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

FORM 8-K

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

Date of report (date of earliest event reported): April 8, 2014 (March 20, 2014)

Lands' End, Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-09769	36-2512786
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

1 Lands' End Lane Dodgeville, Wisconsin	53595
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (608) 935-9341

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Transaction Agreements

On April 4, 2014, in connection with the separation of the Lands' End business from the rest of its businesses by means of a distribution to Sears Holdings stockholders of 100% of the outstanding shares of common stock, par value $0.01 per share, of Lands' End (the "spin-off"), Lands' End, Inc., a Delaware corporation ("Lands' End" or the "Company"), entered into several agreements with Sears Holdings Corporation, a Delaware corporation ("Sears Holdings"), or its subsidiaries that govern the relationship of the parties following the spin-off, including the following:

- Separation and Distribution Agreement
- Transition Services Agreement
- Tax Sharing Agreement
- Master Lease Agreement
- Master Sublease Agreement
- Lands' End Shops at Sears Retail Operations Agreement
- Shop Your Way Retail Establishment Agreement
- Financial Services Agreement
- Buying Agency Agreement

A summary of the material terms of these agreements can be found in the section entitled "Certain Relationships and Related Person Transactions" in the Information Statement, dated March 18, 2014, filed as Exhibit 99.1 to this Current Report on Form 8-K, which is incorporated herein by reference. The summary is qualified in its entirety by reference to the Separation and Distribution Agreement, Transition Services Agreement, Tax Sharing Agreement, Master Lease Agreement, Master Sublease Agreement, Lands' End Shops at Sears Retail Operations Agreement, Shop Your Way Retail Establishment Agreement, Financial Services Agreement and Buying Agency Agreement filed as Exhibits 2.1, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7 and 10.8, respectively, to this Current Report on Form 8-K, each of which is incorporated herein by reference.

Debt Arrangements

In connection with the spin-off, Lands' End entered into an ABL credit agreement, dated as of April 4, 2014, with Bank of America, N.A. (the "ABL Credit Agreement"), which provides for maximum borrowings of $175 million for Lands' End, subject to a borrowing base, with a $30 million subfacility for a United Kingdom subsidiary borrower of Lands' End (the "UK Borrower" and such facility, the "ABL Facility"). The ABL Facility has a letter of credit sub-limit

of $70 million for domestic letters of credit and a letter of credit sub-limit of $15 million for letters of credit for the UK Borrower. The ABL Facility is available for working capital and other general corporate purposes, and was undrawn at the closing of the spin-off, other than for letters of credit.

Also on April 4, 2014, Lands' End entered into a term loan credit agreement with Bank of America, N.A. (the "Term Loan Credit Agreement"), which provides a term loan facility of $515 million (the "Term Loan Facility" and, together with the ABL Facility, the "Facilities"), the proceeds of which were used to pay a dividend of $500 million to a subsidiary of Sears Holdings immediately prior to the consummation of the spin-off and to pay fees and expenses associated with the Facilities of approximately $10 million, with the remaining proceeds to be used for general corporate purposes.

Maturity; Amortization and Prepayments

The ABL Facility will mature on April 4, 2019. The Term Loan Facility will mature on April 4, 2021 and will amortize at a rate equal to 1% per annum, and is subject to mandatory prepayment in an amount equal to a percentage of the borrower's excess cash flows in each fiscal year, ranging from 0% to 50% depending on Lands' End's secured leverage ratio, and with the proceeds of certain asset sales and casualty events.

Guarantees; Security

All domestic obligations under the Facilities are unconditionally guaranteed by Lands' End and, subject to certain exceptions, each of its existing and future direct and indirect domestic subsidiaries. In addition, the obligations of the UK Borrower under the ABL Facility are guaranteed by its existing and future direct and indirect subsidiaries organized in the United Kingdom. The ABL Facility is secured by a first priority security interest in certain working capital of the borrowers and guarantors consisting primarily of accounts receivable and inventory. The Term Loan Facility is secured by a second priority security interest in the same collateral, with certain exceptions.

The Term Loan Facility also is secured by a first priority security interest in certain property and assets of the borrowers and guarantors, including certain fixed assets and stock of subsidiaries. The ABL Facility is secured by a second priority security interest in the same collateral.

Interest; Fees

The interest rates per annum applicable to the loans under the Facilities are based on a fluctuating rate of interest measured by reference to, at the borrowers' election, either (1) an adjusted London inter-bank offered rate ("LIBOR") plus a borrowing margin, or (2) an alternative base rate plus a borrowing margin. The borrowing margin is fixed for the Term Loan Facility at 3.25% in the case of LIBOR loans and 2.25% in the case of base rate loans. The borrowing margin for the ABL Facility is subject to adjustment based on the average excess availability under the facility for the preceding fiscal quarter, and will range from 1.50% to 2.00% in the case of LIBOR borrowings and will range from 0.50% to 1.00% in the case of base rate borrowings.

Customary agency fees are payable in respect of both facilities. The ABL Facility fees also include (1) commitment fees, based on a percentage ranging from approximately 0.25% to 0.375% of the daily unused portions of the facility, and (2) customary letter of credit fees.

Representations and Warranties; Covenants

The Facilities contain various representations and warranties and restrictive covenants that, among other things and subject to specified exceptions, restrict the ability of Lands' End and its subsidiaries to incur indebtedness (including guarantees), grant liens, make investments, make dividends or distributions with respect to capital stock, make prepayments on other indebtedness, engage in mergers or change the nature of their business. In addition, if excess availability under the ABL Facility falls below below the greater of 10% of the loan cap amount or $15 million, Lands' End will be required to comply with a minimum fixed charge coverage ratio of 1.0 to 1.0. The Facilities do not otherwise contain financial maintenance covenants.

Both Facilities contain certain affirmative covenants, including reporting requirements such as delivery of financial statements, certificates and notices of certain events, maintaining insurance, and providing additional guarantees and collateral in certain circumstances.

Events of Default

The Facilities include customary events of default including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties, cross default to certain other material indebtedness, bankruptcy and insolvency events, invalidity or impairment of guarantees or security interests, material judgments and change of control.

The preceding summary of the debt arrangements is qualified in its entirety by reference to the ABL Credit Agreement, the Term Loan Credit Agreement, the ABL Guaranty and Security Agreement and the Term Loan Guarantee and Security Agreement, filed as Exhibits 4.1, 4.2, 4.3 and 4.4, respectively, to this Current Report on Form 8-K, each which is incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information under the heading "Debt Arrangements" in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 14, 2013, when Lands' End's Registration Statement on Form 10 (File No. 001-09769), initially filed with the SEC on December 6, 2013, as amended, was declared effective, the Board of Directors of Lands' End (the "Board") consisted of Edgar O. Huber as the sole director. On March 20, 2014, Josephine Linden and Tracy Gardner were appointed to the Board.

In connection with the spin-off, on April 3, 2014, Elizabeth Darst Leykum, Jignesh M. Patel and Jonah Staw were appointed to the Board. Ms. Leykum was appointed as Chairman of the Board.

Mses. Linden, Gardner and Leykum were each appointed to the Compensation Committee of the Board on April 3, 2014. Mrs. Linden was appointed as Chair of the Compensation Committee.

Also on April 3, 2014, Ms. Leykum and Mr. Patel were each appointed to the Nominating and Governance Committee of the Board. Ms. Leykum was appointed as Chair of the Nominating and Governance Committee.

Each of the foregoing directors will hold office until the next annual meeting of stockholders of the Company, or until their respective successors are duly elected and qualified. There is no arrangement or understanding between any of the foregoing directors and any other person pursuant to which they were selected as directors. In addition, there are no transactions in which any of the foregoing directors has an interest that are required to be disclosed under Item 404(a) of Regulation S-K. Each of the foregoing directors will be compensated for his or her service on the Board. For a description of the Company's director compensation program, see "Compensation of Directors" in the Information Statement filed as Exhibit 99.1 to this Current Report on Form 8-K.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

In connection with the spin-off, effective March 20, 2014, Lands' End adopted its Amended and Restated Bylaws (the "Bylaws"). A description of the material provisions of the Bylaws is included under the section "Description of Our Capital Stock" in the Information Statement, which is incorporated herein by reference. The description is qualified in its entirety by reference to the Amended and Restated Bylaws filed as Exhibit 3.1 to this Current Report on Form 8-K, which is incorporated herein by reference.

Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

In connection with the spin-off, effective April 3, 2014, the Board adopted Corporate Governance Guidelines, the Lands' End, Inc. Code of Conduct and the Board of Directors Code of Conduct. A copy of the Company's Corporate Governance Guidelines, the Lands' End, Inc. Code of Conduct and the Board of Directors Code of Conduct are available under the Investor Relations section of its website, www.landsend.com, and are filed as Exhibits 14.1, 14.2 and 14.3, respectively, to this Current Report on Form 8-K, each of which is incorporated herein by reference.

Item 8.01 Other Events

A copy of the press release issued by Sears Holdings on April 5, 2014 announcing completion of the spin-off is filed as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 8.01 of this Current Report (including Exhibit 99.2) is furnished pursuant to Item 7.01 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of the Section. The information in this Current Report shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933, as amended. By filing this report on Form 8-K and furnishing this information, the Company makes no admission as to the materiality of any information in this report that the Company chooses to disclose solely because of Regulation FD.

Safe Harbor Statement

Statements contained in Exhibit 99.2 to this report that state the Company's or its management's expectations or predictions of the future are forward-looking statements intended to be covered by the safe harbor provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Factors that could affect those results include those mentioned in the documents that the Company has filed with the Securities and Exchange Commission.

The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although the Company may do so from time to time as management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Exhibit Description
2.1	Separation and Distribution Agreement, dated as of April 4, 2014, by and between Sears Holdings Corporation and Lands' End, Inc.
3.1	Amended and Restated Bylaws of Lands' End, Inc.
4.1	ABL Credit Agreement, dated as of April 4, 2014, by and between Lands' End, Inc. (as the Domestic Borrower), Lands' End Europe Limited (as the UK Borrower), Bank of America, N.A. (as Administrative Agent and Collateral Agent), the Other Lenders party thereto, Bank of America, N.A. and GE Capital Markets, Inc. (as Joint Lead Arrangers and Joint Bookrunners), General Electric Capital Corporation (as Syndication Agent) and Bank of Montreal (as Documentation Agent).
4.2	Term Loan Credit Agreement, dated as of April 4, 2014, among Lands' End, Inc. (as the Borrower), Bank of America, N.A. (as Administrative Agent and Collateral Agent and as Arranger and Bookrunner) and the Lenders party thereto.

4.3	Guaranty and Security Agreement, dated as of April 4, 2014, among Lands' End, Inc. (as Domestic Borrower) and certain of its wholly-owned subsidiaries, each as a Grantor, the other grantors from time to time party thereto and Bank of America, N.A., as Agent.
4.4	Term Loan Guarantee and Security Agreement, dated as of April 4, 2014, among Lands' End, Inc., as Borrower and certain of its wholly-owned subsidiaries, each as a Grantor, the other grantors from time to time party thereto and Bank of America, N.A., as Agent.
10.1	Transition Services Agreement, dated as of April 4, 2014, by and between Sears Holdings Management Corporation and Lands' End, Inc.
10.2	Tax Sharing Agreement, dated as of April 4, 2014, by and between Sears Holdings Corporation and Lands' End, Inc.
10.3	Master Lease Agreement, dated as of April 4, 2014, by and between Sears, Roebuck and Co. and Lands' End, Inc.†
10.4	Master Sublease Agreement, dated as of April 4, 2014, by and between Sears, Roebuck and Co. and Lands' End, Inc.†
10.5	Lands' End Shops at Sears Retail Operations Agreement, dated as of April 4, 2014, by and between Sears, Roebuck and Co. and Lands' End, Inc.
10.6	Shop Your Way℠ Retail Establishment Agreement, dated as of April 4, 2014, by and between Sears Holdings Management Corporation and Lands' End, Inc.†
10.7	Financial Services Agreement, dated as of April 4, 2014, by and between Sears Holdings Management Corporation and Lands' End, Inc.
10.8	Buying Agency Agreement, dated as of April 4, 2014, by and between Sears Holdings Global Sourcing, Ltd. and Lands' End, Inc.
14.1	Corporate Governance Guidelines.
14.2	Lands' End, Inc. Code of Conduct.
14.3	Board of Directors Code of Conduct.
99.1	Information Statement of Lands' End, Inc., dated March 18, 2014.
99.2	Press Release, dated April 5, 2014.

† Confidential treatment granted as to certain terms in this agreement; these terms have been omitted from this filing and filed separately with the Securities and Exchange Commission.

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 7, 2014

LANDS' END, INC.

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: Senior Vice President, General Counsel and Corporate Secretary

Exhibit Index

Exhibit Number	Exhibit Description
2.1	Separation and Distribution Agreement, dated as of April 4, 2014, by and between Sears Holdings Corporation and Lands' End, Inc.
3.1	Amended and Restated Bylaws of Lands' End, Inc.
4.1	ABL Credit Agreement, dated as of April 4, 2014, by and between Lands' End, Inc. (as the Domestic Borrower), Lands' End Europe Limited (as the UK Borrower), Bank of America, N.A. (as Administrative Agent and Collateral Agent), the Other Lenders party thereto, Bank of America, N.A. and GE Capital Markets, Inc. (as Joint Lead Arrangers and Joint Bookrunners), General Electric Capital Corporation (as Syndication Agent) and Bank of Montreal (as Documentation Agent).
4.2	Term Loan Credit Agreement, dated as of April 4, 2014, among Lands' End, Inc. (as the Borrower), Bank of America, N.A. (as Administrative Agent and Collateral Agent and as Arranger and Bookrunner) and the Lenders party thereto.
4.3	Guaranty and Security Agreement, dated as of April 4, 2014, among Lands' End, Inc. (as Domestic Borrower) and certain of its wholly-owned subsidiaries, each as a Grantor, the other grantors from time to time party thereto and Bank of America, N.A., as Agent.
4.4	Term Loan Guarantee and Security Agreement, dated as of April 4, 2014, among Lands' End, Inc., as Borrower and certain of its wholly-owned subsidiaries, each as a Grantor, the other grantors from time to time party thereto and Bank of America, N.A., as Agent.
10.1	Transition Services Agreement, dated as of April 4, 2014, by and between Sears Holdings Management Corporation and Lands' End, Inc.
10.2	Tax Sharing Agreement, dated as of April 4, 2014, by and between Sears Holdings Corporation and Lands' End, Inc.
10.3	Master Lease Agreement, dated as of April 4, 2014, by and between Sears, Roebuck and Co. and Lands' End, Inc.†
10.4	Master Sublease Agreement, dated as of April 4, 2014, by and between Sears, Roebuck and Co. and Lands' End, Inc.†
10.5	Lands' End Shops at Sears Retail Operations Agreement, dated as of April 4, 2014, by and between Sears, Roebuck and Co. and Lands' End, Inc.
10.6	Shop Your Way℠ Retail Establishment Agreement, dated as of April 4, 2014, by and between Sears Holdings Management Corporation and Lands' End, Inc.†
10.7	Financial Services Agreement, dated as of April 4, 2014, by and between Sears Holdings Management Corporation and Lands' End, Inc.
10.8	Buying Agency Agreement, dated as of April 4, 2014, by and between Sears Holdings Global Sourcing, Ltd. and Lands' End, Inc.
14.1	Corporate Governance Guidelines.
14.2	Lands' End, Inc. Code of Conduct.
14.3	Board of Directors Code of Conduct.
99.1	Information Statement of Lands' End, Inc., dated March 18, 2014.
99.2	Press Release, dated April 5, 2014.

† Confidential treatment granted as to certain terms in this agreement; these terms have been omitted from this filing and filed separately with the Securities and Exchange Commission.

Exhibit 2.1

SEPARATION AND DISTRIBUTION AGREEMENT

BY AND BETWEEN

SEARS HOLDINGS CORPORATION

AND

LANDS' END, INC.

DATED AS OF APRIL 4, 2014

TABLE OF CONTENTS

SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT (this "Agreement") is made as of April 4, 2012, by and between Sears Holdings Corporation, a Delaware corporation ("SHC"), and Lands' End, Inc., a Delaware corporation and, prior to the Distribution, an indirect wholly owned subsidiary of SHC ("LE"). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

WHEREAS, the board of directors of SHC (the "SHC Board") has determined that it is in the best interests of SHC and its stockholders to separate the LE Business from the rest of SHC;

WHEREAS, in furtherance of the foregoing, the SHC Board has determined that it is appropriate and desirable for SHC and certain of its Subsidiaries to enter into a series of transactions in the manner provided in this Agreement and the Ancillary Agreements whereby (x) SHC will, directly or indirectly through its Subsidiaries, own all of the SHC Assets and assume (or retain) all of the SHC Liabilities, and (y) LE will, directly or indirectly through its Subsidiaries, own all of the LE Assets and assume (or retain) all of the LE Liabilities, in each case as more fully described in this Agreement and the Ancillary Agreements;

WHEREAS, SHC currently intends that, on the Distribution Date, SHC shall distribute to holders of shares of SHC common stock, through a spin-off, all of the outstanding shares of LE Common Stock, as more fully described in this Agreement and the Ancillary Agreements (the "Distribution");

WHEREAS, the Distribution and certain related transactions, taken together, are intended to qualify as a reorganization under Sections 355 and 368 of the Code for U.S. federal income tax purposes; and

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the Distribution and certain other agreements that will govern certain matters relating to the Separation and the Distribution and the relationship of SHC, LE and their respective Subsidiaries, following the Distribution;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, SHC and LE hereby agree as follows:

ARTICLE I.

DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

"2011 SHC LTIP" has the meaning set forth in Section 7.4(b)(i).

"2012 SHC LTIP" has the meaning set forth in Section 7.4(b)(i).

"2013 SHC LTIP" has the meaning set forth in Section 7.4(b)(i).

"AAA Commercial Arbitration Rules" has the meaning set forth in Section 11.3(a).

"Action" means any written demand, claim, counterclaim, action, dispute, suit, arbitration, inquiry, subpoena, proceeding or investigation, of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise), in each case, by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" means (solely for purposes of this Agreement and for no other purpose) (i) with respect to LE, its Subsidiaries, and (ii) with respect to SHC, its Subsidiaries; provided, however, that except where the context indicates otherwise, only for purposes of this Agreement and for no other purpose, from and after the Effective Time (1) no SHC Entity shall be deemed to be an Affiliate of any LE Entity and (2) no LE Entity shall be deemed to be an Affiliate of any SHC Entity.

"Agreement" has the meaning set forth in the Preamble.

"Ancillary Agreements" means (i) the Tax Sharing Agreement; (ii) the Transition Services Agreement; (iii) the Master Lease Agreement; (iv) the Master Sublease Agreement; (v) the LES Agreement; (vi) the SYW Agreement; (vii) the Financial Services Agreement; (viii) the Co-Location and Services Agreement; (ix) the Buying Agency Agreement; (x) the Call Center Services Agreement; (xi) the Sears Marketplace Seller Agreement; (xii) the Gift Card Services Agreement; and (xiii) the Implementation Documents.

"Applicable Law" means all applicable laws, ordinances, regulations, rules, and court and administrative orders and decrees of all national, regional, state, local and other governmental units (whether domestic or foreign) that have jurisdiction in the given circumstances.

"Assets" means, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other Persons or elsewhere), of every kind, character, and description, whether tangible or intangible, real, personal or mixed, or accrued or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including the following:

(i) all accounting and other Records, whether in paper, microfilm, microfiche, computer tape or disk, magnetic tape, electronic or any other form;

(ii) all apparatus, computers and other electronic data processing and communications equipment, fixtures, electronic kiosks, machinery, equipment, furniture, office equipment, automobiles, trucks, vessels, motor vehicles and other transportation equipment, special and general tools, test devices, prototypes and models and other tangible personal property;

(iii) all inventories of materials, parts, raw materials, components, supplies, work-in-process and finished goods and products;

(iv) all Real Property Assets;

(v) all interests in any capital stock or other equity interests of any Subsidiary or any other Person, all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person, all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person and all other investments in securities of any Person, and all rights as a partner, joint venturer or participant;

(vi) all licenses and leases of personal property, open purchase orders for raw materials, supplies, parts or services, unfilled orders for the manufacture and sale of products and other Contracts, agreements or commitments and all rights arising thereunder;

(vii) all deposits, letters of credit and performance and surety bonds;

(viii) all written (including in electronic form) or oral technical Information, data, specifications, research and development Information, engineering drawings and specifications, operating and maintenance manuals, and materials and analyses prepared by consultants and other third parties;

(ix) all Intellectual Property;

(x) all Software;

(xi) all Information;

(xii) all prepaid expenses, trade accounts and other accounts and notes receivable;

(xiii) all rights under Contracts, all claims or rights against any Person arising from the ownership of any Asset, all rights in connection with any bids or offers and all claims, choses in action or similar rights, whether accrued or contingent, whether in tort, contract or otherwise and whether arising by way of counterclaim or otherwise;

(xiv) subject to Section 8.1(b), all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(xv) all licenses, permits, approvals and authorizations which have been issued by any Governmental Authority and all pending applications therefor;

(xvi) all cash or cash equivalents, bank accounts, lock boxes and other deposit arrangements;

(xvii) all assets of any Benefit Plan sponsored or maintained by such Person (except as provided in Section 7.6 with respect to the LE Retiree Program and the Sears Holdings Master Retiree Medical Plan); and

(xviii) all goodwill as a going concern and other intangible properties.

