Vice President, General Counsel at 11 West 42nd Street, New York, New York, 10036 so that the Company and/or the Company Entities have had a reasonable opportunity to contest the right of the requesting person or entity to such disclosure.

7. The terms and conditions of this Agreement are and shall be deemed to be confidential, and you agree, to the maximum extent permitted by applicable law, rule, code or regulation, not to disclose any thereof to any person or entity without the prior written consent of the Company, except if required by law, and to your accountants, attorneys and/or spouse.

8. [INSERT EXECUTIVE'S COVENANTS SET FORTH IN SECTION 6 OF EMPLOYMENT AGREEMENT]

9. You represent that, except as may otherwise be agreed, you have returned (or will return) to the Company all property belonging to the Company and/or the Company Entities, including but not limited to laptop, cell phone, keys, card access to the building and office floors, phone card, computer user name and password, disks and/or voicemail code. You further acknowledge and agree that Company shall have no obligation to make the payment referred to in paragraph 2 above unless and until you have satisfied all your obligations pursuant to this paragraph.

10. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, void or unenforceable, such provision shall have no effect; however, the remaining provisions shall be enforced to the maximum extent possible. Further, if a court should determine that any portion of this Agreement is overbroad or unreasonable, such provision shall be given effect to the maximum extent possible by narrowing or enforcing in part that aspect of the provision found overbroad or unreasonable. Additionally, you agree that if you breach the terms of paragraphs 4, 5, 6, 7, 8, and/or 9, it shall constitute a material breach of this Agreement as to which the Company Entities may seek all relief available under the law.

11. (a) This Agreement is not intended, and shall not be construed, as an admission that any of the Company Entities has violated any federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or committed any wrong whatsoever against you.

(b) Should any provision of this Agreement require interpretation or construction, it is agreed by the parties that the entity interpreting or constructing this Agreement shall not apply a presumption against one party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared the document.

12. This Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.

13. This Agreement shall be construed and enforced in accordance with the laws of the State of New York without regard to the principles of conflicts of law.

14. You understand that this Agreement constitutes the complete understanding between the Company and you, and, supersedes any and all agreements, understandings, and discussions, whether written or oral, between you and any of the Company Entities. No other promises or agreements shall be binding unless in writing and signed by both the Company and you after the Termination Date of this Agreement.

15. You acknowledge that you: (a) have carefully read this Agreement in its entirety; (b) have had an opportunity to consider it for at least twenty-one (21) days; (c) are hereby advised by the Company in writing to consult with an attorney of your choice in connection with this Agreement; (d) fully understand the significance of all of the terms and conditions of this Agreement and have discussed them with your independent legal counsel, or have had a reasonable opportunity to do so; (e) have had answered to your satisfaction by your independent legal counsel any questions you have asked with regard to the meaning and significance of any of the provisions of this Agreement; and (f) are signing this Agreement voluntarily and of your own free will and agree to abide by all the terms and conditions contained herein.

16. You understand that you will have at least twenty-one (21) days from the date of receipt of this Agreement to consider the terms and conditions of this Agreement. You may accept this Agreement by signing it and returning it to the Company's Senior Vice President, General Counsel at 11 West 42nd Street, New York, New York 10036 on or before twenty-one (21) days after delivery. After executing this Agreement, you shall have seven (7) days (the "Revocation Period") to revoke this Agreement by indicating your desire to do so in writing delivered to the Company's General Counsel at the address set forth above by no later than 5:00 p.m. on the seventh (7th) day after the date you sign this Agreement. The effective date of this Agreement shall be the eighth (8th) day after you sign the Agreement (the "Effective Date"). If the last day of the Revocation Period falls on a Saturday, Sunday or holiday, the last day of the Revocation Period will be deemed to be the next business day. In the event you do not accept this Agreement as set forth above, or in the event you revoke this Agreement during the Revocation Period, this Agreement, including but not limited to the obligation of the Company to provide the payment referred to in paragraph 2 above, shall be deemed automatically null and void.

Print Name:_____ Date:_____

Signature: _____

STATE OF NEW YORK) ss.:
COUNTY OF NEW YORK)

On this day of 2003, before me personally came to me known and known to me to be the person described and who executed the foregoing Agreement, and who duly acknowledged to me that she executed the same.

_____
Notary Public

Michael Kors (USA), Inc.

By:_____ Date:_____

Exhibit 10.10

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement"), dated as of the 23rd day of May, 2013 by and among Michael Kors (USA), Inc. (the "Company"), Michael Kors Holdings Limited ("MKHL") and Lee S. Sporn ("Executive").

WHEREAS, the parties desire to enter into this Agreement to reflect their mutual agreements with respect to the employment of Executive by the Company.

NOW, THEREFORE, in consideration of the mutual covenants, warranties and undertakings herein contained, the parties hereto agree as follows:

1. Term. The employment of Executive with the Company commenced on December 2, 2003 and shall continue under this Agreement through March 31, 2015 (the "Initial Term"), subject to the terms and provisions of this Agreement. After the expiration of the Initial Term, this Agreement shall be automatically renewed for additional one-year terms (each, a "Renewal Term") unless either the Company or Executive gives written notice to the other of the termination of this Agreement at least ninety (90) days in advance of the next successive one-year term. Any election by the Company or Executive not to renew such employment at the end of the Initial Term or any Renewal Term shall be at the sole, absolute discretion of the Company or Executive, respectively. The period Executive is actually employed hereunder during the Initial Term and any such Renewal Terms is referred to herein as the "Term".

