

TIFFANY & CO
Form DEF 14A
April 08, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Tiffany & Co.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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2011 Annual Meeting of Stockholders
PROXY STATEMENT

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ATTENDANCE AND VOTING MATTERS

Introduction

The Annual Meeting of the stockholders of Tiffany & Co. (the Company) will be held on Thursday, May 19, 2011, at 9:00 a.m. in the Cosmopolitan Suite of the Four Seasons Hotel, 57 East 57th Street, between Madison Avenue and Park Avenue, New York, New York.

This Proxy Statement and accompanying material, including the form of proxy, was first sent to the Company's stockholders on or about April 8, 2011. It was sent to you on behalf of the Company by order of the Company's Board of Directors (the Board).

You are entitled to vote at our 2011 Annual Meeting because you were a stockholder, or held Company stock through a broker, bank or other nominee, at the close of business on March 22, 2011, the record date for this year's Annual Meeting. That is why you were sent this Proxy Statement and accompanying material.

This proxy statement has been bound with our Annual Report on Form 10-K, which contains financial and other information about our business during Fiscal 2010 (February 1, 2010 to January 31, 2011). As is the practice of many other companies, the Company is now providing proxy materials by a notice and access process through the Internet. This enables the Company to reduce the cost of paper, printing and postage and, of great importance, to substantially reduce paper use in order to benefit our environment. Those stockholders who wish to receive a paper report may request one.

How to Request and Receive a PAPER or E-MAIL Copy of the Proxy Materials

OPTION A: If you are a beneficial stockholder (beneficial stockholders typically have their shares held at brokerage firms or at other financial institutions):

- 1) By Internet: www.proxyvote.com
- 2) By Telephone: 1-800-579-1639
- 3) By E-Mail*: sendmaterial@proxyvote.com

* If requesting materials by e-mail, please send a blank e-mail with the 12-Digit Control Number (located on the Notice of Proxy) in the subject line.

Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor.

OPTION B: If you are a registered stockholder (registered stockholders typically have their shares held in stock certificate form or in book entry form by Tiffany's transfer agent, BNY Mellon Shareowner Services):

- 1) By Internet: <http://www.proxyvoting.com/tif>
- 2) By Telephone: 1-888-313-0164 (outside of the U.S. and Canada call 201-680-6688)
- 3) By E-mail**: shrrelations@bnymellon.com

** You must reference your 11-Digit Control Number to request a paper copy of the proxy materials. Please make the requests as instructed above on or before May 5, 2011 to facilitate timely delivery.

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You may also find important information about the Company, with its principal executive offices at 727 Fifth Avenue, New York, New York 10022, on our website at www.tiffany.com. By clicking Investors at the bottom of the page, you will find additional information concerning some of the subjects addressed in this document.

**Important Notice Regarding Internet Availability of Proxy Materials
for the Stockholder Meeting to be Held on May 19, 2011.
The Proxy Statement and Annual Report to Stockholders
are available at <http://bnymellon.mobular.net/bnymellon/tif>**

Matters to be Voted on at the 2011 Annual Meeting

There are four matters scheduled to be voted on at this year's Annual Meeting:

The election of the Board;

Ratification of the selection of the independent registered public accounting firm to audit our Fiscal 2011 financial statements;

Your approval, on an advisory basis, of the compensation of the Company's named executive officers as disclosed in this proxy statement (say-on-pay); and

Your preference, on an advisory basis, as to whether your approval of compensation of the Company's named executive officers should be sought each year, every second year or every third year (say-when-on-pay).

In addition, such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof may be voted on.

How to Vote Your Shares

You can vote your shares at the Annual Meeting by proxy or in person.

You can vote by proxy by having one or more individuals who will be at the Annual Meeting vote your shares for you. These individuals are called proxies and using them to cast your ballot at the Annual Meeting is called voting by proxy.

If you wish to vote by proxy, you must do one of the following:

Complete the enclosed form, called a proxy card, and mail it in the envelope provided; or

Call the telephone number listed on your proxy card or notice and follow the pre-recorded instructions; or

Use the Internet to vote by going to the Internet address listed on your proxy card or notice; have your proxy card or notice in hand as you will be prompted to enter your control number and to create and submit an electronic vote.

If you do one of the above, you will have designated three officers of the Company to act as your proxies at the 2011 Annual Meeting. One of them will then vote your shares at the Annual Meeting in accordance with the instructions you have given them on the proxy card, the telephone or the Internet with respect to each of the proposals presented in this Proxy Statement. If you sign and return your proxy card but do not give voting instructions, your proxy will vote the shares represented thereby **for** the election of each of the director nominees listed in Proposal No. 1 below, **for** approval of Proposal No. 2, which is discussed below, **for** approval of our named

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executive officer compensation and **for** a vote to submit named executive officer compensation to stockholder approval every year. Proxies will extend to, and be voted at, any adjournment or postponement of the Annual Meeting.