"Balance Sheet Date" means the date of the Reference Balance Sheet.

"Benefit Plan" means, with respect to an entity, each plan, program, policy, agreement, arrangement or understanding that is a deferred compensation, executive compensation, incentive bonus or other bonus, pension, profit sharing, savings, retirement, severance pay, salary continuation, life, death benefit, health, hospitalization, sick leave, vacation pay, disability or accident insurance or other employee benefit plan, program, agreement or arrangement, including any "employee benefit plan" (as defined in Section 3(3) of ERISA) sponsored, maintained or contributed to by such entity or to which such entity is a party or under which such entity has any obligation; provided that no SHC Restricted Stock Award, nor any plan under which any such SHC Restricted Stock Award is granted, shall constitute a "Benefit Plan" under this Agreement.

"Business" means either the LE Business or the SHC Business, as the context requires.

"Business Day" means any day that is not a Saturday, a Sunday or any other day on which banks are required or authorized by Applicable Law to remain closed in the New York, New York.

"Buying Agency Agreement" means the Buying Agency Agreement, dated as of the date hereof, by and between Sears Holdings Global Sourcing, Ltd. and LE, as such agreement may be amended, modified or waived from time to time.

"Call Center Services Agreement" means the Shop Your Way Rewards Program Statement of Work (SOW), dated as of November 1, 2012 by and between SHMC and LE, as such agreement may be amended, modified or waived from time to time.

"COBRA" means the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as codified at Section 601 et seq. of ERISA and at Section 4980B of the Code, as amended, and the regulations promulgated thereunder.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Co-Location and Services Agreement" means the Services Agreement (Lands' End Co-location Services), dated as of the date hereof, by and between SHMC and LE, as such agreement may be amended, modified or waived from time to time.

"Common Privileges" has the meaning set forth in Section 5.8.

"Competitor" means, solely for purposes of this Agreement and for no other purpose, BJ's Wholesale Club, Costco Wholesale Corporation, Dillard's, Inc., Eddie Bauer, Gap Inc., J. C. Penney Company, Inc., J.Crew Group, Inc., Kohl's Corporation, L.L. Bean, Inc., Limited Brands, Inc., Limited Stores, LLC, Macy's Inc., Meijer, TJX Companies, Inc., Target Corporation, Wal-Mart Stores, Inc., Amazon.com, Inc., ebay, Inc., each other retailer that competes in any material respect with any SHC Entity, and the Competitor Affiliates of each of them.

"Competitor Affiliates" means each Person that directly or indirectly, and by whatever means, Controls, is under common Control with, or is Controlled by, a Competitor.

"Confidential Information" means all Information, whether disclosed in oral, written, visual, electronic or other form, that (i) a party hereto, its Affiliates or their Personnel (the "Disclosing Party") discloses to the other party, its Affiliates or their Personnel (the "Receiving Party"), (ii) relates to or is disclosed in connection with this Agreement (including pursuant to Section 6.1 and Section 6.2) or a party's or a party's Affiliate's business, and (iii) is designated as "confidential" by the Disclosing Party (in which event the Information is deemed to be Confidential Information) or is or reasonably should be understood by the Receiving Party to be confidential or proprietary to the Disclosing Party. The Disclosing Party's sales, pricing, costs, inventory, operations, employees, current and potential customers, financial performance and forecasts, and business plans, strategies, forecasts and analyses, as well as Information for which the Securities and Exchange Commission has granted confidential treatment pursuant to Rule 406 of Regulation C shall be deemed Confidential Information.

"Consents" means any consents, waivers or approvals from, or notification requirements to, any Person other than a Governmental Authority or a member of either Group.

"Contract" means each contract, agreement, lease, commitment, license, consensual obligation, promise or undertaking (whether written or oral and whether express or implied) that is legally binding on any Person or any part of its property under Applicable Law, including all claims or rights against any Person, choses in action and similar rights, whether accrued or contingent with respect to any such contract, agreement, lease, purchase and/or commitment, license, consensual obligation, promise or undertaking.

"Control" (including the terms "Controlled by" and "under common Control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly or as trustee, personal representative or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities or other interests, as trustee, personal representative or executor, by contract, agreement, obligation, indenture, instrument, lease, promise, credit arrangement, release, warranty, commitment, undertaking or otherwise.

"Deferred Transfer Asset" has the meaning set forth in Section 4.3(a).

"Deferred Transfer Liability" has the meaning set forth in Section 4.3(a).

"Disclosing Party" has the meaning set forth in the definition of "Confidential Information."

"Disclosure Document" means any registration statement (including the LE Registration Statement) filed with the SEC by or on behalf of any SHC Entity or LE Entity and also includes any information statement (including the Information Statement), prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether

or not filed with the SEC or any other Governmental Authority, in each case which describes the Separation or the Distribution or the LE Entities or primarily relates to the transactions contemplated by this Agreement or the Ancillary Agreements.

"Dispute" has the meaning set forth in Section 11.1.

"Dispute Meeting" has the meaning set forth in Section 11.2(a).

"Dispute Notice" has the meaning set forth in Section 11.2(a).

"Dispute Resolution Committee" has the meaning set forth in Section 11.2(a).

"Distribution" has the meaning set forth in the Recitals.

"Distribution Agent" means Computershare Trust Company, N.A.

"Distribution Date" means the date of the consummation of the Distribution, which shall be determined by SHC in its sole and absolute discretion.

"Effective Time" means the time at which SHC instructs Distribution Agent to distribute to each holder of record of shares of SHC common stock as of the Record Date, by means of a pro rata distribution, 0.300795 shares of LE Common Stock for each SHC Common Share so held pursuant to Section 3.4(a)(iii), which shall be determined by SHC in its sole and absolute discretion, on the Distribution Date.

"Encumbrance" means any security interest, pledge, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, hypothecation, mortgage, lien or encumbrance of any other nature, whether or not filed, recorded or otherwise perfected under Applicable Law.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Financial Services Agreement" means the Financial Services Agreement, dated as of the date hereof, by and between SRC and LE, as such agreement may be amended, modified or waived from time to time.

"Gift Card Services Agreement" means the Gift Card Services Agreement, dated as of January 1, 2008, between LE and SHC Promotions LLC, a Virginia limited liability company, and successor to SHC Promotions, Inc., and the First Amendment thereto, dated as of the date hereof, as such agreement may be amended, modified or waived from time to time.

"Good Faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing in accordance with Applicable Law.

"Governmental Approvals" means any notices or reports to be submitted to, or other filings to be made with, or any consents, registrations, approvals, permits or authorizations to be obtained from, any Governmental Authority.

"Governmental Authority" means any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other legislative, judicial, regulatory, administrative or governmental authority.

"Group" means the SHC Entities or the LE Entities, as the context requires.

"Implementation Documents" has the meaning set forth in Section 4.1.

"Indemnified Party" has the meaning set forth in Section 10.5(a).

"Indemnifying Party" has the meaning set forth in Section 10.5(a).

"Indemnity Payment" has the meaning set forth in Section 10.5(a).

"Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including, studies, reports, records, books, Contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, artwork, design, research and development files, formulations and specifications, quality records and reports, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer information, cost information, sales and pricing data, customer prospect lists, supplier records and vendor data, correspondence and lists, product data and literature, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information, documents or data.

"Information Statement" means the information statement to be sent to each holder of shares of SHC common stock in connection with the Distribution, as filed with the SEC, as such information statement may be amended or supplemented from time to time prior to the Effective Time.

"Insurance Proceeds" means those monies (i) received by an insured or reinsured from an insurer or reinsurer, (ii) paid by an insurer or reinsurer on behalf of the insured or reinsured or (iii) received (including by way of set-off) from any Third Party in the nature of insurance, contribution or indemnification in respect of any Liability; in any such case net of any applicable premium adjustments (including, retrospectively rated premium adjustments) and net of any self-insured retention, deductible or other form of self-insurance and net of any third party costs or expenses incurred in the collection thereof.

"Intellectual Property" means all right, title and interest in or relating to intellectual property or industrial property, whether arising under the law of the United States or any other country or any political subdivision thereof or multinational laws or any other law, including, (i) patents, patent applications, and all divisionals, continuations and continuations-in-part

thereof, together with all reissues, reexaminations, renewals and extensions thereof and all rights to obtain such divisionals, continuations and continuations-in-part, reissues, reexaminations, renewals and extensions, and all utility models and statutory invention registrations and any other such analogous rights, (ii) trademarks, service marks, Internet domain names, trade dress, trade styles, logos, trade names, services names, brand names, corporate names, assumed business names and general intangibles and other source identifiers of a like nature, together with the goodwill associated with any of the foregoing, and all registrations and applications for registrations thereof, together with all renewals and extensions thereof and all rights to obtain such renewals and extensions, (iii) copyrights, mask work rights, database and design rights, moral rights and rights in Internet websites, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof and all applications in connection therewith, together with all renewals, continuations, reversions and extensions thereof and all rights to obtain such renewals, continuations, reversions and extensions and (iv) confidential and proprietary Information, including, trade secrets and know-how. "Intellectual Property" also includes all goodwill associated with Intellectual Property and the right to sue and recover at law or in equity for past, present and future infringement, misappropriation, dilution, violation or other impairment of such Intellectual Property and all license agreements (including, licenses from or to third parties in respect of Intellectual Property).

"Intercompany Accounts" means all intercompany receivables and payables between one or more of the LE Entities, on the one hand, and one or more of the SHC Entities, on the other hand.

"Intercompany Agreements" means this Agreement, the Ancillary Agreements and the other agreements, arrangements, commitments or understandings, whether or not in writing, between one or more of the LE Entities, on the one hand, and one or more of the SHC Entities, on the other hand.

"Internal Control Audit and Management Assessments" has the meaning set forth in Section 6.2.

"Internal Transactions" has the meaning set forth in Section 3.3.

"Joint Litigation Matter" means each Action (i) in which both a LE Entity and a SHC Entity are named as defendants or in which one or more officers or directors of any LE Entity and one or more officers or directors of any SHC Entity are named as defendants that is a LE Assumed Transaction Liability or (ii) that primarily relates to, arises out of or results from the LE Business, the LE Liabilities, the LE Assets (including product returns and other product Liability, litigation matters that have been commenced on or before the Effective Time and any Liabilities relating to, arising out of or resulting from the items set forth on Schedule B) or any actions, inactions, events, omissions, conditions, facts or circumstances by or under the control of a LE Entity that SHC believes (in its sole and absolute discretion) the unfavorable resolution of which could have an adverse effect on any SHC Entity or any of its Businesses; provided that for the avoidance of doubt, none of the Actions set forth on Schedule D (or any Actions arising out of such Actions or relating thereto) shall be deemed Joint Litigation Matters.

"LE" has the meaning set forth in the Preamble.

"LE 2013 Cash LTI" has the meaning set forth in Section 7.4(b)(ii).

"LE Annual Report" has the meaning set forth in Section 6.1(b).

"LE Assets" means:

(i) all issued and outstanding capital stock or other equity interests in all the LE Entities other than the LE Common Stock;

(ii) all Assets of any SHC Entity or LE Entity included or reflected on the Reference Balance Sheet, subject to any dispositions of such Assets subsequent to the Balance Sheet Date; provided that the amounts set forth on the Reference Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of LE Assets pursuant to this clause (ii);

(iii) all Assets of any SHC Entity or LE Entity as of the Effective Time that are of a nature or type that would have been reflected on the combined balance sheet of the "Company" (as such term is used in the Reference Balance Sheet) or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Assets included on the Reference Balance Sheet), it being understood that (x) the Reference Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Assets that are included in the definition of LE Assets pursuant to this subclause (iii); and (y) the amounts set forth on the Reference Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of LE Assets pursuant to this subclause (iii);

(iv) all Assets of the SHC Entities and the LE Entities as of the Effective Time that are expressly provided by this Agreement or any Ancillary Agreement as Assets to be transferred to LE or any other LE Entity;

(v) all Contracts (1) to which a LE Entity is a party as of the Effective Time or (2) with respect to the purchase of inventory attributable to the LE Business (as determined by SHC in its sole and absolute discretion) and all rights, interests or claims of either the SHC Entities or the LE Entities as of the Effective Time under all such Contracts (but excluding any Contracts to which one or more LE Entities and one or more SHC Entities are parties, if (x) the LE Entity cannot continue to exercise its rights under such Contracts independent from, and without imposing Liability (contingent or otherwise) upon, any SHC Entity or (y) the SHC Entity party thereto cannot continue to exercise its rights under such Contracts independent from any LE Entity);

(vi) all Assets of the SHC Entities and the LE Entities as of the Effective Time that are exclusively related to the LE Business;

(vii) all Intellectual Property owned by or registered to a LE Entity;

(viii) the LE Employment Agreements;

(ix) all Assets of the LE Benefit Plans; and

(x) all Assets set forth on Schedule A.

Notwithstanding the foregoing, the LE Assets shall not in any event include any Asset referred to in clauses (i) through (vi) of "SHC Assets."

"LE Assumed Transaction Liabilities" means any and all Liabilities arising from, relating to, or derivative of any Action, whether commenced prior to, on or subsequent to the Effective Time, with respect to the Separation or Distribution made or brought by any Person against any SHC Entity or LE Entity and arising from, relating to, or derivative of allegations (i) of breach of fiduciary duty by one or more of the members of LE's Board of Directors or (ii) that one or more statements made in, or one or more omissions from, the LE Registration Statement, the Information Statement (as amended or supplemented if LE shall have furnished any amendments or supplements thereto) or any other Disclosure Document, other than with respect to the matters described in Section 10.3(e), violated one or more federal or state securities laws.

"LE Benefit Plans" has the meaning set forth in Section 7.2(a).

"LE-Branded Gift Cards" has the meaning set forth in the Gift Card Services Agreement.

"LE Business" means the businesses and operations of the LE Entities, including selling casual clothing, accessories and footwear and home products via catalogs, online at *www.landsend.com* and affiliated specialty and international websites, and through retail locations, primarily at Lands' End Shops at Sears and standalone Lands' End Inlet stores, as more fully described in the LE Registration Statement. Solely with respect to "LE Business" and for purposes of Section 5.8 (Privileged Matters), Section 9.1 (Control of Legal Matters), Section 10.2 (Indemnification by LE) and determining whether a "Stockholding Change" has occurred and for no other purpose, "LE Entities" shall also include any other Persons that Control, are Controlled by or under common Control with any LE Entities and shall exclude SHC Entities.

"LE Cash Distribution" has the meaning set forth in Section 3.1(b).

"LE Common Stock" means the shares of common stock, par value $0.01 per share, of LE.

"LE Employment Agreement" means any individual employment, retention, incentive bonus, severance or other individual compensatory agreement between, as of the Effective Time, any LE Personnel, on the one hand, and any SHC Entity or LE Entity, on the other.

"LE Entities" means, collectively, LE; Lands' End Direct Merchants, Inc., a Delaware corporation; Lands' End International, Inc., a Delaware corporation; Lands' End Media Company, a Wisconsin corporation; Lands' End Japan KK, a Japanese corporation; Lands' End Japan Inc., a Delaware corporation; Lands' End Europe Ltd., a company organized under the laws of England and Wales; Lands' End GmbH, a corporation with limited liability organized under the laws of the Federal Republic of Germany; Lands' End Canada Outfitters ULP, a corporation organized under the laws of British Columbia, Canada; and all other Persons that are or hereafter become a Subsidiary of LE.

"LE Financing" has the meaning set forth in Section 3.1(b).

"LE Indemnified Party" has the meaning set forth in Section 10.3.

"LE Liabilities" means:

(i) all Liabilities included or reflected on the Reference Balance Sheet, subject to any discharge of such Liabilities subsequent to the Balance Sheet Date (including all Liabilities under outstanding purchase orders relating to LE, and, for avoidance of doubt Liabilities relating to, arising out of or resulting from LE-Branded Gift Cards); provided that the amounts set forth on the Reference Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of LE Liabilities pursuant to this subclause (i);

(ii) all Liabilities as of the Effective Time that are of a nature or type that would have been reflected on the combined balance sheet of the "Company" (as such term is used in the Reference Balance Sheet) or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Liabilities included on the Reference Balance Sheet), it being understood that (x) the Reference Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in the definition of LE Liabilities pursuant to this subclause (ii); and (y) the amounts set forth on the Reference Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of LE Liabilities pursuant to this subclause (ii);

(iii) all Liabilities relating to, arising out of or resulting from (A) the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or accrue, in each case before, at or after the Effective Time), in each case to the extent that such Liabilities relate to, arise out of or result from the LE Business, the LE Liabilities, the LE Assets (including product returns and other product Liability, litigation matters that have been commenced on or before the Effective Time and any Liabilities relating to, arising out of or resulting from the items set forth on Schedule B), (B) any actions, inactions, events, omissions, conditions, facts or circumstances by or under the control of a LE Entity or (C) all LE Litigation Matters;

(iv) all Liabilities relating to, arising out of or resulting from the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or accrue, in each case before, at or after the Effective Time), in each case to the extent that such Liabilities relate to, arise out of or result from the LE Employment Agreements;

(v) all Liabilities relating to, arising out of or resulting from the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known,

are asserted or accrue, in each case before, at or after the Effective Time), in each case to the extent that such Liabilities relate to, arise out of or result from (x) the LE Benefit Plans, (y) any special cash retention bonus awarded to LE Personnel by LE that is unvested (or accrued by unpaid) as of or after the Effective Date and (z) fiscal year 2013 attributable to LE Personnel under the LE 2013 Cash LTI;

(vi) [intentionally omitted.];

(vii) all Liabilities relating to, arising out of or resulting from the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or accrue, in each case before, at or after the Effective Time), in each case to the extent that such Liabilities relate to, arise out of or result from the LE Financing;

(viii) any and all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement (or the exhibits, schedules and appendices hereto or thereto) as Liabilities to be assumed by LE or any other LE Entity and all agreements and obligations of any LE Entity under this Agreement or any of the Ancillary Agreements;

(ix) any Liabilities for which SHC Entities are entitled to indemnification from the LE Entities pursuant to the Tax Sharing Agreement;

(x) any LE Assumed Transaction Liabilities;

(xi) all obligations with respect to LE's Personnel (and such individual Personnel's dependents, beneficiaries, alternate payees and alternate recipients, as applicable under any benefit plan), including accrued but unpaid salaries, wages, overtime, bonuses/incentives, including without limitation any incentive programs and the related payroll taxes; Liabilities for accrued but unpaid vacation, illness and other approved leaves of absence; Liabilities for insurance and pension contributions to multi-employer plans, if any, pursuant to the terms of any applicable collective bargaining agreement; any Liabilities and requirements under COBRA; all Liabilities arising out of or relating to any LE Employment Agreement and all other Liabilities with respect to the employment, service, termination (or alleged termination) of employment or termination (or alleged termination) of service of any such employee, including as provided for under Section 7.1 and Section 7.8; and

(xii) all Liabilities for claims made by any Third Party (but including directors, officers, employees or agents of any LE Entity or SHC Entity acting in their individual capacities and not in their official capacities) against any LE Entity or SHC Entity to the extent relating to, arising out of or resulting from the LE Business, the LE Liabilities or the LE Assets.

Notwithstanding the foregoing, the Liabilities relating to, arising out of or resulting from the Actions set forth on Schedule D shall not in any event be LE Liabilities but instead shall be SHC Liabilities.

"LE Litigation Matters" means such Actions that primarily relate to, arise out of or result from the LE Business, the LE Liabilities, the LE Assets (including product returns and other product Liability, litigation matters that have been commenced on or before the Effective Time and any Liabilities relating to, arising out of or resulting from the items set forth on Schedule B) or any actions, inactions, events, omissions, conditions, facts or circumstances by or under the control of a LE Entity, but in each case excluding the Actions set forth on Schedule D.

"LE LTIP" has the meaning set forth in Section 7.4(b)(i).

"LE Personnel" has the meaning set forth in Section 7.1.

"LE Pre-65 Retirees" has the meaning set forth in Section 7.6.

"LE Quarterly Report" has the meaning set forth in Section 6.1(a).