2. Position and Duties.

(a) General. Executive shall be employed as Senior Vice President of Business Affairs, General Counsel and Secretary of the Company and MKHL. Executive shall perform such duties and services as are commensurate with Executive's position and such other duties and services as are from time to time reasonably assigned to Executive by the Chief Executive Officer or Board of Directors of MKHL. Except for vacation, holiday, personal and sick days in accordance with this Agreement and the Company's policies, Executive shall devote his full business time during the Term to providing services to the Company and its affiliates. Executive shall maintain a primary residence in the New York City metropolitan area during the Term.

(b) Additional Duties. All of Executive's business time will be dedicated to serving as Senior Vice President of Business Affairs, General Counsel and Secretary of the Company and MKHL. Executive acknowledges and agrees that, except as otherwise provided in accordance with this Section 2(b), the Company will be sole employer under this Agreement and the Company will provide all payments and benefits to Executive under this Agreement. Executive further agrees, without additional compensation, to act as an officer of subsidiaries of MKHL, other than the Company. At the direction of MKHL, any rights and obligations of the Company hereunder may be assigned, in whole or in part, to such subsidiaries.

3. Compensation.

(a) Base Salary. Executive's base salary (the "Base Salary") shall be at the rate of $400,000 per year with an increase to $500,000 per year effective June 1, 2013. The Base Salary shall be payable in substantially equal installments in accordance with the normal payroll practices of the Company.

(b) Periodic Review of Compensation. On an annual basis during the Term, but without any obligation to increase or otherwise change the compensation provisions of this Agreement, the Company agrees to undertake a review of the performance by the Executive of his duties under this Agreement and of the efforts he has undertaken for and on behalf of the Company.

(c) Annual Bonus.

(i) With respect to each full fiscal year of the Company during the Term, Executive shall be eligible to receive a cash bonus (the "Bonus") based on a percentage of Executive's Base Salary (with the incentive levels set at 50% target – 75% stretch – 100% maximum), in accordance with, and subject to, the terms and conditions of the Company's then existing executive bonus plan (the "Bonus Plan"). The Bonus shall be 70% based on the achievement of reasonable goals and performance criteria relating to the divisions with which Executive is substantially involved, and 30% based on the achievement of overall corporate performance targets (in each case based on criteria established by the MKHL Board of Directors (or any appropriate committee thereof) at the beginning of each fiscal year). The amount of each Bonus shall be determined annually at the same time bonuses are determined for comparable senior executives of the Company in accordance with the Bonus Plan, and shall be payable at the same time and in the same manner as bonuses are paid to comparable senior executives of the Company.

(ii) During the Term, the targets and performance goals, including, without limitation, the extent to which they will be based on corporate performance, divisional performance or other criteria consistent with the terms and conditions of the Bonus Plan, shall be established annually by the MKHL Board of Directors (or any appropriate committee thereof) in accordance with the Bonus Plan.

(d) Benefits. During the Term, Executive shall be entitled to participate in the benefit plans and programs, including, without limitation, medical, dental and 401(k), that the Company provides generally to its divisional presidents in accordance with, and subject to, the terms and conditions of such plans and programs (including, without limitation, any eligibility limitations) as they may be modified by the Company from time to time in its sole discretion.

(e) Expense Reimbursement. The Company shall reimburse Executive for the ordinary and necessary business expenses incurred by him in the performance of his duties in accordance with the Company's policies and procedures.

(f) Equity-Based Compensation.

(i) Equity-Based Awards. Executive shall be eligible for stock option awards, restricted stock awards and other equity-based awards under the equity incentive plan generally applicable to eligible employees of the Company (the "Equity Incentive Plan"), in an amount not less than the largest grant to any other senior vice president, in accordance with, and subject to, the terms and conditions of the Equity Incentive Plan as it may be modified by MKHL or such subsidiary from time to time in its sole discretion and the applicable equity award agreement.

(ii) Effect of Termination. Except in the case of the termination of Executive for Cause, in which case any restricted stock granted to Executive shall be forfeited and any stock options granted to Executive under the Employee Option Plan will immediately terminate (whether or not vested and/or exercisable), any such awards that have become vested and/or exercisable prior to the Termination Date shall remain vested and/or exercisable after the Termination Date in accordance with the terms and conditions of the Equity Incentive Plan and/or any applicable stock option or restricted stock award agreement.

(g) Taxes. All payments to be made to and on behalf of Executive under this Agreement will be subject to required withholding of federal, state and local income and employment taxes, and to related reporting requirements.

(h) Vacations. Executive shall be entitled to a total of four (4) weeks of paid vacation during each fiscal year of the Company during the Term and (ii) an additional two (2) weeks of paid vacation that may be taken at any time during the Term; provided, however, that such vacations shall be taken by the Executive at such times as will not interfere with the performance by Executive of his duties hereunder.

4. Termination of Employment.

(a) Death and Disability. Executive's employment under this Agreement shall terminate automatically upon his death. The Company may terminate Executive's employment under this Agreement if Executive is unable to perform substantially all of the duties required hereunder due to illness or incapacity for a period of at least 90 days (whether or not consecutive) in any period of 365 consecutive days.