Alternatively, you can vote your shares in person by attending the Annual Meeting. You will be given a ballot at the meeting.

While we know of no other matters to be acted upon at this year's Annual Meeting, it is possible that other matters may be presented at the meeting. If that happens and you have signed and not revoked a proxy card, your proxy will vote on such other matters in accordance with his best judgment.

A special note for those who plan to attend the Annual Meeting and vote in person: if your shares are held in the name of a broker, bank or other nominee, you must bring a statement from your brokerage account or a letter from the person or entity in whose name the shares are registered indicating that you are the beneficial owner of those shares as of the record date. In addition, you will not be able to vote at the meeting unless you obtain a legal proxy from the record holder of your shares.

How to Revoke Your Proxy

If you decide to vote by proxy (including by mail, telephone or Internet), you can revoke—that is, change or cancel your vote at any time before your proxy casts his vote at the Annual Meeting. Revoking your vote by proxy may be accomplished in one of three ways:

You can send an executed, later-dated proxy card to the Secretary of the Company, call in different instructions, or access the Internet voting site;

You can notify the Secretary of the Company in writing that you wish to revoke your proxy; or

You can attend the Annual Meeting and vote in person.

The Number of Votes That You Have

Each share of the Company's common stock has one vote. The number of shares, or votes, that you have at this year's Annual Meeting is indicated on the enclosed proxy card.

What a Quorum Is

A quorum is the minimum number of shares that must be present at an Annual Meeting for a valid vote. For our stockholder meetings, a majority of shares outstanding on the record date and entitled to vote at the Annual Meeting must be present.

The number of shares outstanding at the close of business on March 22, 2011, the record date, was 127,484,760.

Therefore, 63,742,380 shares must be present at our 2011 Annual Meeting for a quorum to be established.

To determine if there is a quorum, we consider a share present if:

The stockholder who owns the share is present at the Annual Meeting, whether or not he or she chooses to cast a ballot on any proposal; or

The stockholder is represented by proxy at the Annual Meeting.

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If a stockholder is represented by proxy at the Annual Meeting, his or her shares are deemed present for purposes of a quorum, even if:

The stockholder withholds his or her vote or marks `abstain` for one or more proposals; or

There is a `broker non-vote` on one or more proposals.

What a `Broker Non-Vote` Is

Shares held in a broker's name may be voted by the broker, but only in accordance with the rules of the New York Stock Exchange. Under those rules, your broker must follow your instructions. If you do not provide instructions to your broker, your broker may vote your shares based on its own judgment or it may withhold a vote. Whether your broker votes or withholds its vote is determined by the New York Stock Exchange rules and depends on the proposal being voted upon. In the absence of instructions provided by you, your broker will be required to withhold its vote unless you provide instructions with respect to the election of the Board, say-on-pay and say-when-on-pay.

If your broker withholds its vote, that is called a `broker non-vote`. As stated above, `broker non-votes` are counted as present for a quorum.

What Vote Is Required to Approve Each Proposal

Each nominee for director shall be elected by a majority of the votes cast `for` or `against` the nominee at the Annual Meeting. That means that the number of shares voted `for` a nominee must exceed the number of shares voted `against` that nominee. To vote `for` or `against` any of the nominees named in this Proxy Statement, you can so mark your proxy card or ballot or, if you vote via telephone or Internet, so indicate by telephone or electronically.

You may abstain on the vote for any nominee but your abstention will not have any effect on the outcome of the election of directors. A `broker non-vote` has the same effect as an abstention: neither will have any effect on the outcome of the election of directors. To abstain on the vote on any or all of the nominees named in this Proxy Statement, you can so mark your proxy card or ballot or, if you vote via telephone or Internet, so indicate by telephone or electronically.

The proposal to ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for Fiscal 2011 will be decided by the affirmative vote of the majority of shares present at the meeting. That means that the proposal will pass if more than half of those shares present at the meeting vote `for` the proposal. Therefore, if you `abstain` from voting in other words, you indicate `abstain` on the proxy card, by telephone or by Internet it will have the same effect as an `against` vote. `Broker non-votes` on this proposal will be treated the same as abstentions: both will have the same effect as an `against` vote.

The advisory proposal to approve the compensation of our named executive officers will be decided by the affirmative vote of the majority of shares present at the meeting. That means that the compensation will be approved if more than half of those shares present at the meeting vote `for` the proposal. Therefore, if you `abstain` from voting in other words, you indicate `abstain` on the proxy card, by telephone or by Internet it will have the same effect as an `against` vote. `Broker non-votes` on this proposal will be treated the same as abstentions: both will have the same effect as an `against` vote.

Because the say-when-on-pay vote is advisory and does not seek approval of any specific matter it seeks your specific advice on when a future vote will be held (every year/every second year/or

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every third year) no specific percentage of the vote is required. The results of the vote will be compiled and reported to you.