"LE Registration Statement" means the registration statement on Form 10 filed by LE with the SEC to effect the registration of LE Common Stock pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time prior to the Effective Time.

"LE Retiree Program" means the Lands' End, Inc. Retiree Program, a participating program under the Sears Holdings Master Retiree Medical Plan which had previously been administered by LE.

"LE Shops" means the Lands' End Shops at Sears business contemplated in the LES Agreement.

"LES Agreement" means the Lands' End Shops at Sears Retail Operations Agreement, dated as of the date hereof, by and between SRC and LE, as such agreement may be amended, modified or waived from time to time.

"Liabilities" or "Liability" means with respect to any Person, any and all claims, debts, demands, actions, causes of action, suits, damages, costs, obligations, accruals, accounts payable, reckonings, bonds, indemnities and similar obligations, agreements, promises, guarantees, make whole agreements and similar obligations, and other liabilities and requirements of such Person, including all contractual obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, liquidated or unliquidated, reserved or unreserved, known or unknown, or determined or determinable, whenever arising and including those arising under any Applicable Law, rule, regulation, Action, threatened or contemplated Action, order or consent decree of any Governmental Authority or any award of any arbitrator or mediator of any kind, and those arising under any Contract, including those arising under this Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person. For the avoidance of doubt, Liabilities shall include reasonable attorneys' fees, the costs and expenses of all demands, assessments, judgments, settlements and compromises, and any and all other costs and expenses whatsoever reasonably incurred in connection with anything contemplated by the preceding sentence.

"Marks" has the meaning set forth in Section 4.5.

"Master Lease Agreement" means the Master Lease Agreement, dated as of the date hereof, by and between SRC and LE, as such agreement may be amended, modified or waived from time to time.

"Master Sublease Agreement" means the Master Sublease Agreement, dated as of the date hereof, by and between SRC and LE, as such agreement may be amended, modified or waived from time to time.

"NASDAQ" means the NASDAQ Stock Market LLC.

"Non-Solicit Period" has the meaning set forth in Section 7.9(a).

"Person" means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability company, any other entity and any Governmental Authority.

"Personnel" means the officers, directors, employees, agents, suppliers, licensors, licensees, contractors, subcontractors, advisors (including attorneys, accountants, technical consultants or investment bankers) and other representatives, from time to time, of a party and its Affiliates; provided that the Personnel of the LE Entities shall not be deemed Personnel of the SHC Entities and the Personnel of the SHC Entities shall not be deemed Personnel of the LE Entities.

"Public Filings" has the meaning set forth in Section 6.1(c).

"Real Property Assets" means all interests in real property of whatever nature, including easements, whether as owner, mortgagee or holder of an Encumbrance in real property, lessor, sublessor, lessee, sublessee, licensor, licensee, sublicensor, sublicensee or otherwise.

"Receiving Party" has the meaning set forth in the definition of "Confidential Information."

"Record Date" shall mean 5:30 pm Eastern Standard Time on March 24, 2014.

"Records" means documents, files and other books and records, including, books and records relating to financial reporting, internal audit, employee benefits, past acquisition or disposition transactions, Actions, and email files and backup tapes regarding any of the foregoing.

"Reference Balance Sheet" means the most recent combined balance sheet of LE, including the notes thereto, included in LE's Annual Report on Form 10-K for the year ended January 31, 2014.

"Representatives" means Personnel, partners, members, counsel, investment advisors, third-party contractors, and other representatives.

"Resolution Failure Date" has the meaning set forth in Section 11.2(a).

"Sears Holdings Master Retiree Medical Plan" means the Sears Holdings Master Retiree Medical Plan, as amended and restated January 1, 2011 and as amended from time to time thereafter.

"Sears Marketplace Seller Agreement" means the Sears Marketplace—Local Marketplace—MyGofer Fulfilled By Merchant (FBM) Agreement, dated as of July 24, 2013 and amended as of the date hereof, by and between SHMC and LE, as such agreement may be amended, modified or waived from time to time.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"Separation" has the meaning set forth in Section 2.1.

"Shared Privileges" has the meaning set forth in Section 5.8(d).

"SHC" has the meaning set forth in the Preamble.

"SHC AIP" has the meaning set forth in Section 7.4(a).

"SHC ASPP" has the meaning set forth in Section 7.3.

"SHC Assets" means all Assets of the SHC Entities and the LE Entities as of the Effective Time, other than the LE Assets, it being understood that the SHC Assets shall include:

(i) all Contracts or rights thereunder of any SHC Entity or LE Entity as of the Effective Time (other than the Contracts and rights thereunder constituting LE Assets pursuant to clause (v) of the definition of "LE Assets");

(ii) except as provided in the Master Lease Agreement or the Master Sublease Agreement, any Real Property Assets of the LE Entities relating to the Lands' End Shops at Sears;

(iii) any and all Assets with respect to, arising out of, or resulting from (A) any Actions relating to any of the SHC Entities or LE Entities or their respective Assets, Liabilities or Businesses and commenced on or before the Effective Time that are not LE Litigation Matters or Joint Litigation Matters, including any and all rights to damage awards, settlement payments, reimbursements or indemnities and (B) the SHC Litigation Matters;

(iv) any and all Assets relating to, arising out of or attributable to the Sears Holdings Master Retiree Medical Plan (including any Assets relating to, arising out of or attributable to the LE Retiree Program);

(v) all Intellectual Property of any SHC Entity or LE Entity (but specifically excluding any Intellectual Property described in clause (vii) of "LE Assets"); and

(vi) all Assets set forth on Schedule C.

"SHC ASPP" has the meaning set forth in Section 7.3.

"SHC Board" has the meaning set forth in the Recitals.

"SHC Business" means (A) the businesses and operations of the SHC Entities and (B) any terminated, divested or discontinued businesses and operations of any SHC Entity or any of its predecessors; provided, however, that the SHC Business shall not include the LE Business.

"SHC Cash Award" has the meaning set forth in Section 7.5.

"SHC Entities" means, collectively, SHC and all of its Subsidiaries other than the LE Entities.

"SHC Indemnified Party" has the meaning set forth in Section 10.2.

"SHC Liabilities" means, without duplication, any and all Liabilities relating to, arising out of or resulting from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or accrue, in each case before, at or after the Effective Time) of any SHC Entity, in each case that are not LE Liabilities, including any and all Liabilities set forth on Schedule D.

"SHC Litigation Matters" means any and all Actions (i) that are primarily related to the SHC Assets, the SHC Liabilities or the SHC Business, (ii) in which any SHC Entity or LE Entity is a defendant, plaintiff or member of a class of plaintiffs that have been commenced on or before the Effective Time and are not primarily related to the LE Assets, the LE Liabilities or the LE Business, (iii) in which any SHC Entity or LE Entity is a plaintiff that are filed after the Effective Time and relate to the subject matter of an Action in which any SHC Entity or LE Entity is a plaintiff or member of a class of plaintiffs that has been commenced on or prior to the Effective Time (for example, an Action commenced by any SHC Entity after such SHC Entity has opted out of a class action and determined to prosecute a claim outside of the class) or arising out of such Actions or relating thereto, but in each case excluding any LE Litigation Matters and any Joint Litigation Matters or (iv) set forth on Schedule D.

"SHMC" means Sears Holdings Management Corporation, a Delaware corporation.

"SHC Restricted Stock Award" has the meaning set forth in Section 7.5.

"Software" means computer software, programs, databases and applications, whether in source code, object code or other form, including, operating software, network software, Internet websites, web content and links, all versions, updates, corrections, enhancements, replacements and modifications thereof, and all documentation related thereto.

"SRC" means Sears, Roebuck and Co., a New York corporation.

"Stockholding Change" means the occurrence of any transaction or event (or series of any transactions or events), whether voluntary or involuntary, that results in any LE Entity or material portion of the LE Business or material portion of the LE Assets Controlling, being Controlled by or under common Control with a Competitor.

"Subsidiaries" means any and all corporations, partnerships, limited liability companies, joint ventures, associations and other entities Controlled by a Person directly or indirectly through one or more intermediaries.

"SYW Agreement" means the Shop Your Way[SM] Retail Establishment Agreement, dated as of the date hereof, by and between SHMC and LE, as such agreement may be amended, modified or waived from time to time.

"Tax" or "Taxes" has the meaning set forth in the Tax Sharing Agreement.

"Tax Sharing Agreement" means the Tax Sharing Agreement, dated as of the date hereof, by and between SHC and LE, as such agreement may be amended, modified or waived from time to time.

"Third Party" means any Person that is not a party hereto or an Affiliate of any party hereto.

"Third Party Claim" has the meaning set forth in Section 10.8(a).

"Third Party Proceeds" has the meaning set forth in Section 10.5(a).

"Transfer Impediment" has the meaning set forth in Section 4.3(a).

"Transition Services Agreement" means the Transition Services Agreement, dated as of the date hereof, by and between SHMC and LE, as such agreement may be amended, modified or waived from time to time.

"Unreleased Liability" has the meaning set forth in Section 4.2.

"Unreleased Person" has the meaning set forth in Section 4.2.

"Unresolved Disputes" has the meaning set forth in Section 11.2(a).

"WARN Act" has the meaning set forth in Section 7.1.

ARTICLE II.

THE SEPARATION

Section 2.1. Separation. On the terms and subject to the conditions set forth in this Agreement, on or prior to the Distribution Date (but subject to Section 4.2 with respect to Unreleased Liabilities and Section 4.3 with respect to Deferred Transfer Assets and Deferred Transfer Liabilities), the transactions set forth in this Section 2.1 (collectively, the "Separation") shall take place in the order provided below:

(a) Release of Liens and Obligations. SHC shall, and shall cause any applicable SHC Entities to, have taken all actions necessary to cause the LE Entities to be released from all collateral and guarantee obligations under the Second Amended and Restated Credit Agreement, dated April 8, 2011 (as amended or otherwise modified from time to time), among SHC, the other parties party thereto, and Bank of America, N.A., as agent and the Indenture, dated October 12, 2010 (as amended or otherwise modified from time to time), among SHC, the guarantors party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent, at the Effective Time.

(b) Internal Reorganization. The total number of shares of LE Common Stock shall be increased from 1,000 shares to 31,956,521 shares by means of a stock split or otherwise.

(c) Assets Contribution and Liabilities Assumption.

(i) SHC shall, and shall cause the other applicable SHC Entities to, transfer to SRC all of SHC's and such other SHC Entities' respective right, title and interest in and to the LE Assets and SRC shall convey, assign and transfer as a capital contribution by way of contribution to surplus to LE or another applicable LE Entity designated in writing by LE prior to the Effective Time, all such right, title and interest in and to the LE Assets.

(ii) LE shall, and shall cause the other applicable LE Entities to, distribute to SRC or another applicable SHC Entity designated in writing by SHC all of LE's and such other LE Entities' respective right, title and interest in and to the SHC Assets held by a LE Entity.

(iii) LE and the applicable LE Entities shall assume all of the LE Liabilities.

(iv) SRC and the applicable SHC Entities shall assume all of the SHC Liabilities.

Each Person required pursuant to this Section 2.1 to assume any Liability shall accept, assume, perform, discharge and fulfill such Liability in accordance with its terms, regardless of (1) when or where such Liabilities arose or arise, were asserted or determined, (2) whether the facts upon which they are based occurred prior to, on or subsequent to the Distribution Date, (3) where or against whom such Liabilities are asserted or determined and (4) whether arising from or alleged

to arise from negligence, recklessness, violation of law, fraud or misrepresentation by any SHC Entity or LE Entity, as the case may be, or any of their past or present respective directors, officers, employees, agents, Subsidiaries or Affiliates.

Section 2.2. Intercompany Agreements.

(a) Except as set forth in Section 2.2(b), in furtherance of the releases and other provisions of Section 10.1, LE, on behalf of itself and each other LE Entity, on the one hand, and SHC, on behalf of itself and each other SHC Entity, on the other hand, shall terminate, effective as of the Effective Time, any and all Intercompany Agreements in effect as of the Distribution Date and shall settle, or cause to be settled, all Intercompany Accounts at or prior to the Effective Time. Without limiting the foregoing and for the avoidance of doubt, that certain Borrowing Agreement dated as of January 31, 2008 between LE and SHC Promotions LLC and the Borrower's Note dated as of January 31, 2008 issued by LE shall be terminated as of the Effective Time. No such terminated Intercompany Agreements (including any provision thereof that purports to survive termination) shall be of any further force or effect after the Effective Time. Each party hereto shall, at the reasonable request of the other party hereto, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.2(a) shall not apply to any of the following Intercompany Agreements (or to any of the provisions thereof) or Intercompany Accounts: (i) this Agreement and the Ancillary Agreements (and each other Intercompany Agreement or Intercompany Account expressly contemplated hereby or thereby, including the Implementation Documents); (ii) any outstanding intercompany trade receivables or payables that are included or reflected on the Reference Balance Sheet or that are of a nature or type that would have been reflected on the combined balance sheet of the "Company" (as such term is used in the Reference Balance Sheet) or any notes or subledgers thereto were such balance sheet, notes and subledgers prepared on a basis consistent with the preparation of the Reference Balance Sheet; and (iii) any accrued Liabilities incurred in connection with Real Property Assets of the LE Entities relating to the Lands' End Shops at Sears or services received by LE or the LE Entities from SHC or another SHC Entity under this Agreement or the Ancillary Agreements, in each case, which shall remain outstanding and be paid by LE or the applicable LE Entities to SHC or the applicable SHC Entities in due course.

Section 2.3. Resignation. On or before the Effective Time:

(a) SHC shall deliver to LE the resignation, effective as of the Effective Time, of each Person who is an officer or a director of any LE Entity immediately prior to the Effective Time and who will be an employee or officer of any SHC Entity immediately after the Effective Time.

(b) LE shall deliver to SHC the resignation, effective as of the Effective Time, of each Person who is an officer or a director of any SHC Entity immediately prior to the Effective Time and who will be an employee or officer of any LE Entity immediately after the Effective Time.

ARTICLE III.

THE DISTRIBUTION

Section 3.1. Actions On or Prior to the Distribution Date. Prior to the Distribution, the following shall occur:

(a) Information Statement; Listing. SHC shall make available the Information Statement to the holders of shares of SHC common stock as of the Record Date. LE shall take (with such reasonable assistance as requested of SHC) all such actions as may be necessary or appropriate under the securities or "blue sky" laws of states or other political subdivisions of the United States and shall use commercially reasonable efforts to comply with all applicable foreign securities laws in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. LE shall prepare, file, and use its reasonable best efforts to have approved, an application to permit listing of the LE Common Stock on NASDAQ.

(b) Borrowings and Financings; LE Cash Distribution. In connection with the Separation, and in each case immediately prior to the conveyance, transfer and delivery by SRC to SHC of all of the issued and outstanding shares of LE Common Stock pursuant to Section 3.4(a)(i), (i) LE shall have entered into, and received the resulting proceeds from, the financing transactions described in the Information Statement as occurring on or prior to the Distribution Date (the "LE Financing") and (ii) LE shall make a cash distribution to SRC in an amount equal to $500,000,000.00 (the "LE Cash Distribution").

(c) Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. (i) SHC and LE shall each take all necessary action that may be required to provide for the adoption by LE of the Amended and Restated Certificate of Incorporation of LE in substantially the form filed as an exhibit to the Registration Statement (the "Amended and Restated Certificate of Incorporation"), and the Amended and Restated Bylaws of LE in substantially the form filed as an exhibit to the Registration Statement (the "Amended and Restated Bylaws") and (ii) LE shall file the Amended and Restated Certificate of Incorporation of LE with the Secretary of State of the State of Delaware.

Section 3.2. The Distribution Agent. SHC shall enter into a distribution agent agreement with the Distribution Agent or otherwise provide instructions to the Distribution Agent regarding the Distribution.

Section 3.3. Conditions Precedent to the Distribution. In no event shall the Distribution occur unless each of the following conditions shall have been satisfied (or waived by SHC, in whole or in part, in its sole and absolute discretion):

(a) the SHC Board shall have authorized and approved the Separation and not withdrawn such authorization and approval, and shall have declared the Distribution;

(b) the transactions contemplated by Article II (the "Internal Transactions") shall have been completed;

(c) the LE Financing shall have been completed and the LE Cash Distribution shall have been paid to SRC;

(d) the Registration Statement filed with the SEC shall have become effective, no stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for such purpose shall be pending before or threatened by the SEC;

(e) the Information Statement shall have been made available to holders of shares of SHC common stock as of the Record Date;

(f) all actions and filings necessary or appropriate under applicable federal, state or foreign securities or "blue sky" laws and the rules and regulations thereunder shall have been taken and, where applicable, become effective or been accepted;

(g) the LE Common Stock to be delivered in the Distribution shall have been approved for listing on NASDAQ, subject to official notice of issuance;

(h) each of the other Ancillary Agreements shall have been duly executed and delivered by the parties thereto;

(i) no order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Distribution or the transactions related thereto shall be in effect, and no other event outside the control of SHC shall have occurred or failed to occur that prevents the consummation of the Distribution or the transactions related thereto;

(j) the SHC Board shall have received an opinion from an outside financial advisor confirming the solvency and financial viability of SHC before the Distribution and of each of SHC and LE after the Distribution, in each case, that is in form and substance acceptable to the SHC Board in its sole and absolute discretion;

(k) the SHC Board shall have received an opinion from the law firm of Simpson Thacher & Bartlett LLP as to the satisfaction of certain requirements necessary for the Distribution and certain related transactions to receive tax-free treatment under Sections 355, 368 and related provisions of the Code;

(l) SHC and LE shall have taken all necessary action to cause the Board of Directors of LE to consist of the individuals identified in the Information Statement as directors of LE as of immediately following the Effective Time;

(m) SHC and LE shall have taken all necessary action to enable SHC to assume operation, maintenance and administration of the LE Retiree Program as of or prior to the Effective Time in accordance with Section 7.6;

(n) LE's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws shall be in effect; and

(o) no event or development shall have occurred or exist that, in the judgment of the SHC Board, in its sole and absolute discretion, makes it inadvisable to effect the Distribution or the other transactions contemplated hereby.

Each of the foregoing conditions is for the sole benefit of SHC and shall not give rise to or create any duty on the part of SHC or the SHC Board to waive or not to waive any such condition or to effect the Distribution, or in any way limit SHC's rights of termination set forth in this Agreement. Any determination made by SHC prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.3 shall be conclusive and binding on the parties.

Section 3.4. The Distribution.

(a) Subject to the terms and conditions set forth in this Agreement:

(i) immediately prior to the Effective Time, SRC shall convey, transfer and deliver to SHC all of the issued and outstanding shares of LE Common Stock;

(ii) on or prior to the Distribution Date, SHC shall deliver to the Distribution Agent for the benefit of holders of record of shares of SHC common stock on the Record Date, book-entry transfer authorizations for such number of the issued and outstanding shares of LE Common Stock necessary to effect the Distribution;

(iii) SHC shall effect the Distribution by instructing the Distribution Agent to distribute, on or as soon as practicable after the Effective Time, to each holder of record of shares of SHC common stock as of the Record Date, by means of a *pro rata* distribution, 0.300795 shares of LE Common Stock for each SHC Common Share so held;

(iv) the Distribution shall be effective at the Effective Time; and

(v) following the Distribution Date, LE agrees to provide all book-entry transfer authorizations for shares of LE Common Stock that SHC or the Distribution Agent shall require in order to effect the Distribution.

(b) Notwithstanding anything to the contrary contained in this Agreement, SHC shall, in its sole and absolute discretion, determine the Distribution Date and all terms of the Distribution, including the form, structure and terms of any transactions and/or offerings to effect the Distribution and the timing of and conditions to the consummation thereof. In addition, SHC may at any time and from time to time until the completion of the Distribution decide to abandon the Distribution or modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution.

Section 3.5. Fractional Shares. Fractional shares of LE Common Stock will not be distributed in the Distribution nor credited to book-entry accounts. The Distribution Agent shall, as soon as practicable after the Effective Time, (a) determine the number of whole shares and fractional shares of LE Common Stock allocable to each holder of record or beneficial owner of shares of SHC common stock as of the close of business on the Record Date, (b) aggregate all such fractional shares into whole shares and sell the whole shares obtained thereby in open market transactions, in each case, at then-prevailing trading prices on behalf of holders who would otherwise be entitled to fractional share interests, and (c) distribute to each such holder, or for the benefit of each such beneficial owner, such holder or owner's ratable share of the cash proceeds (net of discounts and commissions) of such sale, based upon the

average gross selling price per share of LE Common Stock after making appropriate deductions for any amount required to be withheld for United States federal income tax purposes and any brokerage fees incurred in connection with these sales of fractional shares. The sales of fractional shares shall occur as soon after the Effective Time as practicable and as determined by the Distribution Agent. Neither SHC nor LE or the Distribution Agent will guarantee any minimum sale price for the fractional shares of LE Common Stock. Neither SHC nor LE will pay any interest on the proceeds from the sale of fractional shares. The Distribution Agent will have the sole discretion to select the broker-dealers through which to sell the aggregated fractional shares and to determine when, how and at what price to sell such shares. Neither the Distribution Agent nor the broker-dealers through which the aggregated fractional shares are sold will be Affiliates of SHC or LE.