(b) Cause. The Company may terminate Executive's employment under this Agreement at any time with Cause. For purposes of this

Agreement, "Cause" means the occurrence of any of the following events: (i) a continuous or substantial dereliction of duties by Executive, or a material failure of Executive to promptly follow the written direction of the Company's Chief Executive Officer, in either case that continues for at least thirty (30) days after written notice by the Company; (ii) dishonesty, fraud or breach of fiduciary duty by Executive with respect to the Company or Executive's duties; (iii) gross negligence in the performance of Executive's duties; (iv) willful misconduct by Executive with regard to the Company, its business, assets or employees; (v) the commission by the Executive of a fraud or theft against the Company or his conviction for, or pleading nolo contender to, the commission of, or aiding and abetting, a crime involving fraud, dishonesty or moral turpitude; or (vi) any other material breach of the terms of this Agreements or the Company's policies as in effect from time to time that Executive has failed to cure within thirty (30) days following written notice of such breach from the Company to Executive. For purposes of this Section 4(b), "Company" shall include affiliates and licensees of the Company.

5. Consequences of Termination or Breach.

(a) Death or Disability; Termination for Cause or Without Good Reason. If Executive's employment under this Agreement is terminated under Section 4(a) or 4(b) or as a result of the Company or Executive giving a non-renewal notice pursuant to Section 1, or Executive terminates his employment for any reason other than for Good Reason, Executive shall not thereafter be entitled to receive any compensation or benefits under this Agreement, other than (i) Base Salary earned but not yet paid prior to the Termination Date, and (ii) reimbursement of any expenses pursuant to Section 3(e) incurred prior to the Termination Date, For purposes of this Agreement, "Good Reason" means the occurrence of any of the following events: (i) a reduction in Executive's title or material reduction in Executive's authority, in either case without Executive's consent and that continues for at least thirty (30) days after written notice from the Company to Executive; or (ii) a material breach by the Company of its obligations under this Agreement that it has failed to cure within thirty (30) days following written notice of such breach from Executive to the Company.

(b) Termination Without Cause or With Good Reason. If Executive's employment under this Agreement is terminated by the Company without Cause (which right the Company shall have at any time during the Term) and other than under Section 4(a) or as a result of the Company giving a non-renewal notice pursuant to Section 1, or Executive terminates his employment for Good Reason, the sole obligations of the Company to Executive shall be to make the payments described in clauses (i) and (ii) of Section 5 (a), and, subject to Executive providing the Company with the release and separation agreement described below, to pay the Executive, in substantially equal installments in accordance with the normal payroll practices of the

Company over a one-year period commencing with the Termination Date, an amount equal to (i) Executive's then current Base Salary plus (ii) the Bonus paid to Executive by the Company for the most recent fiscal year of the Company ended prior to the Termination Date, which amount shall be offset by any compensation and benefits that Executive receives from other employment (including self-employment) during such payment period. Executive agrees to promptly notify the Company upon his obtaining other employment or commencing self-employment during the severance period and to provide the Company with complete information regarding his compensation thereunder. The Company's obligations to provide the payments referred to in this Section 5(b) shall be contingent upon (A) Executive having delivered to the Company a fully executed separation agreement and release (that is not subject to revocation) of claims against the Company and its affiliates and their respective directors, officers, employees, agents and representatives satisfactory in form and content to the Company's counsel, and (B) Executive's continued compliance with his obligations under Section 6 of this Agreement. Executive acknowledges and agrees that in the event the Company terminates Executive's employment without Cause or Executive terminates his employment for Good Reason, (1) Executive's sole remedy shall be to receive the payments specified in this Section 5(b) and (2) if Executive does not execute the separation agreement and release described above, Executive shall have no remedy with respect to such termination.

6. Certain Covenants and Representations.

(a) Confidentiality. Executive acknowledges that in the course of his employment by the Company, Executive will receive and or be in possession of confidential information of the Company and its affiliates, including, but not limited to, information relating to their financial affairs, business methods, strategic plans, marketing plans, product and styling development plans, pricing, products, vendors, suppliers, manufacturers, licensees, computer programs and software. Executive agrees that he will not, without the prior written consent of the Company, during the Term or thereafter, disclose or make use of any such confidential information, except as may be required by law or in the course of Executive's employment hereunder. Executive agrees that all tangible materials containing confidential information, whether created by Executive or others which shall come into Executive's custody or possession during Executive's employment shall be and is the exclusive property of the Company. Upon termination of Executive's employment for any reason whatsoever, Executive shall immediately surrender to the Company all confidential information and property of the Company in Executive's possession.

(b) Non-Competition. Executive agrees that during the Term Executive will not engage in, or carry on, directly or indirectly, either for himself or as an officer or director of a corporation or as an employee, agent, associate, or consultant of any person, partnership, business or corporation, any business in competition with the business carried on by the Company or any of its affiliates in any jurisdiction in which the Company or any of its affiliates actively conduct business.

(c) No Hiring. During the two-year period immediately following the Termination Date, Executive shall not employ or retain (or participate in or arrange for the employment or retention of) any person who was employed or retained by the Company or any of its affiliates within the one-year period immediately preceding such employment or retention.