Proxy Voting on Proposals in the Absence of Instructions

If you do not give any specific instructions as to how your shares are to be voted when you sign a proxy card or vote by telephone or by Internet, your proxies will vote your shares in accordance with the following recommendations of the Board:

- FOR the election of all nine nominees for director named in this Proxy Statement;
- FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm to examine our Fiscal 2011 financial statements;
- FOR approval of the compensation paid to the Company's named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion included in this Proxy Statement; and
- FOR a recommendation that the stockholders approve the compensation paid to the Company's named executive officers every year.

Shares held in the Company's Employee Profit Sharing and Retirement Savings Plan will not be voted by the Plan's trustee unless specific instructions for voting are given by plan participants to whose accounts such shares have been allocated.

How Proxies Are Solicited

We have hired the firm of Georgeson Inc. to assist in the solicitation of proxies on behalf of the Board. Georgeson Inc. has agreed to perform this service for a fee of not more than \$8,000, plus out-of-pocket expenses.

Employees of Tiffany and Company, a subsidiary of the Company, may also solicit proxies on behalf of the Board.

These employees will not receive any additional compensation for their work soliciting proxies and any costs incurred by them in doing so will be paid for by Tiffany and Company.

Proxies may be solicited by mail, in person, by facsimile, by telephone or by electronic mail (e-mail).

In addition, we will pay for any costs incurred by brokerage houses and others for forwarding proxy materials to beneficial owners.

OWNERSHIP OF THE COMPANY

Stockholders Who Own at Least Five Percent of the Company

The following table shows all persons who were known to us to be beneficial owners of at least five percent of Company stock as of March 22, 2011. Footnote a) below provides a brief explanation of what is meant by the term beneficial ownership. This table is based upon reports filed with the Securities and Exchange Commission, commonly referred to as the SEC. Copies of these reports are publicly available from the SEC. All of the reports included a certification to the effect that the shares were acquired in the ordinary course of business and were not acquired and were not being held for the purpose of or with the effect of changing or influencing the control of
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the Company and were not acquired and were not being held in connection with or as a participant in any transaction having that purpose or effect.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (a)	Percent of Class
BlackRock, Inc. 40 East 52 nd Street New York, NY 10022	7,565,181(b)	5.99%
Jennison Associates LLC 466 Lexington Avenue New York, NY 10017	6,651,062(c)(d)	5.26%
Prudential Financial, Inc. 751 Broad Street Newark, NJ 07102-3777	6,826,323(c)(d)	5.40%
Oppenheimer Funds, Inc. Two World Financial Center 225 Liberty Street New York, NY 10281	6,367,312(e)	5.04%

- a) Beneficial ownership is a term broadly defined by the SEC and includes more than the typical form of stock ownership, that is, stock held in the person's name. The term also includes what is referred to as indirect ownership such as where, for example, the person has or shares the power to vote the stock, sell it or acquire it within 60 days. Accordingly, some of the shares reported as beneficially owned in this table may actually be held by other persons or organizations. Those other persons and organizations are described in the reports filed with the SEC.
- b) BlackRock, Inc. (Blackrock) reported such beneficial ownership to the SEC on its Amendment to Schedule 13G as of December 31, 2010 and stated that, as a parent holding company or control person, it beneficially owned the number of shares referred to above. This Amendment stated that various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the Company's common stock but that no one person's interest in the Company's common stock is more than five percent of the total outstanding common shares. Exhibit A to the Amendment lists those subsidiaries of Blackrock that hold shares of the Company's common stock.
- c) Jennison Associates LLC (Jennison) reported such beneficial ownership to the SEC on its Schedule 13G as of December 31, 2010 and stated that, as an investment advisor, it beneficially owned the number of shares referred to above. This Schedule stated that it had sole power to vote or direct the vote of 4,449,427 shares of the Company's common stock and shared power to dispose or direct the disposition of all shares beneficially owned. Jennison also reported that: (i) as a consequence of investment advice that it renders to other persons, it may be deemed to be the beneficial owner of shares held by such persons; and (ii) Prudential Financial, Inc. indirectly holds 100% of the equity interest in Jennison and

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may be deemed to have the power to exercise or to direct the exercise of such voting and/or dispositive power that Jennison may have with respect to the Company's common stock.

- d) Prudential Financial, Inc. (Prudential) reported such beneficial ownership to the SEC on its Schedule 13G as of December 31, 2010 and stated that, as a parent holding company, it beneficially owned the number of shares referred to above, which includes the shares owned by Jennison as noted in (c) above. This Schedule stated that Prudential was reporting, for administrative convenience, the combined holdings which were held for its own benefit or for the benefit of its clients by its separate accounts, externally managed accounts, registered investment companies, subsidiaries and/or other affiliates. Prudential reported in its Schedule that Prudential is the direct or indirect parent of Jennison.
- e) Oppenheimer Funds, Inc. (Oppenheimer) reported such beneficial ownership to the SEC on its Schedule 13G as of December 31, 2010 and stated that, as an investment advisor, it beneficially owned the number of shares referred to above. This Schedule stated that it had shared power to vote or direct the vote of and to dispose of all shares beneficially owned. Oppenheimer disclaimed beneficial ownership of all shares reported beneficially owned.