ARTICLE IV.

GENERAL PROVISIONS

Section 4.1. Implementation Documents. In order to effectuate the transactions contemplated in this Agreement, each of SHC and LE shall (and shall cause any applicable members of its Group to) execute and deliver, or cause to be executed and delivered, such deeds, bills of sale, instruments of assumption, instruments of assignment, stock powers, certificates of title and other instruments of assignment, transfer, contribution, assumption, license and conveyance, including the Bill of Sale & Assignment and Assumption Agreement by and between SHC, SRC and LE dated as of April 4, 2012 (collectively, the "Implementation Documents") as and to the extent necessary to effect such transactions.

Section 4.2. Novation and Release of Liabilities. If at any time after the Effective Time, any SHC Entity shall remain obligated to any Third Party in respect of any LE Liability or any LE Entity shall remain obligated to any Third Party in respect of any SHC Liability, in each case, as guarantor, assignor, original tenant, primary obligor or otherwise, the following provisions shall apply. Any Liability referred to in this Section 4.2 is hereinafter referred to as an "Unreleased Liability" and any Person remaining obligated for such Liability is hereinafter referred to as an "Unreleased Person."

(a) LE, at the request of SHC, shall (and shall cause the applicable LE Entity to) use its reasonable best efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all LE Liabilities and shall use its reasonable best efforts pursuant to the provisions of this Section 4.2 to cause any SHC Entity that may be an Unreleased Person to be released from any Unreleased Liabilities relating thereto, so that, in any such case, the LE Entities shall be solely responsible for such LE Liabilities.

(b) The parties hereto shall continue on and after the Effective Time to use reasonable best efforts to cause each Unreleased Person to be released from each of its Unreleased Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, no SHC Entity shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such release is requested.

(c) If, as and when it becomes possible to delegate, novate or extinguish any Unreleased Liability in favor of an Unreleased Person, the relevant party shall promptly execute and deliver, or cause to be promptly executed and delivered, all such documents and perform all such other acts as may be necessary or desirable to give effect to such delegation, novation, extinction or other release, pursuant to the provisions of this Section 4.2.

(d) The LE Entities and the SHC Entities will cause all letters of credit, guarantees and other credit support currently provided by the SHC Entities (or with respect to which any SHC Entity has any Liability) to be terminated as of the Effective Time such that no SHC Entity shall have further Liability with respect thereto.

Section 4.3. Deferred Transfers.

(a) If and to the extent that the transfer, assignment or novation to the LE Entities of any LE Assets or LE Liabilities, or to the SHC Entities of any SHC Assets or SHC Liabilities, would be a violation of Applicable Law or require any Consent or Governmental Approval or the fulfillment of any condition that cannot be fulfilled prior to the Effective Time by the applicable LE Entity or SHC Entity (the "Transfer Impediments," which, for the avoidance of doubt, shall not include purely monetary conditions to the extent the necessary funds are advanced, assumed or agreed in advance to be reimbursed by the applicable transferee), then the transfer, assignment or novation to the transferee or assignee of such LE Assets or LE Liabilities or SHC Assets or SHC Liabilities, as applicable, shall be automatically deemed deferred and any such purported transfer or assignment shall be null and void until such time as all Transfer Impediments have been removed. Any such Liability shall be deemed a "Deferred Transfer Liability" and any such Asset shall be deemed a "Deferred Transfer Asset."

(b) If the transfer or assignment of any Deferred Transfer Asset or assumption of any Deferred Transfer Liability is not consummated prior to or at the Effective Time, whether as a result of the provisions of Section 4.3(a) or for any other reason, then, insofar as reasonably possible, (i) the Person retaining such Deferred Transfer Asset shall thereafter hold such Deferred Transfer Asset for the use and benefit of the Person entitled thereto (at the expense of the Person entitled thereto) and (ii) the Person intended to assume such Deferred Transfer Liability shall, or shall cause the applicable member of its Group to, pay or reimburse the Person retaining such Deferred Transfer Liability for all amounts paid or incurred in connection with the retention of such Deferred Transfer Liability. In addition, but subject to the provisions of Section 4.2, the Person retaining such Deferred Transfer Asset shall, insofar as reasonably possible and to the extent permitted by Applicable Law, treat such Asset in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the Person to which such Deferred Transfer Asset is to be transferred in order to place such Person, insofar as reasonably possible, in the same position as if such Deferred Transfer Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Deferred Transfer Asset, including, possession, use, risk of loss, potential for gain, and dominion, control and command over such Deferred Transfer Asset, are to inure from and after the Effective Time to the LE Entity or the SHC Entity entitled to the receipt of such Deferred Transfer Asset. For the avoidance of doubt, the Person holding a Deferred Transfer Asset that is a Contract shall not be obligated to renew, extend or otherwise consent to a modification of such Contract.

(c) If and when all Transfer Impediments, which caused the deferral of transfer of any Deferred Transfer Asset or Deferred Transfer Liability pursuant to Section 4.3(a), are removed, the transfer, assignment or novation of the applicable Deferred Transfer Asset or Deferred Transfer Liability shall be effected in accordance with and subject to the terms of this Agreement and any applicable Ancillary Agreement or Implementation Document.

(d) The Person retaining any Deferred Transfer Asset or Deferred Transfer Liability due to the deferral of the transfer or assignment of such Deferred Transfer Asset or the deferral of the assumption of such Deferred Transfer Liability pursuant to Section 4.3(a) or otherwise shall continue on and after the Effective Time to use commercially reasonable efforts to remove all Transfer Impediments; provided, however, that such Person shall not be obligated, in connection with the foregoing, to expend any money or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) unless the necessary funds are advanced, assumed, or agreed in advance to be reimbursed by the Person entitled to such Deferred Transfer Asset or the Person intended to be subject to such Deferred Transfer Liability other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by the Person entitled to such Deferred Transfer Asset or the Person intended to be subject to such Deferred Transfer Liability.

(e) Any Deferred Transfer Asset shall be deemed to have been contributed, distributed, assigned, transferred, conveyed, licensed or delivered pursuant to this Section 4.3 on the date such transfer should have occurred pursuant to Section 2.1 in the absence of the Transfer Impediments upon its actual contribution, distribution, assignment, transfer, conveyance, license or delivery to the applicable Group as contemplated in Section 4.3. Any Deferred Transfer Liability shall be deemed to have been accepted or assumed pursuant to this Section 4.3 on the date such assumption should have occurred pursuant to Section 2.1 in the absence of the Transfer Impediments upon its actual acceptance or assumption by the applicable Group as contemplated in Section 4.3.

Section 4.4. Transfers of Assets or Liabilities Following the Separation. Subject to Section 4.3, if at any time on or after the Separation (including after the Effective Time), any SHC Entity or LE Entity shall receive or otherwise possess any Asset or incur any Liability that is allocated to a member of the other Group pursuant to this Agreement or an Ancillary Agreement, such Person shall, in accordance with the terms hereof, promptly transfer, or cause to be transferred, such Asset or Liability to the Person so entitled thereto or responsible therefor (or another member of the other Group, as designated by such Person in writing) once becoming aware that such Asset or Liability is required to be transferred hereunder, and such other Person shall accept or assume, or cause to be accepted or assumed, such Asset or Liability. Prior to such transfer and after becoming aware that such Asset or Liability is required to be transferred hereunder, such Person shall hold such Asset or Liability in trust for such other Person so entitled thereto or responsible therefor.

Section 4.5. Corporate Names; Trademarks. Except as specifically provided in this Agreement or the Ancillary Agreements, after the Effective Time, no member of one Group may use any trademark, service mark, trade dress, trade name, business name, brand name, slogan, logo, Internet domain name or other indicia of origin or identifiers of name, whether or not registered, including all common law rights therein, and registrations and applications for

registrations thereof, and all goodwill associated with the use of, and symbolized by, any of the foregoing (collectively, the "Marks") owned by any member of the other Group, except as permitted under Applicable Law or subsequent agreement in writing between the parties. Notwithstanding the foregoing or anything in the Ancillary Agreements to the contrary, no member of one Group shall be required to take any action to remove any reference to any Mark of a member of the other Group from materials already in the rightful possession of customers or other Third Parties as of the Effective Time.

Section 4.6. Certain Matters Governed Exclusively by Ancillary Agreements; Construction of Agreements.

(a) Effective as of the Effective Time, the parties hereto shall, and shall cause applicable members of their respective Groups to, execute and deliver the Ancillary Agreements.

(b) Each of SHC and LE agrees on behalf of itself and members of its Group that, except as otherwise expressly provided for in this Agreement or any Ancillary Agreement, the Tax Sharing Agreement shall exclusively govern all matters relating to the payment of Taxes between such parties and the other Ancillary Agreements shall exclusively govern those matters subject to such agreements.

(c) In the event of:

(i) a conflict that cannot be reconciled between the terms of this Agreement and the terms of any Ancillary Agreement, the terms of the Ancillary Agreement shall control;

(ii) a conflict between the terms of any two or more Ancillary Agreements that cannot be reconciled that relates to, arises out of or is in connection with (A) the Shop Your Way program or Information relating to members of the Shop Your Way program, the terms and conditions of the SYW Agreement shall control, (B) merchandise sold at and services being provided in connection within the Lands' End Shops at Sears, the terms and conditions of the LES Agreement shall control, (C) the processing of credit card or other similar electronic payments, the terms and conditions of the Financial Services Agreement shall control, (D) the issuance, redemption and acceptance of LE-Branded Gift Cards, SHC-Branded Gift Cards (as defined in the Gift Card Services Agreement) and other gift cards and gift certificates issued by an SHC Entity accepted for payment by LE Entities, the terms and conditions of the Gift Card Services Agreement shall control, (E) real property interests used in the Lands' End Shops at Sears, the Master Lease Agreement or Master Sublease shall control, (F) services provided by Sears Holdings Global Sourcing, Ltd. to LE, the terms and conditions of the Buying Agency Agreement shall control and (G) all other services contemplated as of the date hereof to be provided by any SHC Entity to any LE Entity after the Effective Time and not contemplated to be so provided under a different Ancillary Agreement, the terms and conditions of the Transition Services Agreement shall control.

Section 4.7. Disclaimer of Representations and Warranties.

(a) LE (on behalf of itself and each LE Entity and the LE Indemnified Parties) understands and agrees that, except as expressly set forth in any Ancillary Agreement, no party to this Agreement, any Ancillary Agreement or any other agreement or document contemplated by this Agreement, any Ancillary Agreement or otherwise, is representing or warranting in any way as to the LE Assets or LE Liabilities transferred, assumed or retained as contemplated hereby or thereby, as to any Consents or Governmental Approvals required in connection therewith, as to the value or freedom from any Encumbrances of, or any other matter concerning, any LE Asset or LE Liability, or as to the absence of any defense or right of setoff or freedom from counterclaim with respect to any claim or other LE Asset, including any Intercompany Accounts or any accounts receivable of any party, or as to the legal sufficiency of any assignment, document or instrument delivered hereunder or thereunder to convey title to any LE Asset or thing of value upon the execution, delivery and filing hereof or thereof.

(b) SHC (on behalf of itself and each SHC Entity and the SHC Indemnified Parties) understands and agrees that, except as expressly set forth in any Ancillary Agreement, no party to this Agreement, any Ancillary Agreement or any other agreement or document contemplated by this Agreement, any Ancillary Agreement or otherwise, is representing or warranting in any way as to the SHC Assets or SHC Liabilities transferred, assumed or retained as contemplated hereby or thereby, as to any Consents or Governmental Approvals required in connection therewith, as to the value or freedom from any Encumbrances of, or any other matter concerning, any SHC Asset or SHC Liability, or as to the absence of any defense or right of setoff or freedom from counterclaim with respect to any claim or other SHC Asset, including any Intercompany Accounts or any accounts receivable of any party, or as to the legal sufficiency of any assignment, document or instrument delivered hereunder to convey title to any SHC Asset or thing of value upon the execution, delivery and filing hereof or thereof.

(c) Except as may expressly be set forth in any Ancillary Agreement, all LE Assets and SHC Assets are being transferred on an “as is,” “where is” basis and the respective transferees shall bear the economic and legal risks that (i) any conveyance shall prove to be insufficient to vest in the transferee good and marketable title (or leasehold, as applicable), free and clear of any Encumbrance, and (ii) any necessary Consents or Governmental Approvals are not obtained or any requirements of Applicable Law are not complied with.

Section 4.8. Waiver of Bulk-Sale and Bulk-Transfer Laws. Each of the LE Entities hereby waives compliance by each and every SHC Entity with the requirements and provisions of any "bulk-sale" or "bulk-transfer" laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the LE Assets to any LE Entity. Each of the SHC Entities hereby waives compliance by each and every LE Entity with the requirements and provisions of any "bulk-sale" or "bulk-transfer" laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any of the SHC Assets to any SHC Entity.

ARTICLE V.

CONFIDENTIALITY; EXCHANGE OF INFORMATION

Section 5.1. Agreement for Exchange of Information; Archives.

(a) Except in the case of an Action or threatened Action by either party hereto or any Person in such party's Group against the other party hereto or any Person in its Group, and subject to Section 5.1(b), each party hereto shall provide, or cause to be provided, to the other party or any member of its Group, at any time before or after the Separation, as soon as reasonably practicable after written request therefor, all Information in the possession or under the control of its Group (and access to the Personnel of its Group during normal business hours and upon reasonable notice in connection with the discussion and explanation of such Information), which any member of the other party's Group reasonably requests and is necessary or reasonably advisable (i) to comply with reporting, disclosure, filing or other requirements under Applicable Law or imposed by any national securities exchange or any Governmental Authority having jurisdiction over such Person, (ii) for use in any other judicial, regulatory, administrative or other proceeding (including the SHC Litigation Matters and/or LE Litigation Matters, as applicable) or in order to satisfy audit, accounting, regulatory, litigation or other similar requirements, (iii) to comply with its obligations under this Agreement or any Ancillary Agreement or (iv) to the extent that SHC and LE have agreed upon, in writing, a fee and the terms and conditions applicable thereto, to facilitate the conduct of its Business in the manner in which it was conducted at any time on or between the date of this Agreement and the Distribution Date. The receiving party shall use any Information received pursuant to this Section 5.1(a) solely to the extent reasonably necessary to satisfy the applicable obligations or requirements described in clause (i), (ii), (iii) or (iv) of the immediately preceding sentence.

(b) Subject to the last sentence of this Section 5.1(b), in the event that either SHC or LE, as applicable, reasonably determines that the exchange of any Information pursuant to Section 5.1(a) could be commercially detrimental, violate any Applicable Law, agreement or policy (including SHC's or LE's privacy policies) or waive or jeopardize any attorney-client privilege or attorney work product protection (or in the case of Section 5.1(a)(iv), SHC and LE shall not have reached a written agreement with respect to the fee and/or other terms and conditions associated with the provision of such Information) such party shall not be required to provide access to or furnish such Information to the other party; provided, however, that the parties shall take all commercially reasonable measures to permit compliance with Section 5.1(a) in a manner that avoids any such harm or consequence (as reasonably determined by the Group providing the Information). Both SHC and LE intend that any provision of access to or the furnishing of Information pursuant to this Section 5.1 that would otherwise be within the ambit of any legal privilege shall not operate as waiver of such privilege.

(c) Except as otherwise provided in the Ancillary Agreements, a member of one Group will only process Information about individual customers and/or Personnel, including, names, addresses, telephone numbers, account numbers, customer lists, and demographic, financial and transaction Information, in each case provided by the other Group pursuant to this Section 5.1, in accordance with the privacy policies of the Group providing the Information existing as of the Effective Time (or, as such policies may be revised from time to time, as provided by the Group providing Information to the receiving Group) and all applicable privacy and data protection law obligations and will implement and maintain at all times appropriate technical and organizational measures to protect such personal data against unauthorized or unlawful processing and accidental loss, destruction, damage, alteration and disclosure. In addition, each party hereto agrees to provide reasonable assistance to the other party's Group in respect of any obligations under privacy and data protection law affecting the disclosure of such personal data to the other party's Group and will not knowingly process such personal data in such a way to cause the other party's Group to violate any of its obligations under any Applicable Law.

(d) The party requesting Information shall reimburse the other party for the reasonable out-of-pocket costs and expenses, if any, in complying with a request for Information pursuant to this Article V.

Section 5.2. Ownership of Information. Except as otherwise provided in this Agreement or an Ancillary Agreement, all Confidential Information provided by or on behalf of a Disclosing Party to a Receiving Party shall remain the property of the Disclosing Party and nothing herein shall be construed as granting or conferring rights of license or otherwise in any such Confidential Information to the Receiving Party or any other Person.

Section 5.3. Record Retention.

(a) To facilitate the possible exchange of Information pursuant to this Article V and other provisions of this Agreement, except as otherwise expressly provided in any Ancillary Agreement, (i) each party hereto shall, and shall cause members of its Group to, use reasonable best efforts to retain all Information in accordance with their respective record retention policies and procedures as in effect as of the Effective Time and (ii) no party hereto shall destroy, or permit any member of its Group to destroy, any Information which any member of the other Group may have the right to obtain pursuant to this Agreement prior to the later of the period in the applicable retention policy or the fifth (5th) anniversary of the Effective Time without first notifying the other party hereto of the proposed destruction and giving the other party hereto the opportunity to take possession of such Information prior to such destruction.

(b) Each of the parties hereto shall, and shall cause members of its respective Group to, use commercially reasonable efforts to deliver to the other party (i) on or prior to the Effective Time, any and all original corporate organizational books that such party or any member of its Group has in its possession primarily relating to the other party's Business, and (ii) as soon as reasonably practicable following written request, originals of any materials

described in (i) and (ii) above which it or any member of its Group are in its possession or control following the Effective Time; provided, however, that with respect to clauses (i) and (ii) of this paragraph (b), the party providing such Records may retain copies of any such Records that relate to its Business, including corporate minute books and risk management files.

Section 5.4. Production of Witnesses; Records; Cooperation.

(a) After the Effective Time and subject to Section 5.1(b), but only with respect to a Third Party Claim, each of SHC and LE shall, and shall cause the other members of its Group to, use commercially reasonable efforts to, make available, upon written request, their officers, employees, other Personnel and agents (whether as witnesses or otherwise) and any books, records or other documents within their control or that they otherwise have the ability to make available, to the extent that each such Person (giving consideration to business demands of such officers, employees, other Personnel and agents) or books, records or other documents may reasonably be required in connection with any Action or threatened or contemplated Action (including preparation for such Action) in which SHC or LE, as applicable, may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(b) SHC and LE shall use their commercially reasonable efforts to cooperate and consult to the extent reasonably necessary with respect to any Actions or threatened or contemplated Actions involving each other's Group, other than an Action by one or more members of a Group against one or more members of the other Group.

(c) The obligation of SHC and LE to make available directors, officers, employees and other Personnel and agents or provide witnesses and experts pursuant to this Section 5.4 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to make available Personnel and other officers without regard to whether such individual or the employer of such individual could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 5.4(a)). Without limiting the foregoing, each of SHC and LE agrees that neither it nor any Person or Persons in its respective Group will take any adverse action against any Person of its Group based on such Person's provision of assistance or Information to the other Group pursuant to this Section 5.4.

(d) Upon the reasonable request of SHC or LE, SHC and LE shall, and shall cause all other relevant members of their respective Group to, enter into a mutually acceptable common interest agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work product immunity of any member of either Group.

Section 5.5. Confidential Information.

(a) Subject to Section 5.6 and the Ancillary Agreements, the Receiving Party, its Affiliates and its and their Personnel will use Confidential Information only in connection with this Agreement and, except as expressly permitted by this Agreement and subject to the first sentence of Section 5.5(b), will not disclose any Confidential Information.