(d) Non-Disparagement. During the Term and thereafter, Executive agrees not to disparage the Company or any of its affiliates or any of their respective directors, officers, employees, agents, representatives or licensees and not to publish or make any statement that is reasonably foreseeable to become public with respect to any of such entities or persons.

(e) Copyrights, Inventions, etc. Any interest in patents, patent applications, inventions, technological innovations, copyrights, copyrightable works, developments, discoveries, designs, concepts, ideas and processes ("Such Inventions") that Executive now or hereafter during the Term may own or develop either individually or with others relating to the fields in which the Company or any of its affiliates may then be engaged or contemplate being engaged shall belong to the Company or such affiliate and forthwith upon request of the Company, Executive shall execute all such assignments and other documents (including applications for patents, copyrights, trademarks and assignments thereof) and take all such other action as the Company may reasonably request in order to assign to and vest in the Company or its affiliates all of Executive's right, title and interest (including, without limitation, waivers to moral rights) in and to Such Inventions throughout the world, free and clear of liens, mortgages, security interests, pledges, charges and encumbrances. Executive acknowledges and agrees that (i) all copyrightable works created by Executive as an employee will be "works made for hire" on behalf of the Company and its affiliates and that the Company and its affiliates shall have all rights therein in perpetuity throughout the world and (ii) to the extent that any such works do not qualify as works made for hire, Executive irrevocably assigns and transfers to the Company and its affiliates all worldwide right, title and interest in and to such works. Executive hereby appoints any officer of the Company as Executive's duly authorized attorney-in-fact to execute, file, prosecute and protect Such Inventions before any governmental agency, court or authority. If for any reason the Company does not own any Such Invention, the Company and its affiliates shall have the exclusive and royalty-free right to use in their businesses, and to make products therefrom, Such Invention as well as any improvements or know-how related thereto.

(f) Remedy for Breach and Modification. Executive acknowledges that the foregoing provisions of this Section 6 are reasonable and necessary for the protection of the Company and its affiliates, and that they will be materially and irrevocably damaged if these provisions are not specifically enforced. Accordingly, Executive agrees that, in addition to any other relief or remedies available to the Company and its affiliates, they shall be entitled to seek an appropriate injunctive or other equitable remedy for the purposes of restraining Executive from any actual or threatened breach of or otherwise enforcing these provisions and no bond or security will be required in connection therewith. If any provision of this Section 6 is deemed invalid or unenforceable, such provision shall be deemed modified and limited to the extent necessary to make it valid and enforceable.

7. Miscellaneous.

(a) Representations. The Company, MKHL and Executive each represents and warrants that (i) they have full power and authority to execute and deliver this Agreement and to perform their respective obligations hereunder and (ii) this Agreement constitutes the legal, valid and binding obligation of such party and is enforceable against them in accordance with its terms. In addition, Executive represents and warrants that the entering into and performance of this Agreement by him will not be in violation of any other agreement to which Executive is a party and no activities of the Executive currently conflict with the provisions of Section 6(b).

(b) Notices. Any notice or other communication made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand, by facsimile transmission, by a nationally recognized overnight delivery service or mailed by certified mail, return receipt requested, to the Company or MKHL, c/o the Company at the Company's principal executive offices in New York, New York, Facsimile No.: (646) 354-4888 Attn: Chief Executive Officer, and if to Executive, to his home address on file with the Company or to such other address as may be provided by such notice.

(c) Entire Agreement; Amendment. This Agreement supersedes all prior agreements between the parties with respect to its subject matter. This Agreement is intended (with any documents referred to herein) as a complete and exclusive statement of the terms of the agreement between the parties with respect thereto and may be amended only by a writing signed by both parties hereto.

(d) Waiver. The failure of any party to insist upon strict adherence to any term or condition of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in a writing signed by the party to be charged with such waiver.

(e) Assignment. Except as otherwise provided in this Section 7(e) and Section 2(b), this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns. This Agreement shall not be assignable by Executive and shall be assignable by the Company and MKHL, in whole or in part, only (i) to MKHL or any of its subsidiaries and (ii) subject to compliance with Section 2(b).

(f) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be considered an original, but all of which together shall constitute the same instrument.

(g) Captions. The captions in this Agreement are for convenience of reference only and shall not be given any effect in the interpretation of the Agreement.

(h) Governing Law. This Agreement shall be governed by the laws of the State of New York applicable to agreements made and to be performed in that State, without regard to its conflict of laws principles

(i) Arbitration. Any dispute or claim between the parties hereto arising out of, or, in connection with this Agreement, shall, upon written request of either party, become a matter for arbitration; provided, however, that Executive acknowledges that in the event of any violation of Section 6 hereof, the Company shall be entitled to obtain from any court in the State of New York, temporary, preliminary or permanent injunctive relief as well as damages, which rights shall be in addition to any other rights or remedies to which it may be entitled. The arbitration shall be before a neutral arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association and take place in New York City. Each party shall bear its own fees, costs and disbursements in such proceeding. The decision or award of the arbitrator shall be final and binding upon the parties hereto. The parties shall abide by all awards recorded in such arbitration proceedings, and all such awards may be entered and executed upon in any court having jurisdiction over the party against whom or which enforcement of such award is sought.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

MICHAEL KORS (USA), INC.