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The following table shows the number of shares of the Company's common stock beneficially owned as of March 22, 2011 by those persons who are director nominees or who were, as of the end of Fiscal 2010, directors, the principal executive officer (the CEO), the principal financial officer (the CFO) and the three next most highly compensated executive officers of the Company:

Name	Amount and Nature of Beneficial Ownership	Percent of Class ^a
Directors		
Rose Marie Bravo	61,519 ^b	*
Gary E. Costley	31,019 ^c	*
Lawrence K. Fish	36,825 ^d	*
Abby F. Kohnstamm	83,825 ^e	*
Michael J. Kowalski (CEO)	976,795 ^f	*
Charles K. Marquis	231,945 ^g	*
Peter W. May	5,109,668 ^h	4.0
J. Thomas Presby	29,008 ⁱ	*
William A. Shutzer	336,812 ^j	*
Executive Officers		
James N. Fernandez (CFO)	181,683 ^k	*
Beth O. Canavan	79,534 ^l	*
Jon M. King	240,311 ^m	*
Patrick B. Dorsey	23,505 ⁿ	*
All executive officers and directors as a group (19 persons):	8,227,585 ^o	6.5

- a) An asterisk (*) is used to indicate less than 1% of the class outstanding.
- b) Includes 56,077 shares issuable upon the exercise of Vested Stock Options, which are stock options that either are exercisable as of March 22, 2011 or will become exercisable within 60 days of that date. Includes 1,442 shares issuable upon the maturity of restricted stock grants made to directors on May 20, 2010.
- c) Includes 28,577 shares issuable upon the exercise of Vested Stock Options. Includes 1,442 shares issuable upon the maturity of restricted stock grants made to directors on May 20, 2010.
- d) Includes 28,577 shares issuable upon the exercise of Vested Stock Options. Includes 1,442 shares issuable upon the maturity of restricted stock grants made to directors on May 20, 2010.
- e) Includes 78,577 shares issuable upon the exercise of Vested Stock Options. Includes 1,442 shares issuable upon the maturity of restricted stock grants made to directors on May 20, 2010.
- f) Includes 632,750 shares issuable upon the exercise of Vested Stock Options.

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- g) Includes 71,077 shares issuable upon the exercise of Vested Stock Options. Includes 1,442 shares issuable upon the maturity of restricted stock grants made to directors on May 20, 2010.
- h) Includes 5,079,649 shares reported to the SEC as under Mr. May's beneficial ownership on his Form 4 as of February 17, 2011. Includes 28,577 shares issuable upon the exercise of Vested Stock Options. Includes 1,442 shares issuable upon the maturity of restricted stock grants made to directors on May 20, 2010.
- i) Includes 23,860 shares issuable upon the exercise of Vested Stock Options. Includes 1,442 shares issuable upon the maturity of restricted stock grants made to directors on May 20, 2010.
- j) Includes 71,077 shares issuable upon the exercise of Vested Stock Options, 5,100 shares held by or for Mr. Shutzer's child, 114,000 shares held by KJC Ltd. of which Mr. Shutzer is the sole general partner and 42,257 shares held in a trust for Mr. Shutzer's child. Mr. Shutzer disclaims beneficial ownership of Company stock held by KJC Ltd. Includes 1,442 shares issuable upon the maturity of restricted stock grants made to directors on May 20, 2010.
- k) Includes 137,250 shares issuable upon the exercise of Vested Stock Options and 145 shares credited to Mr. Fernandez's account under the Company's Employee Profit Sharing and Retirement Savings Plan.
- l) Includes 57,250 shares issuable upon the exercise of Vested Stock Options and 567 shares credited to Mrs. Canavan's account under the Company's Employee Profit Sharing and Retirement Savings Plan.
- m) Includes 222,250 shares issuable upon the exercise of Vested Stock Options and 459 shares credited to Mr. King's account under the Company's Employee Profit Sharing and Retirement Savings Plan.
- n) Includes 0 shares issuable upon the exercise of Vested Stock Options.
- o) Includes 2,100,275 shares issuable upon the exercise of Vested Stock Options and restricted stock grants that will mature on May 20, 2011 and 2,826 shares held in the Company's Employee Profit Sharing and Retirement Savings Plan.

See COMPENSATION OF THE CEO AND OTHER EXECUTIVE OFFICERS, Compensation Discussion and Analysis, *Equity Ownership by Executive Officers and Directors* beginning on page PS-39 below for a discussion of the Company's share ownership policy.