(b) The Receiving Party will (i) restrict disclosure of the Confidential Information to its and its Affiliates' Personnel with a need to know the Confidential Information for purposes of performing the Receiving Party's responsibilities or exercising the Receiving Party's rights under this Agreement, (ii) advise those Personnel of the obligation not to disclose the Confidential Information or use the Confidential Information in a manner prohibited by this Agreement, (iii) copy the Confidential Information only as necessary for those Personnel who need it for performing the Receiving Party's responsibilities under this Agreement and ensure that confidentiality is maintained in the copying process, and (iv) protect the Confidential Information, and require those Personnel to protect it, using the same degree of care as the Receiving Party uses with its own Confidential Information, but no less than reasonable care. The Receiving Party will be liable to the Disclosing Party for any unauthorized disclosure or use of Confidential Information by any of its and its Affiliates current or former Personnel in violation of this Section 5.5. The parties acknowledge that notwithstanding the foregoing, the SYW Agreement shall govern the treatment of Confidential Information with respect to Shop Your Way members and the LES Agreement shall govern the treatment of Confidential Business Information and Confidential Personal Information (as such terms are defined in the LES Agreement) with respect to the operation of the LE Shops.

(c) Without limiting the foregoing, when any Confidential Information is no longer needed for the purposes contemplated by this Agreement the Receiving Party will, promptly after request of the Disclosing Party, either return such Confidential Information in tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other party that it has destroyed such Confidential Information (other than electronic copies residing in automatic backup systems that are not generally available to the Receiving Party's Personnel or one copy retained to the extent required by Applicable Law, regulation or a bona fide document retention policy).

(d) The obligations under this Section 5.5 do not apply to any Confidential Information that the Receiving Party can demonstrate (i) was known to the Receiving Party prior to the disclosure thereof to the Receiving Party from the Disclosing Party without any obligation owed to the Disclosing Party or its Affiliates to hold it in confidence, (ii) is disclosed to third parties by the Disclosing Party or its Affiliates without an obligation of confidentiality to the Disclosing Party or its Affiliate, as applicable, (iii) is or becomes available to any member of the public other than by disclosure by the Receiving Party, its Affiliates or its or their Personnel in violation of Section 5.5, (iv) was or is independently developed by the Receiving Party or its Affiliates or Personnel without use of the Confidential Information, (v) legal counsel's advice is that the Confidential Information is required to be disclosed by Applicable Law or the rules and regulations of any applicable Governmental Authority or any stock exchange on which such party's securities are listed and the Receiving Party has complied with Section 5.6 below, or (vi) legal counsel's advice is that the Confidential Information is required to be disclosed in response to a valid subpoena or order of a court or other governmental body of competent jurisdiction or other valid legal process and the Receiving Party has complied with Section 5.6 below.

Section 5.6. Protective Arrangement. If the Receiving Party determines that the exceptions under Section 5.5(d)(v) or Section 5.5(d)(vi) apply, the Receiving Party shall give the Disclosing Party, to the extent legally permitted and reasonably practicable, prompt prior notice of such disclosure and an opportunity to contest such disclosure and shall use commercially

reasonable efforts to cooperate, at the expense of the Receiving Party, in seeking any reasonable protective arrangements requested by the Disclosing Party. In the event that such appropriate protective order or other remedy is not obtained, the Receiving Party may furnish, or cause to be furnished, only that portion of such Confidential Information that the Receiving Party is advised by legal counsel is legally required to be disclosed and shall take commercially reasonable steps to ensure that confidential treatment is accorded such Confidential Information.

Section 5.7. Other Agreements Providing for Exchange of Information. The rights and obligations granted or created under this Article V are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in any Ancillary Agreement.

Section 5.8. Privileged Matters. To allocate the interests of each party in the Information as to which any party is entitled to assert a privilege in connection with professional services that have been provided prior to the Effective Time for the collective benefit of each of the SHC Entities and the LE Entities, whether or not such a privilege exists or the existence of which is in dispute (collectively, "Common Privileges"), the parties hereto agree as follows:

(a) SHC shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged Information which relates to the SHC Business and, subject to Section 5.8(c), not to the LE Business, whether or not the privileged Information is in the possession of or under the control of the SHC Entities or the LE Entities. SHC also shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged Information which relates to any pending or future Action that is, or which SHC reasonably anticipates may become, a SHC Liability and that is not also, or that SHC reasonably anticipates will not become, a LE Liability, whether or not the privileged Information is in the possession of or under the control of the SHC Entities or the LE Entities.

(b) Subject to Section 5.8(c), LE shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged Information which relates to the LE Business and not to the SHC Business, whether or not the privileged Information is in the possession of or under the control of the SHC Entities or the LE Entities. LE also shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged Information which relates to any pending or future Action that is, or which LE reasonably anticipates may become, a LE Liability and that is not also, or that LE reasonably anticipates will not become, a SHC Liability, whether or not the privileged Information is in the possession of or under the control of the SHC Entities or the LE Entities.

(c) SHC shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged Information which relates to the Separation, the Distribution or the transactions contemplated thereby, it being understood and agreed that the expectation and intention as between SHC and LE with respect to any communications between advisors to SHC and LE occurring up to and including the Effective Time in connection with the Separation, the Distribution and such transactions are that the privilege and the expectation of client confidence belong exclusively to SHC.

(d) Subject to the restrictions in this Section 5.8, SHC and LE agree that they shall have equal right to assert all Common Privileges not allocated pursuant to the terms of Section 5.8(a), (b) or (c) ("Shared Privileges") with respect to Information as to which the SHC Entities or the LE Entities may assert a privilege.

(e) Each party hereto shall ensure that no member of its Group may waive any Shared Privilege, without the written consent of the other party which shall not be unreasonably withheld or delayed.

(f) In the event of an Action between one or more of the LE Entities, on the one hand, and one or more of the SHC Entities, on the other hand, each such party shall have the right to use any Information that may be subject to a Shared Privilege, without obtaining the consent of the other party, it being understood and agreed that the use of Information with respect to the Action or other dispute between the LE Entities, on the one hand, and the SHC Entities, on the other hand, shall not operate as or be used by either party as a basis for asserting a waiver of such Shared Privilege with respect to Third Parties.

(g) If a dispute arises between any LE Entity, on the one hand, and any SHC Entity, on the other hand, regarding whether a Shared Privilege should be waived to protect or advance the interest of either party, each party hereto agrees that it shall negotiate in Good Faith and endeavor to minimize any prejudice to the rights of the other party, and shall not unreasonably withhold consent to any request for waiver by the other party.

(h) Upon receipt by either party hereto or by any member of its Group of any subpoena, discovery or other request which arguably calls for the production or disclosure of Information subject to a Shared Privilege or as to which the other party or a member of such other party's Group has the sole right hereunder to assert a privilege, or if either party obtains knowledge that any of its Group's current or former directors, officers, agents or employees have received any subpoena, discovery or other requests which arguably call for the production or disclosure of such privileged Information, such party shall promptly notify the other party of the existence of the request and shall provide the other party a reasonable opportunity to review the Information and to assert any rights it or any member of its Group may have under this Section 5.8 or otherwise to prevent the production or disclosure of such privileged Information. Each party shall bear its own expenses in connection with any such request.

(i) The transfer of all Records and other Information and each party's retention of Records and other Information which may include privileged Information of the other pursuant to this Agreement is made in reliance on the agreement of SHC and LE, as set forth in this Article V to maintain the confidentiality of the Confidential Information and to assert and maintain all applicable privileges. The access to Information being granted and the agreement to provide witnesses herein, the furnishing of notices and documents and other cooperative efforts contemplated hereby, and the transfer of privileged Information between and among the parties hereto and members of their respective Groups pursuant hereto shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

ARTICLE VI.

FINANCIAL AND OTHER INFORMATION

Section 6.1. Financial and Other Information.

(a) As soon as practicable, and in any event no later than the earlier of (i) thirty-five (35) days prior to the date LE publicly files its first quarterly report with the SEC that includes its financial statements for such fiscal quarter (the "LE Quarterly Report") or otherwise makes the LE Quarterly Report publicly available or (i) thirty-five (35) days before SHC is required to file with the SEC its quarterly financial statements following the Effective Time, LE shall deliver to SHC a substantially final draft of the LE Quarterly Report certified by the chief financial officer of LE as presenting fairly, in all material respects, the financial condition and results of operations of the LE Entities. Following such delivery, (x) LE and SHC shall actively consult with each other regarding any changes (whether or not substantive) which LE may consider making to the LE Quarterly Report and related disclosures prior to the filing with the SEC, with particular focus on any changes which would have any effect upon SHC's financial statements or related disclosures and (y) LE shall deliver to SHC all material revisions to such draft as soon as any such revisions are prepared or made.

(b) As soon as practicable, and in any event no later than the earlier of (i) forty-five (45) days prior to the date LE publicly files its first annual report with the SEC that includes its financial statements for the fiscal year in which the Effective Time occurs (the "LE Annual Report") or otherwise makes the LE Annual Report publicly available or (ii) forty-five (45) days before SHC is required to file with the SEC its annual financial statements for such fiscal year, LE shall deliver to SHC the substantially final draft of the LE Annual Report certified by the chief financial officer of LE as presenting fairly, in all material respects, the financial condition and results of operations of the LE Entities. Following such delivery, (x) LE and SHC shall actively consult with each other regarding any changes (whether or not substantive) which LE may consider making to the LE Annual Report and related disclosures prior to the filing with the SEC, with particular focus on any changes which would have any effect upon SHC's financial statements or related disclosures and (y) LE shall deliver all material revisions to such drafts as soon as any such revisions are prepared or made.

(c) With respect to Public Filings by SHC, until the date on which SHC's annual report on Form 10-K for the year in which the Effective Time occurs is filed, and with respect to Public Filings by LE, until the date on which the LE Annual Report is filed, SHC and LE shall cooperate fully, and cause their respective accountants to cooperate fully, to the extent requested by the other party, in the preparation of the other party's public earnings releases, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other proxy, information and registration statements, reports, notices, prospectuses and filings made with the SEC or any national securities exchange or otherwise made publicly available (collectively, the "Public Filings"). SHC and LE agree to provide to each other all Information that the other party reasonably requests in connection with any Public Filings or that, in either party's judgment, is required to be disclosed or incorporated by reference therein under any Applicable Law. Such Information shall be provided by such party in a timely manner to enable the other party to prepare, print and release all Public Filings on such dates as such party shall

determine. SHC and LE shall use their reasonable best efforts to cause their respective auditors to consent to any reference to them as experts in any Public Filings required under any Applicable Law. If and to the extent requested by either party, the other party shall diligently and promptly review all drafts of such Public Filings.

(d) To the extent it relates to a pre-Effective Time period, LE shall authorize its auditors to make available to SHC's auditors both the Personnel who performed or are performing the annual audit of LE and work papers related to the annual audit of LE, in all cases within a reasonable time prior to the opinion date of SHC's auditors, so that SHC's auditors are able to perform the procedures they consider necessary to take responsibility for the work of LE's auditors as it relates to SHC's auditors' report on SHC's annual financial statements, all within sufficient time to enable SHC to meet its timetable for the printing, filing and public dissemination of SHC's audited annual financial statements.

(e) To the extent it relates to a pre-Effective Time period, LE shall provide SHC's auditors and management access to Personnel and Records of the LE Entities so that SHC may conduct reasonable audits relating to the financial statements provided by LE pursuant to the provisions of this Section 6.1.

(f) To the extent it relates to a pre-Effective Time period, (i) each of the parties hereto shall give the other party hereto as much prior notice as is reasonably practicable of any changes in, or proposed determination of, its accounting estimates or accounting principles from those in effect as of immediately prior to the Effective Time or of any other action with regard to its accounting estimates or accounting principles or previously reported financial results which may affect the other party's financial results, (ii) each of the parties hereto will consult with the other and, if requested by the party contemplating such changes, with such party's auditor and (iii) unless required by generally accepted accounting principles, Applicable Law or a Governmental Authority, LE shall not make such determination or changes which would affect SHC's previously reported financial results without SHC's prior written consent, which shall not be unreasonably withheld. Further, LE will give SHC prompt notice of any amendments or restatements of accounting statements with respect to pre-Effective Time period, and will provide SHC with access as provided in Article VI as promptly as possible such that SHC will be able to satisfy its financial reporting requirements.

(g) Until the end of the fiscal year of SHC in which the Effective Time occurs, LE shall, and shall cause each member of its Group to, maintain a fiscal year that commences and ends on the calendar days immediately preceding the days that SHC's fiscal year commences and ends, respectively, and to maintain monthly accounting periods that commence and end on the calendar days immediately preceding the days that SHC's monthly accounting periods commence and end, respectively.

(h) If either LE or SHC is the subject of any SEC comment, review or investigation (formal or informal) and which in any way relates to the other party or the other party's Public Filings, such party shall provide the other party with a copy of any comment or notice of such review or investigation and shall give the other party a reasonable opportunity to be involved in responding to such comment, review or investigation, and the other party shall cooperate with such party in connection with responding to such comment, review or investigation.

(i) Within ten (10) days after the end of each quarter following the Effective Time during which SHC and LE are affiliates, each of SHC and LE shall (i) provide the other party hereto with all related party Information required to be disclosed under the Applicable Law with respect to such quarter and (ii) cooperate to provide consistent disclosure with regard to such Information in any Public Filings.

(j) Information provided pursuant to this Section 6.1 and Section 6.2, other than Information required to be included in the Public Filings, shall be deemed Confidential Information for purposes of this Agreement subject to the terms and conditions of Section 5.5(a). Nothing in this Section 6.1 shall require SHC or LE to violate any agreement with any of its customers, suppliers or other third parties regarding the confidentiality of Information relating to such customer, supplier or other third party or its business; provided that in the event that SHC or LE is required under this Section 6.1 to disclose any such Information, SHC or LE shall use all commercially reasonable efforts to seek to obtain such customers', suppliers' or other third parties' consent to the disclosure of such Information.

(k) Each party hereto agrees and acknowledges, on behalf of itself and members of its Group, that it is aware and will advise its Personnel who receive Information provided hereunder and are otherwise not aware, that (i) the Information provided hereunder may contain material nonpublic Information concerning the other party and (ii) that United States securities laws prohibit any person who has material nonpublic Information concerning a publicly traded Person from purchasing or selling securities of such Person, or from communicating such Information to any other Person under circumstances in which it is reasonably foreseeable that such Person is likely to purchase or sell such securities.

Section 6.2. Sarbanes-Oxley Section 404 Compliance. Following the Separation, each party hereto shall continue to provide access to the other party hereto on a timely basis to all Information reasonably required to meet its schedule for management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K and, to the extent applicable to such party, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 and the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder (such assessments and audit being referred to as the "Internal Control Audit and Management Assessments"). Without limiting the generality of the foregoing, each party hereto will provide all required financial and other Information with respect to itself and members of its Group (including access to personnel and Records) to the other party's auditors and management in a sufficient and reasonable time and in sufficient detail to permit such other party's auditors and management to complete the Internal Control Audit and Management Assessments.

ARTICLE VII.

EMPLOYMENT MATTERS; EXECUTIVE COMPENSATION

Section 7.1. Notice Requirements. The LE Entities shall bear any liability that may accrue to any Personnel of the LE Entities (collectively, the "LE Personnel") or to any unit of government under the Worker Adjustment and Retraining Notification Act of 1988, as amended (the "WARN Act"), or any similar state Law, arising out of (a) the transactions under this Agreement and (b) any actions any action taken by the LE Entities after the Effective Time.

Section 7.2. Administration of LE Benefit Plans.

(a) As of the Effective Time, the LE Personnel will be eligible to continue to participate in the benefit plans sponsored, maintained or made available by any LE Entity (the "LE Benefit Plans"), to the extent they were eligible to participate in such plans prior to the Effective Time or become eligible to participate during the period from the Effective Time, subject to the terms and conditions of the LE Benefit Plans, and through the date on which such LE Benefit Plan ceases to be available to the LE Personnel, whether by operation, expiration, or termination of such plan or otherwise. As of and after the Effective Time, LE Benefit Plans shall not include the LE Retiree Program (as discussed in Section 7.6), the SHC ASPP (as discussed in Section 7.3) and the SHC incentive plans (as discussed in Section 7.4).

(b) As of and after the Effective Time, LE or its delegate shall be exclusively responsible for administering each LE Benefit Plan in accordance with its terms, subject to the provisions of Section 7.6. LE shall not assume sponsorship, maintenance or administration of any Benefit Plan that is not a LE Plan or receive or assume any assets or liabilities in connection with any such Benefit Plan.

Section 7.3. Associate Stock Purchase Plan. All LE Personnel shall cease active participation in the Sears Holdings Corporation Associate Stock Purchase Plan (the "SHC ASPP") with respect to offering periods ending after the Effective Time and shall be treated in the same manner as other similarly situated terminated Personnel of SHC or the other SHC Entities. For the avoidance of doubt, LE's Personnel who participated in the SHC ASPP prior to the Effective Time shall continue to participate in any offering period under the SHC ASPP ending prior to the Effective Time (subject to any action taken by any such LE Personnel who is participating in this plan to terminate his or her participation prior to the Effective Time). The LE Entities will have no Liability with respect to the SHC ASPP for any LE Personnel, except as required by Law.

Section 7.4. Incentive Plans.

(a) *Annual Incentive Plan*. As of the Effective Time, LE Personnel shall cease to be eligible to receive any incentive award under the Sears Holdings Corporation Annual Incentive Plan (the "SHC AIP") with respect to the 2013 fiscal year or any fiscal year thereafter. LE shall be solely responsible for any annual incentive awards that become payable under the terms of annual incentive plan established and sponsored by any LE Entity as of or after the Effective Time.

(b) *Long-Term Incentive Plans*.

(i) As of the Effective Time, LE Personnel shall cease to be eligible to receive any incentive award under the (x) 2011 Sears Holdings Corporation Long-Term Incentive Program (the "2011 SHC LTIP"), (y) 2012 Sears Holdings Corporation Long-Term Incentive Program (the "2012 SHC LTIP") and the (z) 2013 Sears Holdings Corporation Long-Term Incentive Program (the "2013 SHC LTIP"). LE shall establish a performance-based long-term incentive program (the "LE LTIP") as of the Effective Time and shall be solely responsible for all incentive awards that become payable under the terms of the LE LTIP for 2014 and any other performance period ending on or after the Effective Time. Any accruals and the outstanding liabilities arising out of or relating to the close out of the 2011 SHC LTIP, 2012 SHC LTIP and 2013 SHC LTIP, if any, with respect to LE Personnel will be forfeited as of the Effective Time and/or canceled by SHC prior to the payment date.

(ii) SHC shall assign and LE shall assume, as of the Effective Time, the portion of the 2013 Sears Holdings Corporation Cash Long-Term Incentive Plan applicable to LE Personnel (including the applicable plan document, performance metrics and specifics) (the "LE 2013 Cash LTI") as of the Effective Time. Any accruals and the outstanding Liabilities arising out of or relating to fiscal year 2013 attributable to LE Personnel under the LE 2013 Cash LTI will be transferred to and assumed by LE as of the Effective Time or prior to the payment date for the LE 2013 Cash LTI, as agreed by the parties hereto prior to the Effective Time. LE hereby accepts and agrees to such assumption and agrees to pay all such Liabilities under the LE 2013 Cash LTI.

(c) LE shall be solely responsible for any other incentives or bonuses that have been awarded to LE Personnel as of or after the Effective Time that become payable to LE Personnel under any other LE incentive or bonus program as of or after the Effective Time and any other performance period ending after the Effective Time.

Section 7.5. Restricted Stock Awards; Cash Awards. Any unvested restricted stock award with respect to shares of SHC common stock ("SHC Restricted Stock Award") and any cash right or award issued with respect to such SHC Restricted Stock Award ("SHC Cash Award") that was granted under or pursuant to any equity compensation plan or arrangement of SHC, shall be forfeited in accordance with its terms.

Section 7.6. LE Retiree Program. Following the Effective Time, SHC shall assume the administration and funding of the LE Retiree Program, and LE agrees to provide SHC all participant records, participant communications, policy and procedural documentation, summary plan descriptions, program data and any other Information regarding the pre-65 and post-65 components of the LE Retiree Program to enable SHC to assume such administration. Further, LE agrees to allow any former LE Personnel who are eligible retirees under the pre-65 component (including eligible spouses) ("LE Pre-65 Retirees") as of the Effective Time to continue to receive retiree medical coverage under the LE active group health plan, after the Effective Time and until at least December 31, 2015, after which time (if not sooner), SHC shall determine and communicate any changes to the pre-65 component of the LE Retiree Program. With respect to the remaining LE Pre-65 Retirees as of and after the Effective Time, SHC shall

reimburse LE, on a mutually agreed periodic basis (not more frequently than quarterly), LE's portion of the benefits provided under the LE active group health plan in accordance with the current terms of the LE Retiree Program to LE Pre-65 Retirees enrolled in the LE active group health plan as of the Effective Time.

Section 7.7. No Duplication or Acceleration of Benefits. Notwithstanding anything to the contrary in this Agreement, no LE Personnel shall receive benefits under a Benefit Plan sponsored or maintained by SHC that duplicate benefits provided by the corresponding LE Benefit Plan. Furthermore, unless expressly provided for in this Agreement or required by Applicable Law, no provision in this Agreement shall be construed to create any right to accelerate vesting or entitlements to any compensation or Benefit Plan on the part of any LE Personnel or former LE Personnel, except as specifically provided for under an applicable LE Employment Agreement.