By: /s/ John D. Idol
Name: John D. Idol
Title: Chief Executive Officer

Michael Kors Holdings Limited

By: /s/ John D. Idol
Name: John D. Idol
Title: Chief Executive Officer

Executive

/s/ Lee S. Sporn
Lee S. Sporn

Exhibit 10.11

MICHAEL KORS

August 21, 2012

Britton Russell

Dear Britton,

I am pleased to confirm our offer of employment, on the following terms:

1.	Title	SVP, Global Operations
2.	Start Date	September 17, 2012
3.	Base Compensation	$350,000 per year
4.	Annual Bonus	Beginning Fiscal '13 (which starts on 4/1/12) you shall participate in the Company's bonus plan with the incentive levels intended to be 25% target- 37.5% stretch- 50% maximum; provided however, that for Fiscal '13 the amount of the bonus payable in accordance with the bonus plan shall be guaranteed at the maximum amount which would be $175,000 for the entire year, which will be prorated based upon your confirmed start date.
5.	Relocation	The Company shall reimburse you, promptly after submission by you of invoices or other supporting documentation, for up to $25,000 of expenses reasonably incurred by your relocating to the United States. Any tax liability incurred by these relocation reimbursements will be paid for by the Company. In the event you resign before the first anniversary of your start date, you shall repay the company in full for such bonus.
6.	Equity	Upon the next grant of equity by the Company to its employees, you shall be eligible for an award under the Michael Kors Holdings Limited Omnibus Incentive Plan in an amount that is valued at approximately $300,000 (as further described below) in accordance with, and subject to, the terms and conditions of such Incentive Plan. This grant of equity will be comprised 50% of Stock Options and 50% in Restricted Shares. The Stock Options will be valued on the grant date based on the fair value as calculated using the Black-Scholes option pricing model. The Restricted Shares will be valued at the closing price on the date of grant.
7.	Vacation	3 weeks per year, which will accrue and is otherwise subject to the Company's policy as in effect from time to time.
8.	Benefits	All medical and other benefits as per company policy for similarly situated employees. The Company will provide you a description of the complete benefits program, together with the necessary enrollment forms.

9. Other Employment Terms — All of the terms and conditions of your employment with the Company, including the Company's employment at will policy, will be governed by the Company's Employee Handbook, the terms of which you will be required to acknowledge in writing on your start date.

Please feel free to call me if you have any questions at all regarding the above. Otherwise, please acknowledge the terms of our offer by returning this letter at your earliest convenience.

We are all excited about your decision to join us at Michael Kors (USA), Inc., and look forward to your arrival.

Sincerely,

/s/ Joe Parsons
Joe Parsons
EVP, CFO

Acknowledged:

/s/ Britton Russell
Britton Russell

Exhibit 10.12

MICHAEL KORS HOLDINGS LIMITED
OMNIBUS INCENTIVE PLAN
PERFORMANCE-BASED RESTRICTED SHARE UNIT AGREEMENT

THIS PERFORMANCE-BASED RESTRICTED SHARE UNIT AWARD AGREEMENT (the "Agreement"), dated as of **[Insert Date]** (the "Date of Grant"), is made by and between Michael Kors Holdings Limited, a limited liability company under the laws of the British Virgin Islands (the "Company"), and **[Insert Name]** ("Participant"). Any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan.

WHEREAS, the Company has adopted the Michael Kors Holdings Limited Omnibus Incentive Plan (the "Plan"), pursuant to which Restricted Share Units may be granted; and

WHEREAS, the Committee has determined that it is in the best interests of the Company and its shareholders to grant the Restricted Share Units provided for herein to Participant subject to the terms set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Performance-Based Restricted Share Units.

(a) Grant. The Company hereby grants to Participant an award of **[Insert Number]** performance-based Restricted Share Units (the "PRSUs"), on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. Each PRSU represents the right to receive payment in respect of one Share as of the Settlement Date (as defined below), subject to the terms of this Agreement and the Plan including but not limited to certain performance-based vesting conditions as described below. The PRSUs are subject to the restrictions described herein, including forfeiture under the circumstances described in Section 4 hereof. The PRSUs shall vest and become nonforfeitable in accordance with Section 2 and Section 4 hereof.

(b) Incorporation by Reference, Etc. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon Participant and his or her legal representative in respect of any questions arising under the Plan or this Agreement.

(c) Acceptance of Agreement. In order to accept this Agreement, Participant must indicate acceptance of the PRSUs and acknowledgment that the terms of the Plan and this Agreement have been read and understood by signing and returning a copy of this Agreement, to the General Counsel at Michael Kors (USA), Inc., 11 West 42nd Street, New York, NY 10036 within 14 days following the date hereof. By accepting this Agreement, Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by Securities and Exchange Commission rules (which consent may be revoked in writing by Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to Participant).

2. Vesting. Except as otherwise provided in Section 4 hereof, subject to Participant's continued employment or service with the Company or a Subsidiary and the satisfaction of the performance goals for the period commencing March 31, 2013 and continuing through April 2, 2016 as set forth on Exhibit A hereto, the PRSUs shall be eligible to vest on the date on which the Compensation Committee certifies the results for such Performance Period which in no event shall be later than thirty (30) days following the completion of the audited financials for the fiscal year ending April 2, 2016. The portion of the PRSUs that will be eligible to vest as of the applicable vesting date shall range from zero (0%) to one hundred and fifty (150%) based on the extent to which the applicable performance goals are achieved, as determined by the Committee in its sole and absolute discretion. Notwithstanding the foregoing, the Committee shall have the authority to remove the restrictions and waive the performance goals on the PRSUs whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the Date of Grant, such action is appropriate.