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Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors, executive officers and greater-than-ten-percent stockholders to file reports of ownership and changes in ownership with the SEC and the New York Stock Exchange. These persons are also required to provide us with copies of those reports.

Based on our review of those reports and of certain other documents we have received, we believe that, during and with respect to Fiscal 2010, all filing requirements under Section 16(a) applicable to our directors, executive officers and greater-than-ten-percent stockholders were satisfied.

RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP (PwC) serves as the Company's independent registered public accounting firm and, through its predecessor firms, has served in that capacity since 1984.

The Audit Committee has selected PwC as the independent registered public accounting firm to audit the Company's financial statements and effectiveness of internal controls for the fiscal year ending January 31, 2012. The Audit Committee is directly responsible for appointing the independent auditors. In making this selection, the Audit Committee considered the independence of PwC, and whether the audit and non-audit services PwC provides to the Company are compatible with maintaining that independence.

The Audit Committee has adopted a policy requiring advance approval of PwC's fees and services by the Audit Committee; this policy also prohibits PwC from performing certain non-audit services for the Company including: (i) bookkeeping, (ii) systems design and implementation, (iii) appraisal or valuation, (iv) actuarial, (v) internal audit, (vi) management or human resources, (vii) investment advice or investment banking, (viii) legal services, and (ix) expert services unrelated to the audit. All fees paid to PwC by the Company as shown in the table that follows were approved by the Audit Committee pursuant to this policy.

Fees and Services of PricewaterhouseCoopers LLP

The following table presents fees for professional audit services rendered by PwC for the audit of the Company's consolidated financial statements and the effectiveness of internal controls over financial reporting for the years ended January 31, 2011 and 2010, and for its reviews of the Company's unaudited condensed consolidated interim financial statements. This table also reflects fees billed for other services rendered by PwC.

	January 31, 2011	January 31, 2010
Audit Fees	\$ 2,348,200	\$ 2,273,000
Audit-related Fees	14,500	9,000
Audit and Audit-related Fees	2,362,700	2,282,000
Tax Fees ^a	1,437,720	1,877,350
All Other Fees ^b	13,600	13,300
Total Fees	\$ 3,814,020	\$ 4,172,650

- a) Tax fees consist of fees for tax consultation and tax compliance services. These fees included tax filing and compliance fees of \$1,296,220 for the year ended January 31, 2011 and \$1,750,350 for the year ended January 31, 2010.

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- b) All other fees consist of costs for research software and other advisory services for the years ended January 31, 2011 and January 31, 2010.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The Board, In General

The Company is a Delaware corporation. Our principal subsidiary is Tiffany and Company, a New York corporation. In this Proxy Statement, Tiffany and Company will be referred to as simply Tiffany.

The Board is currently comprised of nine members. The Board can also fill vacancies and newly created directorships, as well as amend the By-laws to provide for a greater or lesser number of directors.

Directors are required by our By-laws to be less than age 72 when elected or appointed unless the Board waives that provision with respect to an individual director whose continued service is deemed uniquely important to the Company. Under the Company's Corporate Governance Principles, directors may not serve on a total of more than six public company boards. Service on the Board is included in that total.

The Role of the Board in Corporate Governance

The Board plays several important roles in the governance of the Company, as set out in the Company's Corporate Governance Principles. The Corporate Governance Principles may be viewed on the Company's website www.tiffany.com, by clicking on Investors at the bottom of the page and then selecting Corporate Governance from the left-hand column. The Corporate Governance Principles can also be found as Appendix I to this Proxy Statement.

The responsibilities of the Board include:

- Management succession;
- Review and approval of the annual operating plan prepared by management;
- Monitoring of performance in comparison to the operating plan;
- Review and approval of the Company's strategic plan prepared by management;
- Consideration of topics of relevance to the Company's ability to carry out its strategic plan;
- Review and approval of a delegation of authority by which management carries out the day-to-day operations of the Company and its subsidiaries;
- Review of the Company's investor relations program;
- Review of the Company's schedule of insurance coverage; and
- Review and approval of significant actions by the Company.

Executive Sessions of Non-management Directors/Presiding Non-management Director

Non-management directors meet regularly in executive session without management participation. This encourages open discussion. At those meetings, Charles K. Marquis, Chairman of the Nominating/Corporate Governance Committee, presides. In addition, at least once per year the independent directors meet separately in executive session.

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Communication with Non-management Directors

Stockholders may send written communications to the entire Board or to any of the non-management directors by addressing their concerns to Mr. Marquis, Chairman of the Nominating/Corporate Governance Committee (presiding director), at the following address: Corporate Secretary (Legal Department), Tiffany & Co., 727 Fifth Avenue, New York, New York 10022. All communications will be compiled by the Corporate Secretary and submitted to the Board or an individual director, as appropriate, on a periodic basis.