Section 7.8. Employment Agreements; Severance. To the extent LE does not have final copies of any LE Employment Agreements and SHMC has copies of such documents, SHMC will provide copies of all LE Employment Agreements and other assumed documents to LE upon LE's written request. Except as expressly provided in this Agreement, neither the consummation of the transactions contemplated by this Agreement nor the termination of the status of LE as an affiliate of SHC shall cause any employee to be deemed to have incurred a termination of employment which entitles such individual to the commencement of benefits under any severance program or LE Employment Agreement. Notwithstanding the foregoing, LE shall be solely responsible for all Liabilities in respect of all costs arising out of payments and benefits relating to the termination or alleged termination of any LE Employee's employment with SHC that occurs as a result of or in connection with the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements, including any amounts required to be paid (including any payroll or other Taxes), and the costs of providing benefits, under any applicable severance, separation, redundancy, termination or similar plan, program, practice, contract, agreement, law or regulation (such benefits to include any medical or other welfare benefits, outplacement benefits, accrued vacation, and Taxes).

Section 7.9. No Solicit; No Hire.

(a) Neither LE nor any other LE Entity shall, from the Effective Time through and including the second (2nd) anniversary of the later of (x) the date on which the SHC Entities cease to provide transition services to the LE Entities under the Transition Services Agreement and (y) the date on which the SHC Entities cease to provide services to the LE Entities under the terms of the LES Agreement (the "Non-Solicit Period"), either directly or indirectly, on its own behalf or in the service or on behalf of others, solicit or hire as an employee or an independent contractor any individual who (1) is employed by any SHC Entity at the time of such solicitation or discussion of hiring or (2) was employed by any SHC Entity as of the Effective Time; provided that the foregoing shall not apply to persons whom LE and SHC agree in writing and acting in Good Faith were not involved in the six (6) month period prior to such solicitation or hiring, directly or indirectly, in the provision of support or services to any LE Entity or the LE Business or management of any such persons providing support or services to any LE Entity or the LE Business; provided, further, that in the case of both clauses (1) and (2), the LE Entities shall not be precluded from placing general advertisements for employment not directed at the

SHC Entities or soliciting or hiring any such individual whose employment with such SHC Entity was involuntarily terminated; provided, further, that this Section 7.9(a) shall not apply six (6) months after the termination of the Buying Agency Agreement in accordance with its terms to the solicitation or hiring of the Personnel that dedicated substantially all of their business time and attention to providing services to the LE Entities pursuant to the Buying Agency Agreement while that agreement was in effect. Upon SHC's written request, unless LE and SHC, acting in Good Faith, otherwise agree in writing after such request (it being understood that LE may consult with SHC regarding such request), LE shall take those steps reasonably necessary to enforce the protective covenants contained in any LE Employment Agreement with respect to any termination occurring within two (2) years after the Effective Time involving an individual whose protective covenants in an LE Employment Agreement are still in effect at such time. If such enforcement action is undertaken solely at SHC's request, SHC shall bear any out-of-pocket costs (including, without limitation, attorney's fees) incurred by LE associated with such enforcement action. Further, LE agrees that to the extent it desires to amend or replace any protective covenant contained in any LE Employment Agreement after the Effective Time and before second anniversary of the Distribution Date, it shall consult with SHC regarding any such changes and LE and SHC, acting in Good Faith, shall attempt to reach agreement on the scope of any such changes before attempting to implement them and any such replacement agreement shall be deemed to be an LE Employment Agreement for purposes of this Section 7.9(a).

(b) During the Non-Solicit Period, no SHC Entity shall either directly or indirectly, on its own behalf or in the service or on behalf of others, solicit as an employee or an independent contractor any individual who, in the six (6)-month period prior to such solicitation, was employed by any LE Entity and was materially involved in the management of any material portion of the relationship between the LE Entities and the SHC Entities as provided for under this Agreement and the Ancillary Agreements; provided that the foregoing shall not apply to persons whom LE and SHC agree in writing and acting in Good Faith were not materially involved in the management of any material portion of the relationship between the LE Entities and the SHC Entities as provided for under this Agreement and the Ancillary Agreements; provided, further, that the SHC Entities shall not be precluded from general employment solicitations not directed specifically at the LE Entities or soliciting or hiring any such individual whose employment with such LE Entity was involuntarily terminated.

Section 7.10. Non-Disparagement. Neither SHC nor LE shall (and shall cause the respective members of their Groups, as applicable, not to) publicly disparage the SHC Entities or the LE Entities, their respective products, services, or present or former Personnel.

ARTICLE VIII.

INSURANCE

Section 8.1. Insurance Matters.

(a) SHC and LE agree to cooperate in Good Faith to arrange insurance coverage for LE to be effective no later than the Distribution Date. If not obtained prior to the Distribution Date, then following such date, LE agrees to use its commercially reasonable efforts to obtain appropriate insurance policies for itself and the LE Entities covering those risks that,

prior to the Effective Time, were jointly insured with the SHC Entities (such as foreign liability, umbrella liability, directors' and officers', crime and ocean freight insurance). In no event shall SHC, any other SHC Entity or any SHC Indemnified Party have any Liability or obligation whatsoever to any LE Entity in the event that any insurance policy or other contract or policy of insurance shall be terminated or otherwise cease to be in effect for any reason, shall be unavailable or inadequate to cover any Liability of any LE Entity for any reason whatsoever or shall not be renewed or extended beyond the current expiration date. LE does hereby, for itself and each other LE Entity, agree that no SHC Entity or any SHC Indemnified Party shall have any liability whatsoever as a result of the insurance policies and practices of SHC and its Affiliates as in effect at any time prior to the Effective Time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise, any professional or other advice with respect to the initial policies for LE, any handling of claims for LE, or any oversight or advice with respect to risk management or other insurance-related issues; provided that this Section 8.1(a) shall not negate SHC's agreement under Section 8.1(b).

(b) SHC agrees to use its reasonable best efforts to cause the interests and rights of LE and the other LE Entities as of the Effective Time as insureds or beneficiaries or in any other capacity under occurrence-based insurance policies and programs (and under claims-made policies and programs to the extent a claim has been submitted prior to the Effective Time) of SHC or any other SHC Entity in respect of the period prior to the Effective Time to survive the Effective Time for the period for which such interests and rights would have survived without regard to the transactions contemplated hereby to the extent permitted by such policies; and any proceeds received by SHC or any other SHC Entity after the Effective Time under such policies and programs in respect of LE and the other LE Entities shall be for the benefit of LE and the other LE Entities; provided that the interests and rights of LE and the other LE Entities shall be subject to the terms and conditions of such insurance policies and programs, including any limits on coverage or scope, any deductibles and other fees and expenses and SHC's allocation of the cost of claims to its business units, including LE, according to its allocation program in effect as of the Effective Time, and shall be subject to the following additional conditions:

(i) LE shall report, on behalf of itself and other the LE Entities, as promptly as practicable, claims to SHC's Vice President for Risk Management and the Deputy General Counsel of Litigation (or such other individuals as SHC may designate in writing) and otherwise in accordance with SHC's claim reporting procedures in effect immediately prior to the Effective Time (or in accordance with any modifications to such procedures after the Effective Time communicated by SHC to LE in writing);

(ii) LE and the other LE Entities shall indemnify, hold harmless and reimburse SHC and the other SHC Entities for any premiums, retrospectively rated premiums, defense costs, settlements, judgments, legal fees, indemnity payments, deductibles, retentions, claim expenses and claim handling fees or other charges allocated to the LE Entities pursuant to the allocation program maintained by SHC in effect as of the Effective Time, whether such underlying claims are made by a LE Entity, its employees or a Third Party; and

(iii) LE shall, and shall cause the other LE Entities to, cooperate with and assist SHC and the other SHC Entities and share such Information as is reasonably necessary in order to permit SHC and the SHC Entities to manage and conduct the insurance matters contemplated by this Article VIII, including, without limitation, the production of witnesses in accordance with Section 5.4;

(iv) LE shall exclusively bear (and neither SHC nor any other SHC Entity shall have any obligation to repay or reimburse LE or any other LE Entity for) and shall be liable for all uninsured, uncovered, unavailable or uncollectible amounts of all such claims made by LE or any other LE Entity under the policies as provided for in this Section 8.1(b). In the event an insurance policy aggregate is exhausted, or believed likely to be exhausted, due to noticed claims, the LE Entities, on the one hand, and the SHC Entities, on the other hand, shall be responsible for their pro rata portion of the reinstatement premium, if any, based upon the losses of such Group submitted to SHC's insurance carrier(s) (including any submissions prior to the Effective Time). To the extent that either Group is allocated more than its pro rata portion of such premium due to the timing of losses submitted to SHC's insurance carrier(s), the other party shall promptly pay the first party an amount so that each Group has been properly allocated its pro rata portion of the reinstatement premium. Subject to the following sentence, SHC may elect not to reinstate the policy aggregate. In the event that SHC elects not to reinstate the policy aggregate, it shall provide prompt written notice to LE, and LE may direct SHC in writing to, and SHC shall, in such case, reinstate the policy aggregate in which case the policy aggregate shall accrue solely to LE's benefit; provided that LE shall be responsible for all reinstatement premiums and other costs associated with such reinstatement; provided, further, that SHC shall have the right to pay its pro rata portion of the reinstatement premium and receive the pro rata benefit of the policy aggregate.

In the event that any SHC Entity incurs any losses, damages or Liability prior to or in respect of the period prior to the Effective Time for which such SHC Entity is entitled to coverage under LE's third-party insurance policies, the same process pursuant to this Section 8.1(b) shall apply, substituting "SHC" for "LE" and "LE" for "SHC."

(c) Except as provided in Section 8.1(b), from and after the Effective Time, neither LE nor any other LE Entity shall have any rights to or under any of the insurance policies of SHC or any other SHC Entity.

(d) Neither LE nor any other LE Entity, in connection with making a claim under any insurance policy of SHC or any other SHC Entity pursuant to this Section 8.1, shall take any action that would be reasonably likely to (i) have an adverse impact on the then-current relationship between SHC or any other SHC Entity, on the one hand, and the applicable insurance company, on the other hand; (ii) result in the applicable insurance company terminating or reducing coverage, or increasing the amount of any premium owed by SHC or any other SHC Entity under the applicable insurance policy; or (iii) otherwise compromise, jeopardize or interfere with the rights of SHC or any other SHC Entity under the applicable insurance policy.

(e) Subject to Section 8.1(b), SHC and the other SHC Entities shall retain the exclusive right to control their insurance policies and programs, including the right to defend, exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of their insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or programs apply to any LE Liabilities and/or claims LE has made or could make in the future, and no LE Entity shall, without the prior written consent of SHC, erode, exhaust, settle, release, commute, buy-back or otherwise resolve disputes with insurers of SHC or other SHC Entities with respect to any of the insurance policies and programs of the SHC Entities, or amend, modify or waive any rights under any such insurance policies and programs. Neither SHC nor any other SHC Entity shall have any obligation to secure extended reporting for any claims under any of the insurance policies and programs of SHC or other SHC Entity for any acts or omissions by any LE Entity incurred prior to the Effective Time.

(f) This Agreement is not intended as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any LE Entity in respect of any insurance policy or any other contract or policy of insurance.

(g) Nothing in this Agreement shall be deemed to obligate SHC or any other SHC Entity to obtain or maintain credit insurance coverage to cover any Liabilities of the LE Entities that may at any time arise under any insurance coverage for any LE Entity.

(h) Nothing in this Agreement shall be deemed to restrict any LE Entity from acquiring at its own expense any insurance policy in respect of any Liabilities or covering any period.

Section 8.2. Miscellaneous. Each of the parties intends by this Agreement that a Third Party, including a third-party insurer or reinsurer, or other Third Party that, in the absence of the Agreement would otherwise be obligated to pay any claim or satisfy any indemnity or other obligation, shall not be relieved of the responsibility with respect thereto and shall not be entitled to a "windfall" (i.e., avoidance of the obligation that such Person would have in the absence of this Agreement). To the extent that any such Person would receive such a windfall, SHC and LE shall negotiate in Good Faith concerning an amendment of this Agreement to avoid such a windfall.

ARTICLE IX.

LEGAL MATTERS

Section 9.1. Control of Legal Matters.

(a) At all times from and after the Effective Time, LE shall assume (or, as applicable, retain) control of each of the LE Litigation Matters, and LE shall use its reasonable best efforts to cause any SHC Entity named as a defendant in any such LE Litigation Matter to be removed and dismissed from such LE Litigation Matter; provided, however, that LE shall not be required to make any such effort if the removal of any SHC Entity would jeopardize insurance coverage or rights to indemnification from Third Parties applicable to such LE Litigation Matter.

(b) At all times from and after the Effective Time, SHC shall assume (or, as applicable, retain) control of each of the SHC Litigation Matters, and SHC shall use its reasonable best efforts to cause any LE Entity named as a defendant in any such SHC Litigation Matters to be removed and dismissed from such SHC Litigation Matter; provided, however, that SHC shall not be required to make any such effort if the removal of any LE Entity would jeopardize insurance coverage or rights to indemnification from Third Parties or other rights applicable to such SHC Litigation Matter.

(c) To the extent LE or SHC is unable to cause a member of the other party's Group to be removed and dismissed pursuant to Section 9.1(a) or (b), the parties hereto agree to cooperate in defending against such Action and, subject to Section 5.8, to provide each other with access to all Information relating to such Action except to the extent that providing such access and such Information would prejudice an indemnification claim available to such party as contemplated in Article X.

(d) At all times from and after the Effective Time, SHC and LE shall jointly control any Joint Litigation Matter and shall cooperate in defending against such Action; provided, however, that no member of either Group may settle a Joint Litigation Matter without the prior written consent of the members of the other Group named or involved in such Joint Litigation Matter, which consent shall not be unreasonably withheld or delayed; provided, further, that either party may settle a Joint Litigation Matter if such settlement is for monetary relief only, payable solely by the settling party and provides a full release from, or indemnity for, any Liability under such Joint Litigation Matter for the other party and, as applicable, the members of the other party's Group and their respective Representatives.

Section 9.2. Notice to Third Parties; Service of Process; Cooperation.

(a) SHC and LE shall cause the SHC Entities and the LE Entities to promptly notify their respective agents for service of process and all other necessary parties, including plaintiffs and courts, of the Separation and shall provide instructions for proper service of legal process and other documents.

(b) LE and SHC shall, and shall cause the members of their respective Groups to, use their reasonable best efforts to deliver to each other any legal process or other documents incorrectly served upon them or their agents as soon as practical following receipt.

(c) If any party hereto or any members of its Group receives notice or otherwise learns of the assertion of a Joint Litigation Matter, such party or member of its Group shall give the other party hereto written notice of such Joint Litigation Matter in reasonable detail. The failure to give notice under this subsection shall not relieve any party hereto (or any member of its Group) its Liability for any Joint Litigation Matter as provided hereunder or under any Ancillary Agreement, except to the extent such party is actually prejudiced by the failure to give such notice. The parties hereto shall be deemed to be on notice of any Joint Litigation Matter pending prior to the Effective Time.

Section 9.3. Orders; Consent Decrees, etc. To the extent that any order, judgment, consent decree or other similar order of any Governmental Authority is binding on any LE Entity, each such LE Entity so bound shall perform all of its obligations under such order, judgment, consent decree or other similar order as and when required.

ARTICLE X.

RELEASES; INDEMNIFICATION

Section 10.1. Release of Pre-Separation Claims.

(a) Except as provided in Section 10.1(c), effective as of the Effective Time, LE does hereby, for itself and each other LE Entity, their respective Affiliates, successors and assigns, and all Persons who at any time on or prior to the Effective Time have been stockholders, directors, officers, agents or employees of any LE Entity and their respective heirs, executors, administrators, successors and assigns (in each case, in their respective capacities as such), remise, release and forever discharge SHC and the other SHC Entities, their respective Affiliates, and all Persons who at any time on or prior to the Effective Time have been stockholders, directors, officers, agents or employees of any SHC Entity (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed at or before the Effective Time, including in connection with the transactions and all other activities to implement the Separation and the Distribution.

(b) Except as provided in Section 10.1(c), effective as of the Effective Time, SHC does hereby, for itself and each other SHC Entity, their respective Affiliates, and all Persons who at any time on or prior to the Effective Time have been stockholders, directors, officers, agents or employees of any SHC Entity and their respective heirs, executors, administrators, successors and assigns (in each case, in their respective capacities as such), remise, release and forever discharge LE, the other LE Entities, their respective Affiliates, and all Persons who at any time on or prior to the Effective Time have been stockholders, directors, officers, agents or employees of any LE Entity (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed at or before the Effective Time, including in connection with the transactions and all other activities to implement the Separation and the Distribution.

(c) Nothing contained in Section 10.1(a) or (b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any other Intercompany Agreements or Intercompany Accounts that are specified in Section 2.2(b) as not to terminate as of the Effective Time, in each case in accordance with its terms. For the avoidance of doubt, nothing contained in Section 10.1(a) or (b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any the SHC Entities or the LE Entities that is specified in Section 2.2(b) as not to terminate as of the Effective Time, or any other Liability specified in such Section 2.2(b) as not to terminate as of the Effective Time;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability provided in or resulting from any other agreement or understanding that is entered into on or after the Effective Time between one party hereto (or a member of such party's Group), on the one hand, and the other party hereto (or a member of such party's Group), on the other hand;

(iv) any Liability that the parties hereto may have with respect to indemnification or contribution pursuant to this Agreement or any Ancillary Agreement;

(v) any Liability the release of which would result in the release of any Person not otherwise intended to be released pursuant to this Section 10.1; or

(vi) any obligation existing prior to the Effective Time of any member of a Group to indemnify any Person who has been a Representative of any member of the Group at any time on or prior to the Effective Time.

(d) LE shall not make, and shall not permit any other LE Entity to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against SHC or any other SHC Entity, or any other Person released pursuant to Section 10.1(a), with respect to any Liabilities released pursuant to Section 10.1(a). SHC shall not make, and shall not permit any other SHC Entity to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against LE or any other LE Entity, or any other Person released pursuant to Section 10.1(b), with respect to any Liabilities released pursuant to Section 10.1(b).

(e) It is the intent of each of SHC and LE, by virtue of the provisions of this Section 10.1, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Effective Time, between or among LE or any other LE Entity, on the one hand, and SHC or any other SHC Entity, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Effective Time), except as otherwise set forth in Section 10.1(c). At any time, at the request of the other party hereto, each party hereto shall, no later than the fifth (5th) Business Day following the receipt of such request, cause each member of its respective Group to execute and deliver releases reflecting the provisions hereof.

Section 10.2. Indemnification by LE. Following the Effective Time and subject to Section 14.1, LE shall, and shall cause the LE Entities to, indemnify, defend and hold harmless each SHC Entity and its Affiliates, and each of their respective current or former directors, officers, employees, agents, and each of the heirs, executors, administrators, successors and assigns of any of the foregoing (each, a "SHC Indemnified Party"), from and against all Liabilities actually incurred or suffered by the SHC Indemnified Parties relating to, arising out of or resulting from one or more of the following:

(a) each LE Liability, including arising out of the failure of any LE Entity or any other Person to pay, perform or otherwise promptly discharge any such LE Liability;

(b) any LE-Branded Gift Card;

(c) each breach by LE or any LE Entity of this Agreement;

(d) each breach by LE or any LE Entity of the Tax Sharing Agreement, the Gift Card Services Agreement or any of the Implementation Documents, subject to any specific limitation on liability contained in the applicable agreement and without duplication taking into account the performance by each LE Entity of its indemnification obligations in the agreement;

(e) except to the extent it relates to a SHC Liability, any direct or indirect guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any LE Entity by any SHC Entity that survives the Effective Time; and

(f) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all Information contained in the LE Registration Statement, the Information Statement (as amended or supplemented if LE shall have furnished any amendments or supplements thereto) or any other Disclosure Document, other than with respect to the matters described in Section 10.3(e).