3. Settlement. The obligation to make payments and distributions with respect to PRSUs shall be satisfied through the issuance of one Share or cash equal to the Fair Market Value of one Share for each vested PRSU as determined by the Committee in its sole discretion (the "**settlement**"), and the settlement of the PRSUs may be subject to such conditions, restrictions and contingencies as the Committee shall determine. The PRSUs shall be settled as soon as practicable after the PRSUs vest, but in no event later than March 15 of the year following the calendar year in which the PRSUs vested (as applicable, the "Settlement Date"). Notwithstanding the foregoing, the payment dates set forth in this Section 3 have been specified for the purpose of complying with the provisions of Section 409A of the Code. To the extent payments are made during the periods permitted under Section 409A of the Code (including any applicable periods before or after the specified payment dates set forth in this Section 3), the Company shall be deemed to have satisfied its obligations under the Plan and shall be deemed not to be in breach of its payments obligations hereunder.

4. Termination of Employment. Except as otherwise provided below [or as provided in an employment agreement (or similar agreement) between Participant and the Company or any of its Subsidiaries in effect on the Date of Grant], if Participant's employment or service with the Company or any Subsidiary, as applicable, terminates for any reason, then the unvested PRSUs shall be cancelled immediately and Participant shall immediately forfeit any rights to settlement of the PRSUs. If within twenty-four (24) months following the occurrence of a Change in Control of the Company, the Participant's employment or service with the Company is terminated by the Company without Cause, [or, if Participant is a party to an employment agreement (or similar agreement) with the Company or any of its Subsidiaries that includes the ability of Participant to terminate Participant's employment for "good reason" or similar concept and Participant terminates his or her employment for "good reason" or similar concept as defined therein], the provisions of Section 11.2 of the Plan shall apply.

5. Dividend Equivalents; No Voting Rights. Each outstanding PRSU shall be credited with dividend equivalents equal to the dividends (including extraordinary dividends if so determined by the Committee) declared and paid to other shareholders of the Company in respect of one Share. Dividend equivalents shall not bear interest. On the Settlement Date, such dividend equivalents in respect of each vested PRSU shall be settled by delivery to Participant of a number of Shares equal to the quotient obtained by dividing (i) the aggregate accumulated value of such dividend equivalents by (ii) the Fair Market Value of a Share on the applicable vesting

date, rounded down to the nearest whole share, less any applicable withholding taxes. No dividend equivalents shall be accrued for the benefit of Participant with respect to record dates occurring prior to the Date of Grant, or with respect to record dates occurring on or after the date, if any, on which Participant has forfeited the PRSUs. Participant shall have no voting rights with respect to the PRSUs or any dividend equivalents.

6. No Rights as Shareholder. Participant shall not be deemed for any purpose to be the owner of any Shares subject to the PRSUs. The Company shall not be required to set aside any fund for the payment of the PRSUs.

7. Restrictive Covenants. In consideration of the grant of the PRSUs, Participant agrees that Participant will comply with the restrictions set forth in this Section 7 during the time periods set forth herein.

(a) Subject to Section 7(c) below, while Participant is an Employee or Consultant to the Company and during the two-year period following termination of employment or service, Participant shall not knowingly perform any action, activity or course of conduct which is substantially detrimental to the businesses or business reputations of the Company or any of its Subsidiaries, including (i) soliciting, recruiting or hiring (or attempting to solicit, recruit or hire) any employees of the Company or any of its Subsidiaries or any persons who have worked for the Company or any of its Subsidiaries during the 12-month period immediately preceding such solicitation, recruitment or hiring or attempt thereof; (ii) intentionally interfering with the relationship of the Company or any of its Subsidiaries with any person or entity who or which is employed by or otherwise engaged to perform services for, or any customer, client, supplier, licensee, licensor or other business relation of, the Company or any of its Subsidiaries; or (iii) assisting any person or entity in any way to do, or attempt to do, anything prohibited by the immediately preceding clauses (i) or (ii)

(b) Subject to Section 7(c) below, Participant shall not disclose to any unauthorized person or entity or use for Participant's own purposes any Confidential Information without the prior written consent of the Company, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a result of Participant's acts or omissions in violation of this Agreement; provided, however, that if Participant receive a request to disclose Confidential Information pursuant to a deposition, interrogation, request for information or documents in legal proceedings, subpoena, civil investigative demand, governmental or regulatory process or similar process, (i) Participant shall promptly notify in writing the Company, and consult with and assist the Company in seeking a protective order or request for other appropriate remedy, (ii) in the event that such protective order or remedy is not obtained, or if the Company waives compliance with the terms hereof, Participant shall disclose only that portion of the Confidential Information which, based on the written advice of Participant's legal counsel, is legally required to be disclosed and shall exercise reasonable best efforts to provide that the receiving person or entity shall agree to treat such Confidential Information as confidential to the extent possible (and permitted under applicable law) in respect of the applicable proceeding or process and (iii) the Company shall be given an opportunity to review the Confidential Information prior to disclosure thereof. For purposes of this Agreement, "Confidential Information" means information, observations and data concerning the business or affairs of the Company and its Subsidiaries, including, without limitation, all business information (whether or not in written form) which relates to the Company or its Subsidiaries, or their customers, suppliers or contractors or any other third parties in respect of which the Company or its Subsidiaries has a business relationship or owes a duty of confidentiality, or their respective businesses or products, and which is not known to the public