Director Attendance at Annual Meeting

The Board schedules a regular meeting on the date of the Annual Meeting of Stockholders to facilitate attendance at the Annual Meeting by the directors. All nine directors attended the Annual Meeting held in May 2010.

Independent Directors Constitute a Majority of the Board

The Board has affirmatively determined that each of the following directors (each of whom is also a nominee for re-election) is independent under the listing standards of the New York Stock Exchange in that none of them has a material relationship with the Company (directly or as a partner, shareholder or officer of any organization that has a relationship with the Company): Rose Marie Bravo, Gary E. Costley, Lawrence K. Fish, Abby F. Kohnstamm, Charles K. Marquis, Peter W. May, and J. Thomas Presby.

All of the members of the Audit, Nominating/Corporate Governance and Compensation Committees are independent as indicated in the prior paragraph.

The Board also considered the other tests of independence set forth in the New York Stock Exchange Corporate Governance Rules and has determined that each of the above directors and nominees is independent as defined in such Rules.

In addition, the Board has affirmatively determined that J. Thomas Presby, Gary E. Costley, Lawrence K. Fish, Abby F. Kohnstamm, and Charles K. Marquis meet the additional, heightened independence criteria applicable to audit committee members under New York Stock Exchange rules.

In determining that Mr. May is independent, the Board considered the *Commentary* set forth in the New York Stock Exchange's *Listed Company Manual*, section 303A.02, which states ... as the concern is independence from management, the Exchange does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding. See OWNERSHIP OF THE COMPANY, Stockholders Who Own At Least Five Percent of the Company above.

In determining that Mr. Fish is independent, the Board considered banking relationships that exist between ABN/AMRO and the Company. Both ABN/AMRO and Citizens Financial Group are subsidiaries of the Royal Bank of Scotland Group. Mr. Fish was, on first election, an employee of Citizens Financial Group and a director of Royal Bank of Scotland Group. A portion of the operations of ABN/AMRO was acquired by Royal Bank of Scotland Group. The Company does banking business with ABN/AMRO. Mr. Fish is no longer associated with any of those entities.

In determining that Ms. Bravo is independent, the Board considered the employment relationship between Ms. Bravo's adult stepdaughter and Tiffany. This stepdaughter is not an officer of the Company or Tiffany and does not reside in Ms. Bravo's household and, for purposes of the New York Stock Exchange categorical independence test she is not deemed an immediate family

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member nor is her compensation as a Tiffany employee required to be considered under such test. She was hired in June 2009 after Tiffany acquired a product design group from a disbanding company; subsequent to this acquisition, she was recruited to this design group because she had previously worked for the group. She is not at a significantly high enough job level within Tiffany so that the Compensation Committee is involved in determining the elements or level of her compensation except as equity compensation is determined for the group of employees that work at her job level.

To our knowledge, none of the other independent directors has any direct or indirect relationship with the Company, other than as a director.

Board and Committee Meetings and Attendance during Fiscal 2010

All current and incumbent directors attended at least 94% of the aggregate number of meetings of the Board and those committees (including the Audit Committee, Compensation Committee, Stock Option Subcommittee, Nominating/Corporate Governance Committee, the Finance Committee, and the Corporate Social Responsibility Committee) on which they served during Fiscal 2010.

The full Board held six meetings. All members attended all meetings.

The Audit Committee held nine meetings. Attendance averaged 93% amongst all members.

The Compensation Committee and its Stock Option Subcommittee held six meetings. Attendance averaged 97% amongst all members.

The Nominating/Corporate Governance Committee met six times. All members attended all meetings. On each of these occasions the Chief Executive Officer absented himself from the meeting so as to allow the outside directors to meet alone.

The Finance Committee held four meetings. All members attended all meetings.

The Corporate Social Responsibility Committee met three times. All members attended all meetings.

Committees of the Board

Committees Composed Entirely of Independent Directors

Audit

J. Thomas Presby, Chair
 Gary E. Costley
 Lawrence K. Fish
 Abby F. Kohnstamm
 Charles K. Marquis

Nominating/Corporate Governance

Charles K. Marquis, Chair
 Rose Marie Bravo
 Gary E. Costley
 Abby F. Kohnstamm
 J. Thomas Presby

Compensation

Gary E. Costley, Chair
 Rose Marie Bravo
 Abby F. Kohnstamm
 Charles K. Marquis
 Peter W. May

Stock Option Subcommittee

Gary E. Costley, Chair
 Rose Marie Bravo
 Abby F. Kohnstamm
 Charles K. Marquis
 Peter W. May

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Committees Including Non-Independent Directors

Finance

William A. Shutzer, Chair
Lawrence K. Fish
Peter W. May

Corporate Social Responsibility

Lawrence K. Fish, Chair
Abby F. Kohnstamm
Michael J. Kowalski

Dividend

Michael J. Kowalski

Nominating/Corporate Governance Committee

The primary function of the Nominating/Corporate Governance Committee is to assist the Board in matters of corporate governance. The Nominating/Corporate Governance Committee operates under the charter adopted by the Board. The charter may be viewed on the Company's website, www.tiffany.com, by clicking Investors at the bottom of the page, and then selecting Corporate Governance from the left-hand column. Under its charter, the role of the Nominating/Corporate Governance Committee includes recommending to the Board:

- Policies on the composition of the Board;
- Criteria for the selection of nominees for election to the Board;
- Nominees to fill vacancies on the Board;
- Nominees for election to the Board;
- Director compensation; and
- Management succession.

