




**ANN INC.**

ANN NYSE

Retail - Apparel / Accessories

Market Capitalization USD:

\$1,193.01 mm**CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Katherine Krill**Age: 57****CEO Since: 2005**

	2009	2010	2011
Base Salary	\$1,200,000	\$1,200,000	\$1,200,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$4,346,000	\$5,166,000	\$4,734,285
Benefits and Perquisites	\$101,310	\$16,423	\$98,780
TOTAL ANNUAL COMPENSATION	\$5,647,310	\$6,382,423	\$6,033,065
Increase in Post-Retirement Benefits	\$44,336	\$30,183	\$56,244
Stock Option Awards	\$1,733,738	\$1,206,400	\$1,328,000
Stock Awards	\$1,686,908	\$2,710,238	\$3,381,168
TOTAL COMPENSATION	\$9,112,292	\$10,329,244	\$10,798,477
Median of Other Named Executive Officers Total Compensation	\$3,807,342	\$4,187,532	\$3,506,003
Value Realized on Exercise of Stock Option	\$0	\$3,747,652	\$3,710,343
Value Realized on Vesting of Stock	\$105,824	\$7,612,784	\$4,880,137
TOTAL REALIZED EQUITY COMPENSATION	\$105,824	\$11,360,436	\$8,590,480

Proxy Date: 4 Apr 2012

Annual Meeting Date: 16 May 2012

Equity Reserves: 17.29%

Stock Option Run Rate: 1.09%

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Performance Comparison

■ S&P500 ■ Industry ■ ANN



Peer Comparisons (TRBC) =Retail - Apparel / Accessories

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
ANN	ANN INC.	\$9,112,292	\$10,329,244	\$10,798,477	\$1,193,008,526
URBN	Urban Outfitters, Inc.	\$3,169,739	\$29,944,180		\$3,433,925,326
FL	Foot Locker, Inc.	\$2,848,230	\$8,060,791	\$14,059,147	\$3,072,918,746
GES	Guess?, Inc.	\$15,220,426	\$9,799,620		\$2,643,234,849
AEO	American Eagle Outfitters, Inc.	\$17,946,755	\$9,214,977		\$2,284,241,970
ASNA	Ascena Retail Group, Inc.	\$1,932,613	\$6,747,800		\$2,097,196,302
CHS	Chico's FAS, Inc.	\$4,254,305	\$3,767,788		\$1,968,133,540

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Abercrombie & Fitch Co., Aeropostale Inc., American Eagle Outfitters, Inc., Ascena Retail Group, Inc., Charming Shoppes, Inc., Chico's FAS, Inc., The Children's Place Retail Stores, Inc., Coach, Inc., Collective Brands, Inc., DSW Inc., Express, Inc., The Gap, Inc., Jones Group, Inc., Limited Brands, Inc., Liz Claiborne, Inc., New York & Company, Inc., Phillips-Van Heusen Corp., Ralph Lauren Corporation, The Talbots, Inc., Urban Outfitters, Inc., Warnaco Group, Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Dale W. Hilbert	Chairman	69	Male	8	Outside
Michelle Gass	Member	44	Female	4	Outside
Ronald W. Hovsepien	Member	50	Male	14	Outside Related