generally other than as a result of Participant's breach of this Agreement, including but not limited to: technical information or reports; formulas; trade secrets; unwritten knowledge and "know-how"; operating instructions; training manuals; customer lists; customer buying records and habits; product sales records and documents, and product development, marketing and sales strategies; market surveys; marketing plans; profitability analyses; product cost; long-range plans; information relating to pricing, competitive strategies and new product development; information relating to any forms of compensation or other personnel-related information; contracts; and supplier lists. Confidential Information will not include such information known to Participant prior to Participant's involvement with the Company or its Subsidiaries or information rightfully obtained from a third party (other than pursuant to a breach by Participant of this Agreement).

(c) If and to the extent Section 7(a) or 7(b) is inconsistent with any similar provision governing noncompetition, nonsolicitation and confidentiality in an employment agreement (or similar agreement) between Participant and the Company or any of its Subsidiaries in effect on the Date of Grant, the provisions in Participant's employment agreement (or similar agreement) will govern.

(d) In the event that Participant violates any of the restrictive covenants set forth above in this Section 7, in addition to any other remedy which may be available at law or in equity, the PRSUs shall be automatically forfeited effective as of the date on which such violation first occurs, and, in the event that Participant has previously vested in all or any portion of the PRSUs, Participant shall forfeit any compensation, gain or other value realized on the settlement of such PRSUs, or the subsequent sale of Shares acquired upon settlement of the PRSUs (if any), and must promptly repay such amounts to the Company. The foregoing rights and remedies are in addition to any other rights and remedies that may be available to the Company and shall not prevent (and Participant shall not assert that they shall prevent) the Company from bringing one or more actions in any applicable jurisdiction to recover damages as a result of Participant's breach of such restrictive covenants.

8. Compliance with Legal Requirements.

(a) Generally. The granting and settlement of the PRSUs, and any other obligations of the Company under this Agreement, shall be subject to all applicable federal, provincial, state, local and foreign laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Committee shall have the right to impose such restrictions or delay the settlement of the PRSUs as it deems necessary or advisable under applicable income tax laws, federal securities laws, the rules and regulations of any stock exchange or market upon which the PRSUs are then listed or traded, and/or any blue sky or state securities laws applicable to the PRSUs; provided that any settlement shall be delayed only until the earliest date on which settlement would not be so prohibited. Participant agrees to take all steps the Committee or the Company determines are necessary to comply with all applicable provisions of federal and state securities law in exercising his or her rights under this Agreement.

(b) Tax Withholding. All distributions under the Plan are subject to withholding of all applicable federal, state, local and foreign taxes, and the Committee may condition the settlement of the PRSUs on satisfaction of the applicable withholding obligations. The Company shall have the power and the right to deduct or withhold from all amounts payable to Participant in connection with the PRSUs or otherwise, or require Participant to remit to the Company, an amount sufficient to satisfy any applicable taxes required by law. Further, the Company may

permit or require Participant to satisfy, in whole or in part, the tax obligations by withholding Shares or other property deliverable to Participant in connection with the settlement of PRSUs or from any compensation or other amounts owing to Participant the amount (in cash, Shares or other property) of any required tax withholding upon the settlement of the PRSUs.

9. Clawback. In the event of an accounting restatement due to material noncompliance by the Company with any financial reporting requirement under the securities laws, any mistake in calculations or other administrative error, in each case, which reduces the amount payable in respect of the PRSUs that would have been earned had the financial results been properly reported (as determined by the Committee) (i) the PRSUs will be canceled and (ii) Participant will forfeit (A) the Shares (or cash) received or payable on the settlement of the PRSUs and (B) the amount of the proceeds of the sale, gain or other value realized on the settlement of the PRSUs (and Participant may be required to return or pay such Shares or amount to the Company). Notwithstanding anything to the contrary contained herein, if Participant, without the consent of the Company, while providing services to the Company or any Subsidiary or after termination of such service, violates a non-solicitation or non-disclosure covenant or agreement, including but not limited to the covenants set forth in Section 7 above, or otherwise has engaged in or engages in activity that is in conflict with or adverse to the interest of the Company or any Subsidiary as determined by the Committee in its sole discretion, then (i) any outstanding, vested or unvested, earned or unearned portion of the PRSUs, may at the Committee's discretion, be canceled without payment therefor and (ii) the Committee may, in its discretion, require Participant or other person to whom any payment has been made or Shares or other property have been transferred in connection with the settlement of the PRSUs to forfeit and pay over to the Company, on demand, all or any portion of the compensation, gain or other value (whether or not taxable) realized upon on the settlement of such PRSUs, or the subsequent sale of acquired Shares (if any). To the extent required by applicable law (including without limitation Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) and/or the rules and regulations of New York Stock Exchange or other securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, or if so required pursuant to a written policy adopted by the Company, the PRSUs (or the Shares acquired upon settlement of the PRSUs (if any)) shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

10. Miscellaneous.

(a) Transferability. The PRSUs may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 12.3 of the Plan.