Section 10.3. Indemnification by SHC. Following the Effective Time and subject to Section 14.1, SHC shall, and shall cause the SHC Entities to, indemnify, defend and hold harmless each LE Entity and its Affiliates, and each of their respective current or former directors, officers, employees, agents, and each of the heirs, executors, administrators, successors and assigns of any of the foregoing (each, a "LE Indemnified Party"), from and against any and all Liabilities arising out of or resulting from any of the following items:

(a) each SHC Liability, including arising out of the failure of any SHC Entity or any other Person to pay, perform or otherwise promptly discharge any such SHC Liability;

(b) each breach by SHC or any SHC Entity of this Agreement;

(c) each breach by SHC or any SHC Entity of the Tax Sharing Agreement or any of the Implementation Documents, subject to any specific limitation on liability contained in the applicable agreement and without duplication taking into account the performance by each LE Entity of its indemnification obligations in the agreement;

(d) except to the extent it relates to a LE Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any SHC Entity by any LE Entity that survives the Effective Time; and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to statements made explicitly in SHC's or another SHC Entity's name in the LE Registration Statement, the Information Statement (as amended or supplemented if LE shall have furnished any amendments or supplements thereto) or any other Disclosure Document.

Section 10.4. Indemnification with Respect to Unreleased Liabilities. Without limiting the generality of Section 10.2 and 10.3, LE shall indemnify, defend and hold harmless each SHC Indemnified Party that is an Unreleased Person against any Liabilities arising in respect of each Unreleased Liability of such Person and SHC shall indemnify, defend and hold harmless each LE Indemnified Party that is an Unreleased Person against any Liabilities relating to, arising out of or resulting from each Unreleased Liability of such Person.

Section 10.5. Adjustments to Indemnification Obligations.

(a) The parties hereto intend that each Liability subject to indemnification, contribution or reimbursement pursuant hereto will be net of (i) all Insurance Proceeds, and (ii) all recoveries, judgments, settlements, contribution, indemnities and other amounts received (including by way of set-off) from all Third Parties, in each case that actually reduce the amount of, or are paid to the applicable indemnitee in respect of, such Liability ("Third Party Proceeds"). Accordingly, the amount that a party (each, an "Indemnifying Party") is required to pay to each Person entitled to indemnification hereunder (each an "Indemnified Party") shall be reduced by all Insurance Proceeds and Third Party Proceeds received by or on behalf of the Indemnified Party in respect of the relevant Liability; provided, however, that all amounts described in Section 10.2 or Section 10.3 which are incurred by an Indemnified Party shall be paid promptly by the Indemnifying Party and shall not be delayed pending any determination as to the availability of Insurance Proceeds or Third Party Proceeds; provided, further, that upon such payment by or on behalf of an Indemnifying Party to an Indemnified Party in connection with a Third Party Claim, to the extent permitted by Applicable Laws such Indemnified Party shall assign its rights to recover all Insurance Proceeds and Third Party Proceeds to the Indemnifying Party and such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnified Party as to all events and circumstances in respect of which such Indemnified Party may have with respect to all rights, defenses, and claims relating to such Third Party Claim. If, notwithstanding the second proviso in the preceding sentence, an Indemnified Party receives a payment required to be made under this Article X (an "Indemnity Payment") from an Indemnifying Party in respect of a Liability and subsequently receives Insurance Proceeds or Third Party Proceeds in respect of such Liability, then the Indemnified Party shall pay to the Indemnifying Party an amount equal to the excess of the amount paid by the Indemnifying Party over the amount that would have been due if such Insurance Proceeds and Third Party Proceeds had been received before the Indemnity Payment was made. Each SHC Entity and each LE Entity shall use reasonable best efforts to seek to collect or recover all Insurance Proceeds and all

Third Party Proceeds to which such Person is entitled in respect of a Liability for which such Person seeks indemnification pursuant to this Article X; provided, however, that such Person's inability to collect or recover any such Insurance Proceeds or Third Party Proceeds shall not limit the Indemnifying Party's obligations hereunder.

(b) An insurer that would otherwise be obligated to pay a claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto, it being expressly understood and agreed that no insurer or other third party shall be entitled to a "windfall" (i.e., a benefit it would not be entitled to receive in the absence of the indemnification provisions hereof) by virtue of the indemnification provisions hereof.

Section 10.6. Contribution. If the indemnification provided for in this Article X is unavailable to, or insufficient to hold harmless, an Indemnified Party in respect of a Liability for which indemnification is provided for herein then each Indemnifying Party shall, in lieu of indemnifying such Indemnified Party, contribute to the amount paid or payable by such Indemnified Party as a result of such Liability, in such proportion as shall be sufficient to place the Indemnified Party in the same position as if such Indemnified Party were indemnified hereunder. If the contribution provided for in the previous sentence shall, for any reason, be unavailable or insufficient to put the Indemnified Party in the same position as if it were indemnified under Section 10.2 or Section 10.3, as the case may be, then the Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liability, in such proportion as shall be appropriate to reflect the relative benefits received by and the relative fault of the Indemnifying Party on the one hand and the Indemnified Party on the other hand with respect to the matter giving rise to the Liability.

Section 10.7. Procedures for Indemnification of Direct Claims. Each claim for indemnification made directly by the Indemnified Party against the Indemnifying Party that does not result from a Third Party Claim shall be asserted by written notice from the Indemnified Party to the Indemnifying Party specifically claiming indemnification hereunder, which notice shall state the amount claimed, if known, and method of computation thereof, and shall contain a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed by such Indemnified Party. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such Indemnifying Party shall be deemed to have accepted responsibility for the indemnification sought and shall have no further right to contest the validity of such claim. If such Indemnifying Party does respond within such thirty (30) day period and rejects such claim in whole or in part, such Indemnified Party shall be free to pursue resolution as provided in Article XI.

Section 10.8. Procedures for Indemnification of Third Party Claims.

(a) If an Indemnified Party shall receive notice of the assertion of a claim, or commencement of an Action, by a Third Party against it (each, a "Third Party Claim") that may give rise to a claim for indemnification pursuant to this Agreement, within thirty (30) days of the receipt of such notice, the Indemnified Party shall give the Indemnifying Party notice of such Third Party Claim, which notice shall describe such Third Party Claim in reasonable detail;

provided, however, that the failure to provide such notice as provided in this Section 10.8 shall not release the Indemnifying Party from any of its obligations under this Article X, except to the extent such Indemnifying Party is actually prejudiced by such failure to give notice.

(b) Each Indemnifying Party shall be entitled (but shall not be required) to assume and control the defense of each Third Party Claim at its expense and through counsel of its choice that is reasonably acceptable to the Indemnified Party if it gives notice of its intention to do so to the Indemnified Party within thirty (30) days of the receipt of notice from the Indemnified Party in accordance with Section 10.8(a); provided, however, that the Indemnifying Party shall not, without the prior written consent of the Indemnified Party, settle, compromise or offer to settle or compromise such Third Party Claim; provided, further, that such Indemnified Party shall not withhold such consent if the settlement or compromise (i) contains no finding or admission of a violation of Applicable Law or a violation of the rights of a Person by the Indemnified Party or any of its Affiliates, (ii) contains no finding or admission that would have an adverse effect on the Indemnified Party or any of its Affiliates as determined by the Indemnified Party in Good Faith, (iii) involves only monetary relief which the Indemnifying Party has agreed to pay and does not contain an injunction or other non-monetary relief affecting the Indemnified Party or any of its Affiliates, and (iv) includes a full, irrevocable unconditional release of the Indemnified Party from such Third Party Claim.

(c) If the Indemnifying Party elects to undertake the defense against a Third Party Claim as provided by Section 10.8(b), the Indemnified Party shall cooperate with the Indemnifying Party with respect to such defense and shall have the right, but not the obligation, to participate in such defense and to employ separate counsel of its choosing at its own expense; provided, however, that such expense shall be the responsibility of the Indemnifying Party if (i) the Indemnifying Party and the Indemnified Party are both named parties to the proceedings and the Indemnified Party shall have reasonably concluded that representation of both parties by the same counsel would be inappropriate due to actual or potential conflicts of interest (in which case the Indemnifying Party shall not be responsible for expenses in respect of more than one counsel for the Indemnified Party in any single jurisdiction), or (ii) the Indemnified Party assumes the defense of the Third Party Claim after the Indemnifying Party has failed, in the reasonable judgment of the Indemnified Party, to diligently defend the Third Party Claim after having elected to assume its defense.

(d) If the Indemnifying Party (i) does not elect to assume the defense in accordance with Section 10.8(b), or (ii) after assuming the defense of a Third Party Claim, fails to take reasonable steps necessary to defend diligently such Third Party Claim within ten (10) days after receiving written notice from the Indemnified Party to the effect that the Indemnifying Party has so failed, the Indemnified Party shall have the right but not the obligation to assume its own defense; provided, however, that the Indemnified Party shall not settle or compromise such Third Party Claim without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld. For the avoidance of doubt, the Indemnified Party's right to indemnification for a Third Party Claim shall not be adversely affected by assuming the defense of such Third Party Claim.

(e) Subject to Article V, the Indemnified Party and the Indemnifying Party shall reasonably cooperate in the defense of a Third Party Claim including by (i) making

available all witnesses, all pertinent records, all materials, and all Information in each other's possession or under each other's control relating to the Third Party Claim, (ii) assisting with litigation defense strategy, investigations, discovery preparation, trial preparation, and similar activities with respect to the Third Party Claim, and (iii) using commercially reasonable efforts to avoid taking any action, or omitting to take any action, that would materially and adversely prejudice each other's defense of, or actual or potential rights of recovery with respect to, the Third Party Claim. The Indemnifying Party shall have no obligation in accordance with this Article X to an Indemnified Party for any Third Party Claim to the extent such Indemnified Party fails to comply with this Section 10.8(e) with respect to the Third Party Claim and such failure shall have materially and adversely prejudiced the Indemnifying Party.

Section 10.9. Remedies Cumulative. The remedies provided in this Article X shall be cumulative and, subject to the provisions of Article XI, shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

Section 10.10. Survival of Indemnities. The rights and obligations of each of SHC and LE and their respective Indemnified Parties hereto under this Article X shall survive (a) the sale or other transfer by any LE Entity or SHC Entity of any Assets or businesses or the assignment by it of any Liabilities; or (b) any merger, consolidation, business combination, sale of all or substantially all of its Assets, restructuring, recapitalization, reorganization or similar transaction involving any LE Entity or SHC Entity, subject to the provisions of Section 14.9.

ARTICLE XI.

DISPUTE RESOLUTION

Section 11.1. Disputes. Except as otherwise specifically provided in any Ancillary Agreement (the terms of which, to the extent so provided therein, shall govern the resolution of "Disputes" as that term is defined in the Ancillary Agreements), the procedures for discussion, negotiation and arbitration set forth in this Article XI shall apply to all disputes, controversies or claims (whether arising in contract, tort or otherwise) that may arise out of, relate to, arise under or in connection with, this Agreement or any Ancillary Agreement, or the transactions contemplated hereby or thereby (including, all actions taken in furtherance of the transactions contemplated hereby or thereby on or prior to the Effective Time), between or among any SHC Entity and LE Entity (collectively, "Disputes").

Section 11.2. Dispute Resolution.

(a) On the Distribution Date, SHC and LE shall form a committee (the "Dispute Resolution Committee") that will attempt to resolve all Disputes. The Dispute Resolution Committee shall initially consist of four (4) representatives, two (2) of which shall be designated by each party hereto. Only LE's chief executive officer, chief financial officer, general counsel or chief merchant officer may serve as a LE representative on the Dispute Resolution Committee. Subject to the foregoing sentence, each party hereto may replace one or more of its representatives at any time upon written notice to the other party hereto. A reasonable number of additional representatives of each party who have been involved with matters surrounding the Dispute may also participate in Dispute Resolution Committee meetings, subject to prior written notice being provided to the other party.

(b) If a Dispute arises, no party hereto may take any formal legal action (such as seeking to terminate this Agreement, seeking arbitration in accordance with Section 11.3, or instituting or seeking any judicial or other legal action, relief, or remedy with respect to or arising out of this Agreement) unless such party has first (i) delivered a notice of dispute (the "Dispute Notice") to all of the members of the Dispute Resolution Committee and (ii) complied with the terms of this Article XI; provided, however, that the foregoing shall not apply to any Disputes with respect to compliance with obligations with respect to confidentiality or preservation of privilege. The Dispute Resolution Committee shall meet no later than the tenth (10th) Business Day following delivery of the Dispute Notice (the "Dispute Meeting") and shall attempt to resolve each Dispute that is listed on the Dispute Notice. Each party hereto shall cause its designees on the Dispute Resolution Committee to negotiate in Good Faith to resolve all Disputes in a timely manner. If by the end of the twentieth (20th) Business Day following the Dispute Meeting the Dispute Resolution Committee has not resolved all of the Disputes (the "Resolution Failure Date"), the parties shall proceed to arbitrate the unresolved Disputes ("Unresolved Disputes") in accordance with Section 11.3.

Section 11.3. Arbitration of Unresolved Disputes.

(a) In the event any Dispute is not finally resolved pursuant to Section 11.2(a), and unless the parties have mutually agreed to mediate or use some other form of alternative dispute resolution in an attempt to resolve the Dispute, then such Dispute may be submitted to be finally resolved by binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association as then in effect (the "AAA Commercial Arbitration Rules").

(b) Without waiving its rights to any remedy under this Agreement and without first complying with the provisions of Section 11.2(a), either party may seek any interim or provisional relief that is necessary to protect the rights or property of that party either (i) before any federal or state court located in Cook County, Illinois, (ii) before a special arbitrator, as provided for under the AAA Commercial Arbitration Rules, or (iii) before the arbitral tribunal established hereunder.

(c) Unless otherwise agreed by the parties in writing, any Dispute to be decided in arbitration hereunder shall be decided (i) before a sole arbitrator if the amount in dispute, inclusive of all claims and counterclaims, totals less than $3 million; or (ii) by an arbitral tribunal of three (3) arbitrators if (A) the amount in dispute, inclusive of all claims and counterclaims, is equal to or greater than $3 million or (B) either party elects in writing to have such dispute decided by three (3) arbitrators when one of the parties believes, in its sole judgment, the issue could have significant precedential value; provided, however, that the party that makes a request referred to the in foregoing clause (B) shall solely bear the increased costs and expenses associated with a panel of three (3) arbitrators (i.e., the additional costs and expenses associated with the two (2) additional arbitrators).

(d) If the arbitration shall be before an arbitral tribunal of three (3) arbitrators, the panel of three (3) arbitrators shall be chosen as follows: (i) upon the written demand of either party and within ten (10) Business Days from the date of receipt of such demand, each party shall name an arbitrator selected by such party in its sole and absolute discretion; and (ii) the two (2) party-appointed arbitrators shall thereafter, within twenty (20) Business Days from the date on which the second of the two (2) arbitrators was named, name a third, independent arbitrator who shall act as chairperson of the arbitral tribunal. In the event that either party fails to name an arbitrator within ten (10) Business Days from the date of receipt of a written demand to do so, then upon written application by either party, that arbitrator shall be appointed pursuant to the AAA Commercial Arbitration Rules. In the event that the two (2) party-appointed arbitrators fail to appoint the third, independent arbitrator within twenty (20) Business Days from the date on which the second of the two (2) arbitrators was named, then upon written application by either party, the third, independent arbitrator shall be appointed pursuant to AAA Commercial Arbitration Rules. If the arbitration shall be before a sole independent arbitrator, then the sole independent arbitrator shall be appointed by agreement of the parties within fifteen (15) Business Days from the date of receipt of written demand of either party. If the parties cannot agree to a sole independent arbitrator, then upon written application by either party, the sole independent arbitrator shall be appointed pursuant to AAA Commercial Arbitration Rules. If the parties have agreed upon a single arbitrator, then each party hereto shall have a one-time right during such arbitration to remove such arbitrator for any reason (in which case the parties shall then re-select their arbitrator(s) as provided above).

(e) All arbitrators selected pursuant to this Section shall be practicing attorneys with at least five (5) years' experience with the technology and/or law applicable to the technology, services or transactions relevant to the Dispute.

(f) The place of arbitration shall be Cook County, Illinois. Along with the arbitrator(s) appointed, the parties shall agree to a mutually convenient date and time to conduct the arbitration, but in no event shall the final hearing(s) be scheduled more than nine (9) months from submission of the Dispute to arbitration unless the parties agree otherwise in writing.

(g) The arbitral tribunal shall have the right to award, on an interim basis, or include in the final award, any relief that it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and only to the extent expressly permitted by Section 11.3(m), attorneys' fees and costs; provided that the arbitral tribunal shall not award any relief not specifically requested by the parties and, in any event, shall not award any damages of the types prohibited under Section 14.1. Upon constitution of the arbitral tribunal following any grant of interim relief by a special arbitrator or court pursuant to Section 11.3(b), the tribunal may affirm or disaffirm that relief, and the parties shall seek modification or rescission of the order entered by the special arbitrator or court as necessary to accord with the tribunal's decision.

(h) Neither party shall be bound by Rule 13 of the Federal Rules of Civil Procedure or any analogous Law or provision in the AAA Commercial Arbitration Rules governing deadlines for compulsory counterclaims; rather, each party may only bring a counterclaim within sixty (60) days after the initial submission of the Dispute to arbitration (subject to any applicable statutes of limitation).

(i) So long as either party has a timely claim to assert, the agreement to arbitrate Disputes set forth in this Section 11.3 shall continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(j) The interim or final award in an arbitration pursuant to this Section 11.3 shall be conclusive and binding upon the parties, and a party obtaining a final award may enter judgment upon such award in any court of competent jurisdiction.

(k) It is the intent of the parties that the agreement to arbitrate Disputes set forth in this Section 11.3 shall be interpreted and applied broadly such that all reasonable doubts as to arbitrability of a Dispute shall be decided in favor of arbitration.

(l) The parties agree that any Dispute submitted to arbitration shall be governed by, and construed and interpreted in accordance with the laws of the State of Illinois, as provided in Section 14.11, and, except as otherwise provided in this Article XI or mutually agreed to in writing by the parties, the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., shall govern any arbitration between the parties pursuant to this Section 11.3.

(m) Subject to Section 11.3(c)(ii)(B), each party shall bear its own fees, costs and expenses and shall bear an equal share of the costs and expenses of the arbitration, including the fees, costs and expenses of the three (3) arbitrators; provided that the arbitral tribunal may award the prevailing party its reasonable fees and expenses (including attorneys' fees), if it finds that there was no good-faith basis for the position taken by the other party in the arbitration.

Section 11.4. Continuity of Service and Performance. Unless otherwise agreed in writing, the parties hereto shall continue to provide undisputed services and honor all other undisputed commitments under this Agreement and each Ancillary Agreement during the course of dispute resolution pursuant to the provisions of this Article XI.

ARTICLE XII.

FURTHER ASSURANCES

Section 12.1. Further Assurances.

(a) The parties hereto shall use all reasonable best efforts to take, or cause to be taken, all appropriate action, to do or cause to be done all things necessary, proper or advisable under Applicable Law, and to execute and deliver such documents and other papers, as may be required to carry out the provisions of this Agreement and to consummate and make effective the transactions contemplated by this Agreement, whether before or after the Effective Time.

(b) Without limiting the foregoing, prior to, on and after the Effective Time, each party hereto shall reasonably cooperate with the other party, and without any further consideration, but at the expense of the requesting party, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including, instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all necessary Consents and Governmental Approvals, including, under any permit, license,

agreement, indenture or other instrument, and to take all such other actions as such party may reasonably be requested to take by any other party hereto from time to time, consistent with the terms of this Agreement, in order to effectuate the provisions and purposes of this Agreement and the transactions contemplated hereby and thereby.

(c) SHC will cause to be performed and hereby guarantees the performance of all actions, agreements and obligations set forth in this Agreement or any of the Ancillary Agreements to be performed by any SHC Entity. LE will cause to be performed and hereby guarantees the performance of all actions, agreements and obligations set forth in this Agreement or any of the Ancillary Agreements to be performed by any LE Entity.

ARTICLE XIII.

AMENDMENT AND TERMINATION

Section 13.1. Sole Discretion of SHC. Notwithstanding any other provision of this Agreement or any Ancillary Agreement, until the Effective Time, SHC shall have the sole and absolute discretion:

(a) to determine whether to proceed with all or any part of the Separation, and to determine the timing of and any and all conditions to the completion of the Separation or any part thereof or of any other transaction contemplated by this Agreement; and

(b) to amend or otherwise change, delete or supplement, from time to time, any term or element of the Separation or any other transaction contemplated by this Agreement or any Ancillary Agreement; provided that SHC shall consult with LE, to the extent practicable, prior to implementing any such amendment, change, deletion or supplement.