Submitting Candidate Names

If you would like to submit the name of a candidate for the Nominating/Corporate Governance Committee to consider as a nominee of the Board for director, you may send your submission at any time to the Nominating/Corporate Governance Committee, c/o Mr. Patrick B. Dorsey, Corporate Secretary (Legal Department), Tiffany & Co., 727 Fifth Avenue, New York, New York 10022.

Process for Identifying and Evaluating Nominees for Director

The Nominating/Corporate Governance Committee evaluates candidates recommended by stockholders in the same manner as it evaluates director candidates suggested by others, including those recommended by director search firms. See our Corporate Governance Principles which are available on our website www.tiffany.com (click Investors at the bottom of the page, then select Corporate Governance from the left-hand column) and as Appendix I to this Proxy Statement. In accordance with these principles, candidates for director shall be selected on the basis of their business experience and expertise, with a view to supplementing the business experience and expertise of management and adding further substance and insight into board discussions and oversight of management.

The policy is implemented through discussions at meetings of the Nominating/Corporate Governance Committee and through specifications provided to director search firms when such firms are retained. The Nominating/Corporate Governance Committee has no procedure or means of assessing the effectiveness of this policy other than the process described under Self-Evaluation below.

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The Nominating/Corporate Governance Committee has no other policy with regard to the consideration of diversity in identifying director nominees.

Dividend Committee

The Dividend Committee declares regular quarterly dividends in accordance with the dividend policy established by the Board. The Dividend Committee acts by unanimous written consent. Mr. Kowalski is the sole member of the Dividend Committee.

Compensation Committee

The primary function of the Compensation Committee is to assist the Board in compensation matters. The Compensation Committee operates under its charter which may be viewed on the Company's website, www.tiffany.com, by clicking Investors at the bottom of the page, and then selecting Corporate Governance from the left-hand column. Under its charter, the Compensation Committee's responsibilities include:

Approval of remuneration arrangements for executive officers; and

Approval of compensation plans in which officers and employees of Tiffany are eligible to participate.

Compensation for the non-management members of the Board is set by the Board with advice from the Nominating/Corporate Governance Committee.

Role of Compensation Consultants

Pay Governance LLC is retained by the Compensation Committee to provide advice with respect to the amount and form of executive compensation. This firm also provides advice to the Nominating/Corporate Governance Committee with respect to director compensation.

The decision to retain Pay Governance LLC was made by the Committee Chair. Management recommended the predecessor firm of Pay Governance LLC (Towers Watson, from which Pay Governance LLC was spun off and is now independent) and has assisted in arranging meetings between Pay Governance LLC and the Committee.

Pay Governance LLC performs two functions for the Compensation Committee. First, it prepares and discusses with the Committee an annual competitive compensation analysis with respect to the executive officers positions. The use of this analysis is discussed in COMPENSATION DISCUSSION AND ANALYSIS, Competitive Compensation Analysis on Page PS-44. Second, Pay Governance LLC recommends compensation initiatives to the Compensation Committee, including the structure of long- and short-term compensation components (including both equity and non-equity components) and the relative value that each component should constitute within the total portfolio of executive compensation.

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Pay Governance LLC does not consult with management on compensation to be paid to non-executive employees. The Compensation Committee has told Pay Governance LLC that it is to act independently of management and only at the direction of the Committee and that its ongoing engagement is determined solely by the Compensation Committee.

For additional information regarding the operation of the Compensation Committee, including the role of consultants and management in the process of determining the amount and form of executive compensation, see Compensation Committee Process beginning on page PS-46 of the Compensation Discussion and Analysis below. The Compensation Committee's report appears on page PS-48.

Stock Option Subcommittee

The Stock Option Subcommittee determines the grant of options, restricted stock units, cash incentive awards and other matters under our 2005 Employee Incentive Plan. All members of the Compensation Committee are members of this subcommittee.

Compensation Committee Interlocks and Insider Participation

No director serving on the Compensation Committee or its Stock Option Subcommittee during any part of Fiscal 2010 was, at any time either during or before such fiscal year, an officer or employee of Tiffany & Co. or any of its subsidiaries. No interlocking relationship exists between the Board or Compensation Committee and the board of directors or compensation committee of any other company, nor has any interlocking relationship existed during Fiscal 2010.