(b) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(c) Section 409A. The PRSUs are intended to comply with or be exempt from Section 409A of the Code. Notwithstanding the foregoing or any provision of the Plan or this Agreement, if any provision of the Plan or this Agreement contravenes Section 409A of the Code

or could cause Participant to incur any tax, interest or penalties under Section 409A of the Code, the Committee may, in its sole discretion and without Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A of the Code, or to avoid the incurrence of taxes, interest and penalties under Section 409A of the Code, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A of the Code. This Section 10(c) does not create an obligation on the part of the Company to modify the Plan or this Agreement and does not guarantee that the PRSUs will not be subject to interest and penalties under Section 409A.

(d) Notices. Any written notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage paid first class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to Participant, at Participant's address indicated by the Company's records, or if to the Company, to the attention of the General Counsel at the Company's principal business office.

(e) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(f) No Rights to Employment or Service. Nothing contained in this Agreement shall be construed as giving Participant any right to be retained, in any position, as an Employee or Consultant of the Company or its Subsidiaries or shall interfere with or restrict in any way the right of the Company or its Subsidiaries, which are hereby expressly reserved, to remove, terminate or discharge Participant at any time for any reason whatsoever.

(g) Beneficiary. Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. Any notice should be made to the attention of the General Counsel of the Company at the Company's principal business office. If no designated beneficiary survives Participant, Participant's estate shall be deemed to be Participant's beneficiary.

(h) Bound by Plan. By signing this Agreement, Participant acknowledges that Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(i) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of Participant and the beneficiaries, executors, administrators, heirs and successors of Participant.

(j) Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent under Section 12.1 of the Plan.

(k) Governing Law; JURY TRIAL WAIVER. To the extent not otherwise governed by the Code or the laws of the United States, this Agreement shall be governed, construed and interpreted in accordance with the laws of the British Virgin Islands without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the British Virgin Islands or the laws of the United States, as applicable. THE PARTIES EXPRESSLY AND KNOWINGLY WAIVE ANY RIGHT TO A JURY TRIAL IN THE EVENT ANY ACTION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT IS LITIGATED OR HEARD IN ANY COURT.

(l) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

IN WITNESS WHEREOF, the Company and Participant have executed this Agreement as set forth below.

MICHAEL KORS HOLDINGS LIMITED

By:_____
Name:
Title:

Date:_____

Agreed to and Accepted by:

_____
[Participant Name]

Date:_____

Exhibit 21.1

LIST OF SUBSIDIARIES OF MICHAEL KORS HOLDINGS LIMITED

Entity Name	Jurisdiction of Formation
Michael Kors International Limited	British Virgin Islands
Michael Kors (USA) Holdings, Inc.	Delaware
Michael Kors (USA), Inc.	Delaware
Michael Kors Retail, Inc.	Delaware
Michael Kors Stores (California), Inc.	Delaware
Michael Kors, L.L.C.	Delaware
Michael Kors Stores, L.L.C.	New York
Michael Kors (Canada) Co.	Nova Scotia
Michael Kors (Switzerland) GmbH	Switzerland
Michael Kors (Switzerland) Holdings GmbH	Switzerland
Michael Kors (UK) Limited	United Kingdom
Michael Kors Japan K.K.	Japan
Michael Kors Limited	Hong Kong
Michael Kors Belgium BVBA	Belgium
Michael Kors (France) SAS	France
Michael Kors (Germany) GmbH	Germany
Michael Kors Spain, S.L.	Spain
Michael Kors Italy S.R.L. Con Socio Unico	Italy
Michael Kors (Austria), GmbH	Austria
Michael Kors (Netherlands) B.V.	Netherlands
Michael Kors (Poland) sp. z. o.o.	Poland
Michael Kors (Europe) Holding Cooperative U.A.	Netherlands
Michael Kors (Europe) Holdings B.V.	Curacao
Michael Kors (Europe) B.V.	Netherlands
Michael Kors (Czech Republic) s.r.o.	Czech Republic
Michael Kors (Portugal), Lda	Portugal
Michael Kors (Ireland) Limited	Ireland
Michael Kors (Sweden) AB	Sweden

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-178486) of Michael Kors Holdings Limited of our report dated May 29, 2013 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
New York, New York
May 29, 2013

Exhibit 31.1

CERTIFICATIONS

I, John D. Idol, certify that:

1. I have reviewed this Form 10-K of Michael Kors Holdings Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 29, 2013

By: /s/ John D. Idol
John D. Idol
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Joseph B. Parsons, certify that:

1. I have reviewed this Form 10-K of Michael Kors Holdings Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 29, 2013

By: /s/ Joseph B. Parsons
Joseph B. Parsons
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this annual report on Form 10-K of Michael Kors Holdings Limited (the "Company") for the year ended March 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John D. Idol, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Michael Kors Holdings Limited.

Date: May 29, 2013

/S/ John D. Idol

John D. Idol
Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this annual report on Form 10-K of Michael Kors Holdings Limited (the "Company") for the year ended March 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph B. Parsons, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Michael Kors Holdings Limited.

Date: May 29, 2013

/S/ Joseph B. Parsons

Joseph B. Parsons
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.