Audit Committee

The Company's Audit Committee is an audit committee established in accordance with Section 3(a)-(58)(A) of the Securities Exchange Act of 1934. The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Company's financial matters. The Audit Committee operates under a charter adopted by the Board; that charter may be viewed on the Company's website, www.tiffany.com, by clicking Investors at the bottom of the page and then selecting Corporate Governance from the left-hand column. Under its charter, the Audit Committee's responsibilities include:

- Retaining and terminating the Company's independent registered public accounting firm, reviewing the quality-control procedures and independence of such firm and evaluating their proposed audit scope, performance and fee arrangements;

- Approving in advance all audit and non-audit services to be rendered by the independent registered public accounting firm;

- Reviewing the adequacy of our system of internal control over financial reporting;

- Establishing procedures for complaints regarding accounting, internal accounting controls or auditing matters; and

- Conducting a review of our financial statements and audit findings in advance of filing, and reviewing in advance proposed changes in our accounting principles.

The Board has determined that all members of the Audit Committee are financially literate, that at least one member of the Audit Committee meets the New York Stock Exchange standard of having accounting or related financial management expertise, and that Mr. Presby meets the SEC criteria of an audit committee financial expert. Mr. Presby is an active and honorary member of the AICPA and a board member of the New York Chapter of the National Association of Corporate Directors. He chairs the audit committees of four public companies in addition to that of the TIFFANY & CO.

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Company. In view of Mr. Presby's full-time commitment to work as an independent director, the Board has determined that his simultaneous service on five audit committees will not impair his ability to effectively serve on the Company's Audit Committee. The report of the Audit Committee is on page PS-23.

Finance Committee

The Board formed the Finance Committee to assist the Board with its oversight of the Company's capital structure, dividend policy, repurchase of the Company's common stock, debt and equity financings, and the retention of investment bankers and other financial advisors to the Board. The Finance Committee operates under the charter adopted by the Board. The charter may be viewed on the Company's website, www.tiffany.com, by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance" from the left-hand column.

Corporate Social Responsibility Committee

The Board formed the Corporate Social Responsibility Committee to assist the Board with its oversight of the Company's policies and practices involving the environment, vendor workplace conditions and employment practices, community affairs, sustainable product sourcing, corporate charitable giving, governmental relations, political activities and diversity in employment. The Corporate Social Responsibility Committee operates under the charter adopted by the Board. The charter may be viewed on the Company's website, www.tiffany.com, by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance".

Self-Evaluation

The independent directors who serve on the Board conduct an annual evaluation of the workings and efficiency of the Board and of each of the Board committees on which they serve and make recommendations for change, if required.

Resignation on Job Change or New Directorship

Under the Company's Corporate Governance Principles, a director must submit a letter of resignation to the Nominating/Corporate Governance Committee on a change in employment or significant change in job responsibilities and upon accepting or resolving to accept a directorship with another public company. The Committee may either accept or reject such resignation, but must act within 10 days after considering, in light of the circumstances, the continued appropriateness of the continued service of the director.

Board Leadership Structure

The offices of Chairman of the Board and Chief Executive Officer are held by the same person, Michael J. Kowalski. The Company has a lead independent director (also referred to as "presiding independent director"). Charles K. Marquis occupies such position by virtue of his chairmanship of the Nominating/Corporate Governance Committee. Mr. Kowalski organizes a preliminary agenda for each board meeting and submits it for the approval of the lead independent director.

The lead independent director chairs meetings of the independent and non-management directors (including meetings of the Nominating/Corporate Governance Committee) and during those

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meetings solicits the comments and suggestions of the independent directors and other non- management directors with respect to the agenda for Board meetings, the information to be provided by management and the quality of the discussions and decision-making process.

The Nominating/Corporate Governance Committee deems the existing structure appropriate in the context of the existing board size, the tenure of the directors with the Company, the overall experience of the directors and the experience that the directors have had with Mr. Kowalski and the executive management group.

Mr. Kowalski has served as Chairman of the Board since the start of Fiscal 2003 and the directors have had the opportunity during that time to assess his skills at moderating discussions during meetings, his responsiveness to the Board's suggestions for the agenda and the information provided by management to the directors.

The Nominating/Corporate Governance Committee may reassess the appropriateness of the existing leadership structure at any time, including following changes in management, in board composition or in the scope or complexity of the Company's operations.

Board Role in Risk Oversight

The Board believes (i) that management is responsible to manage the various risks that may arise in the Company's operations and (ii) that the Board has a role in overseeing management in the risk management function.

Management's approach to risk management includes systems of authorities and approval levels; internal control checks and balances; analytical methods for making and evaluating decisions; planning for annual business growth and profitability; strategic pl