Section 13.2. Amendment and Termination. This Agreement and the Ancillary Agreements may be amended, supplemented, terminated and the transactions contemplated hereby may be modified or abandoned at any time without the approval of LE or of the stockholders of SHC in the sole and absolute discretion of SHC prior to the Effective Time, if the SHC Board determines, in its sole and absolute discretion, that (i) any of the conditions set forth in Section 3.3 have not been satisfied, (ii) the Distribution is not in the best interest of SHC or its stockholders, or (iii) that market or other conditions are such that it is not advisable to consummate the Distribution. In the event of a termination in accordance with the foregoing, this Agreement shall forthwith become void and there shall be no Liability on the part of either party hereto; provided, however, such termination shall have no effect on any transactions effected prior to such termination pursuant to Article II and the Implementation Documents in connection therewith shall remain in full force and effect in accordance with the terms thereof. After the Effective Time, this Agreement may not be amended, supplemented or terminated except by an agreement in writing signed by the parties hereto; provided, further, that SHC shall consult with LE, to the extent practicable, prior to implementing any amendment, change, deletion or supplement of this Agreement or any Ancillary Agreement.

ARTICLE XIV.

MISCELLANEOUS

Section 14.1. Limitation of Liability.

(a) IN NO EVENT SHALL ANY SHC ENTITY OR LE ENTITY BE LIABLE TO ANY LE ENTITY OR SHC ENTITY, RESPECTIVELY, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES OR LOST PROFITS, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE) ARISING IN ANY WAY OUT OF THIS AGREEMENT, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED, HOWEVER, THAT THE FOREGOING LIMITATIONS SHALL NOT LIMIT AN INDEMNIFYING PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER WITH RESPECT TO ANY LIABILITY ANY INDEMNIFIED PARTY MAY HAVE TO ANY THIRD PARTY FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES OR LOST PROFITS, EXCEPT AS OTHERWISE PROVIDED IN THE ANCILLARY AGREEMENTS.

(b) Neither party hereto nor any member of its Group shall have any Liability to the other party's Group in the event that any Information exchanged or provided pursuant to this Agreement that is an estimate or forecast, or that is based on an estimate or forecast, is found to be inaccurate in the absence of willful misconduct by the providing Person. Neither party hereto nor any member of its Group shall have any Liability to the other party's Group if any Information is destroyed after reasonable best efforts by the Person from whom Information is requested, to comply with the provisions of Section 5.3.

Section 14.2. Expenses.

(a) Expenses Incurred on or Prior to the Effective Time. Except (i) as otherwise expressly set forth in this Agreement or any Ancillary Agreement, (ii) costs and expenses incurred in connection with any Joint Litigation Matter, which shall be borne by the party incurring such costs or expenses, (iii) or as otherwise agreed to in writing by the Parties, all costs and expenses incurred on or prior to the Effective Time in connection with the preparation, execution and delivery of this Agreement and any Ancillary Agreement, the Separation, the Registration Statement, the plan of Separation and the Distribution and the consummation of the transactions contemplated hereby and thereby on or prior to the Effective Time, in each case to the extent approved by SHC, shall be charged to and paid by a SHC Entity.

(b) Expenses Incurred or Accrued After the Effective Time. Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, each party hereto shall bear its own costs and expenses incurred or accrued after the Effective Time; provided that any costs and expenses incurred in obtaining any Consent or novation from a Third Party in connection with the assignment to and assumption by a party or its Subsidiary of any contracts, commitments or understandings in connection with the Separation and the transactions contemplated hereby shall be borne by the party or its Subsidiary to which such contract, commitment or understanding is being assigned.

Section 14.3. Counterparts. This Agreement may be executed and delivered (including by facsimile or other electronic transmission (e.g., .pdf file)) in counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

Section 14.4. Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given (i) when delivered by hand, (ii) three (3) Business Days after it is mailed, certified or registered mail, return receipt requested, with postage prepaid, (iii) on the same Business Day when sent by facsimile or electronic mail (return receipt requested) if the transmission is completed before 5:00 p.m. recipient's time, or one (1) Business Day after the facsimile or email is sent, if the transmission is completed on or after 5:00 p.m. recipient's time or (iv) one (1) Business Day after it is sent by Express Mail, Federal Express or other courier service, as follows (or at such other address for a party as shall be specified in a notice given in accordance with this Section 14.4):

If to SHC, to:

Sears Holdings Corporation
3333 Beverly Road
Hoffman Estates, Illinois 60179
Attn.: General Counsel
Facsimile: (847) 286-2471
Email: Dane.Drobny@searshc.com

If to LE, to:

1 Lands' End Lane
Dodgeville, Wisconsin 53595
Attn.: General Counsel
Facsimile: (608) 935-6550
Email: Karl.Dahlen@landsend.com

Section 14.5. Public Announcements. Following the Effective Time, the parties hereto shall be permitted to make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement or otherwise communicate with any news media unless otherwise prohibited by Applicable Law or applicable stock exchange regulation or the provisions of this Agreement or any Ancillary Agreement; provided, that the parties hereto shall consult with each other prior to issuing, and shall, subject to the requirements of Section 5.5, provide the other party the opportunity to review and comment upon, press releases and other public statements in connection with the Separation, the Distribution or any of the other transactions contemplated hereby or by any Ancillary Agreement and prior to making any filings with any Governmental Authority or national securities exchange with respect thereto.

Notwithstanding the foregoing, except as may be required by federal or state law including any SEC rules and regulations or the rules and regulations of any securities exchange or any inter-dealer quotation system, neither party shall (i) issue any publicity or press release regarding its relationship with the other party or the LE Shops program except as mutually agreed, or (ii) disclose or refer to any Ancillary Agreement, the LE Shops program or the other party in any prospectus, annual report or other filing, without the prior consent of the other party. Neither party shall refer to this Agreement, the LE Shops program or the other party in the solicitation of business without obtaining the other party's prior written approval.

Section 14.6. Severability. If any provision of this Agreement is declared by any court of competent jurisdiction to be illegal, invalid, void or unenforceable, such provision will (to the extent permitted under Applicable Law) be construed by modifying or limiting it so as to be legal, valid and enforceable to the maximum extent compatible with, and possibly under, Applicable Law, and all other provisions of this Agreement will not be affected and will remain in full force and effect.

Section 14.7. Entire Agreement. This Agreement and the Ancillary Agreements, including the exhibits, schedules and appendices thereto and together with all the agreements contemplated hereby and thereby (including the Implementation Documents), constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between the parties hereto with respect to the subject matter hereof and thereof.

Section 14.8. Amendment; No Waiver. The terms, covenants and conditions of this Agreement may be amended, modified or waived only by a written instrument signed by the parties hereto, or in the event of a waiver, by the party waiving such compliance. Any party's failure at any time to require performance of any provision will not affect that party's right to enforce that or any other provision at a later date. No waiver of any condition or breach of any provision, term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances will be deemed to be or construed as a further or continuing waiver of that or any other condition or of the breach of that or another provision, term or covenant of this Agreement.

Section 14.9. Assignment; Stockholding Change. LE may not assign its rights or obligations under this Agreement without the prior written consent of SHC, which may be withheld in SHC's absolute discretion. The rights of the LE Entities under this Agreement shall terminate and be of no further force and effect from and after the date on which any Stockholding Change not specifically approved in writing by SHC shall have occurred (it being understood that the LE Entities' obligations hereunder shall survive any such Stockholding Change and termination of the LE Entities' rights). SHC may freely assign its rights and obligations under this Agreement to any of its Affiliates without the prior consent of LE; provided that any such assignment will not relieve SHC of its obligations hereunder. This Agreement will be binding on, and will inure to the benefit of, the successors and assigns of the Parties.

Section 14.10. Third-Party Beneficiaries. Except for the indemnification rights under this Agreement of any SHC Indemnified Party or LE Indemnified Party in their respective

capacities as such and members of each party's Group, (a) the provisions of this Agreement are solely for the benefit of the parties hereto and are not intended to confer upon any Person except the parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any other Person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 14.11. Governing Law; Jurisdiction.

This Agreement (and all claims, controversies or causes of action, whether in contract, tort or otherwise, that may be based upon, arise out of or relate to this Agreement or the negotiation, execution, termination, performance or nonperformance of this Agreement (including any claim, controversy or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement)) shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois, without regard to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois. Each of the parties hereto irrevocably agrees that all proceedings arising out of or relating to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other party hereto or its successors or assigns shall be brought, heard and determined exclusively in any federal or state court sitting in Cook County, Illinois. Consistent with the preceding sentence, each of the parties hereto hereby (a) submits to the exclusive jurisdiction of any federal or state court sitting in Cook County, Illinois for the purpose of any proceeding arising out of or relating to this Agreement or the rights and obligations arising hereunder brought by any party hereto and (b) irrevocably waives, and agrees not to assert by way of motion, defense, counterclaim, or otherwise, in any such proceeding, any claim that it or its property is not subject personally to the jurisdiction of the above-named courts, that the proceeding is brought in an inconvenient forum, that the venue of the proceeding is improper, or that this Agreement, the Distribution or any of the other transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts. Each party agrees that service of process upon such party in any such action or Proceeding shall be effective if notice is given in accordance with Section 14.4.

Section 14.12. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE 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 HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 14.12.

Section 14.13. Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 14.14. Interpretation. In this Agreement:

(a) "include," "includes," and "including" are inclusive and mean, respectively, "include without limitation," "includes without limitation," and "including without limitation,"

(b) "or" is disjunctive but not necessarily exclusive,

(c) "will" expresses an imperative, an obligation, and a requirement,

(d) numbered "Section" references refer to sections of this Agreement unless otherwise specified,

(e) section headings are for convenience only and will have no interpretive value,

(f) unless otherwise indicated all references to a number of days will mean calendar (and not business) days and all references to months or years will mean calendar months or years,

(g) references to $ or Dollars will mean U.S. Dollars, and

(h) hereof," "herein" and "herewith" and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

Section 14.15. Fair Construction. This Agreement will be deemed to be the joint work product of the parties hereto without regard to the identity of the draftsperson, and any rule of construction that a document will be interpreted or construed against the drafting party will not be applicable.

Section 14.16. Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected party shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The other party shall not oppose the granting of such relief. The parties hereto agree that the remedies at law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

Section 14.17. Good Faith. SHC and LE each will exercise Good Faith in the performance of its obligations under this Agreement.

Section 14.18. Force Majeure. Neither party will be responsible to the other for any delay in or failure of performance of its obligations under this Agreement to the extent such delay or failure is attributable to any act of God, act of terrorism, fire, accident, war, embargo or other governmental act, or riot; provided, however, that the party affected thereby gives the other party prompt written notice of the occurrence of any event which is likely to cause any delay or failure setting forth its best estimate of the length of any delay and any possibility that it will be unable to resume performance; provided, further, that said affected party will use its commercially reasonable efforts to expeditiously overcome the effects of that event and resume performance.

Section 14.19. Payment Terms.

(a) Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount to be paid or reimbursed by one party to the other under this Agreement shall be paid or reimbursed hereunder within fifteen (15) days after presentation of an invoice or a written demand therefor. Upon LE's request, SHC shall provide LE with reasonable documentation or other reasonable explanation supporting such amount to the extent such Information is then readily available to SHC.

(b) Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement (and any amount billed or otherwise invoiced or demanded and properly payable that is not paid within fifteen (15) days of such bill, invoice or other demand) shall bear interest at a rate per annum equal to the prime rate plus 2% (or the maximum legal rate, whichever is lower), calculated for the actual number of days elapsed, accrued from the date on which such payment was due up to the date of the actual receipt of payment.

Section 14.20. Survival of Covenants. Except as expressly set forth in this Agreement, the covenants, representations and warranties contained in this Agreement, and the Liabilities for the breach of any obligations contained herein, shall survive the Effective Time and shall remain in full force and effect.

Section 14.21. Condition Precedent to the Effectiveness of this Agreement. This Agreement will not become effective until it has been approved by the Related Party Transactions Subcommittee of the SHC Board.

Section 14.22. No Agency. Nothing in this Agreement shall or shall be construed to create or establish a relationship of agency, partnership, employer/employee or any other fiduciary relationship between any SHC Entity and any LE Entity, and it is the intent and desire of the parties hereto that the relationship be and be construed as that of independent contracting parties and not as agents, partners, joint venturers or a relationship of employer/employee.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SEARS HOLDINGS CORPORATION

By: /s/ Robert A. Riecker
Name: Robert A. Riecker
Title: Vice President, Controller and Chief Accounting Officer

LANDS' END, INC.

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: SVP, General Counsel and Secretary

[Signature Page to Separation and Distribution Agreement]

Schedule A

LE Assets

All Assets relating to, arising out of or attributable to the Actions listed on Schedule B under *Lands' End, Inc. v. City of Dodgeville*.

Schedule B

LE Liabilities

Lands' End, Inc. v. City of Dodgeville	WI	Wisconsin Circuit Court - Iowa County	Lands' End has filed a series of state court actions seeking refunds as a result of City of Dodgeville's property tax assessment for the main Lands' End facility for tax years 2005-2010, inclusive.

Schedule C

SHC Assets

Assets of SHC Promotions, LLC, including those related to SHC-Branded Gift Cards, but excluding assets related to LE-Branded Gift Cards sold after the Effective Time.

All Information relating to the Shop Your Way program and its members

All Assets relating to, arising out of or attributable to the Actions listed on Schedule D, in each case with respect to actions or omissions occurring, or causes of action accrued, prior to the Effective Time.

Schedule D

SHC Litigation Matters

Sears v. Marsh & McClennan Companies, Inc. et al. and any Action in which any SHC Entity or LE Entity is a plaintiff that is filed after the Effective Time and relates to the subject matter thereof (for example, an Action commenced by any SHC Entity after such SHC Entity has opted out of a class action and determined to prosecute a claim outside of the class)	NJ	District of New Jersey	On behalf of Lands' End, SHC sued Marsh and Aon alleging fraud in connection with the defendants' practice of accepting contingent commissions procured through insurance bid-rigging.
In re Payment Card Interchange Fee and Merchant Discount Antitrust Litig. and any Action in which any SHC Entity or LE Entity is a plaintiff that is filed after the Effective Time and relates to the subject matter thereof (for example, an Action commenced by any SHC Entity after such SHC Entity has opted out of a class action and determined to prosecute a claim outside of the class)	NY	Eastern District of New York	On behalf of Lands' End, SHC opted out of a proposed settlement of a nationwide class action regarding credit and debit interchange fees. SHC has not yet filed a claim on behalf of Lands' End.

Exhibit 3.1

AMENDED AND RESTATED

BYLAWS

OF

LANDS' END, INC.

Incorporated under the Laws of the State of Delaware

ARTICLE I

Stockholders

Section 1.1. Annual Meetings. If required by applicable law, an annual meeting of stockholders shall be held for the election of directors at such date, time and place, if any, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting. The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

Section 1.2. Special Meetings. Special meetings of stockholders may be called at any time by the Board of Directors or upon the written request of one or more record holders of shares of stock of the Corporation representing in the aggregate not less than twenty percent (20%) of the total number of shares of stock outstanding and entitled to vote on the matter or matters to be brought before the proposed special meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given that shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the Certificate of Incorporation or these bylaws, the notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at the meeting as of the record date for determining the stockholders entitled to notice of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may be adjourned from time to time in accordance with Section 1.13 to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these bylaws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these bylaws until a quorum shall attend. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any subsidiary of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chief Executive Officer or, in his or her absence, by the President or, in his or her absence, by a Vice President or, in the absence of the foregoing persons, by a chairman designated by the Board of Directors or, in the absence of such designation, by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by law or pursuant to the provisions of the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy executed in writing (or in such manner prescribed by the General Corporation Law of the State of Delaware), but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a

revocation of the proxy or a new proxy bearing a later date. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors at which a quorum is present a plurality of the votes cast shall be sufficient to elect. All other elections and questions presented to the stockholders at a meeting at which a quorum is present shall, unless otherwise provided by the Certificate of Incorporation, these bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the Corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date for determining stockholders entitled to express consent to corporate action in writing without a meeting is fixed by the Board of Directors, (i) when no prior action of the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, and (ii) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which shall not be more than sixty (60) days prior to such other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 1.9. List of Stockholders Entitled to Vote. The officer who has charge of the stock ledger shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, that if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, at least ten (10) days prior to the meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (ii) during ordinary business hours at the principal place of business of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.9 or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action by Written Consent of Stockholders. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the

earliest dated written consent received in accordance with this Section 1.10, a written consent or consents signed by a sufficient number of holders to take such action are delivered to the Corporation in the manner prescribed in this Section 1.10.

Section 1.11. Inspectors of Written Consent. In the event of the delivery, in the manner provided by Section 1.10, to the Corporation of the requisite written consent or consents to take corporate action and/or any related revocation or revocations, the Corporation shall engage one or more independent inspectors of elections for the purpose of promptly performing a ministerial review of the validity of the consents and revocations. For the purpose of permitting the inspectors to perform such review, no action by written consent without a meeting shall be effective until such date as the independent inspectors certify to the Corporation that the consents delivered to the Corporation in accordance with Section 1.10 represent at least the minimum number of votes that would be necessary to take the corporate action. Nothing contained in this paragraph shall in any way be construed to suggest or imply that the Board of Directors or any stockholder shall not be entitled to contest the validity of any consent or revocation thereof, whether before or after such certification by the independent inspectors, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

Section 1.12. Inspectors of Election. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.13. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the

meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.14. Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders. (1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (a) pursuant to the Corporation's notice of meeting (or any supplement thereto), (b) by or at the direction of the Board of Directors or any committee thereof or (c) by any stockholder of the Corporation who was a stockholder of record of the Corporation at the time the notice provided for in this Section 1.14 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.14.

(2) For any nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A)(1) of this Section 1.14, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such proposed business (other than the nominations of persons for election to the Board of Directors) must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day, nor earlier than the close of business on the one hundred twentieth (120th) day, prior to the first anniversary of the preceding year's annual meeting (provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation). In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's

notice shall set forth: (a) as to each person whom the stockholder proposes to nominate for election as a director (i) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations promulgated thereunder, and (ii) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (ii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (iii) a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, including, in the case of a nomination, the nominee, (iv) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder and such beneficial owners, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner, with respect to securities of the Corporation, (v) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, (vi) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (b) otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination, and (vii) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder. The foregoing notice requirements of this Section 1.14 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as the Corporation may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Section 1.14 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation at the annual meeting is increased effective after the time period for which nominations would otherwise be due under paragraph (A)(2) of this Section 1.14 and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 1.14 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board of Directors or any committee thereof or (2) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 1.14 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 1.14. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (A)(2) of this Section 1.14 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(C) General. (1) Except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act, only such persons who are nominated in accordance with the procedures set forth in this Section 1.14 shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.14. Except as otherwise provided by law, the person presiding over the meeting shall have the power and duty (a) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.14

(including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (A)(2)(c)(vi) of this Section 1.14) and (b) if any proposed nomination or business was not made or proposed in compliance with this Section 1.14, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. Notwithstanding the foregoing provisions of this Section 1.14, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.14, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(2) For purposes of this Section 1.14, "public announcement" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or other national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of this Section 1.14, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 1.14; provided, however, that any references in these bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 1.14 (including paragraphs (A)(1)(c) and (B) hereof), and compliance with paragraphs (A)(1)(c) and (B) of this Section 1.14 shall be the exclusive means for a stockholder to make nominations or submit other business (other than, as provided in the penultimate sentence of (A)(2), business other than nominations brought properly under and in compliance with Rule 14a-8 of the Exchange Act, as may be amended from time to time). Nothing in this Section 1.14 shall be deemed to affect any rights of stockholders to request inclusion of proposals or nominations in the Corporation's proxy statement pursuant to applicable rules and regulations promulgated under the Exchange Act.

Section 1.15. Corporate Powers. All of the corporate powers of the Corporation not expressly reserved to the stockholders by law shall be vested in the Board of Directors.

ARTICLE II

Board of Directors

Section 2.1. Number; Qualifications. Subject to the Certificate of Incorporation, the Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies; Removal. The Board of Directors shall initially consist of the persons named as directors in the Certificate of Incorporation or elected by the incorporator of the Corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his or her successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his or her successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the Corporation. Unless otherwise provided by law or the Certificate of Incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled only by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he or she has replaced or until his or her successor is elected and qualified. Any director may be removed, with or without cause, from office at any time by the affirmative vote of the holders of not less than a majority of the shares of the Corporation's common stock then outstanding and entitled to vote at an election of directors.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the Chief Executive Officer, the Secretary, or by any two members of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four (24) hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 2.5 shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. Subject to Section 2.2, at all meetings of the Board of Directors, a whole number of directors equal to at least a majority of the total number of directors which the Corporation would have if there were no vacancies shall constitute a quorum for the transaction of business. Except in cases in which the Certificate of Incorporation, these bylaws or applicable law otherwise provides, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Unanimous Consent of Directors. Unless otherwise restricted by the Certificate of Incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmissions are filed with the minutes of proceedings of the Board or committee in accordance with applicable law.

ARTICLE III

Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these bylaws.

ARTICLE IV

Officers

Section 4.1. Officers. The officers of the Corporation shall consist of a Chief Executive Officer, a Chief Financial Officer, a President and such other officers as the Board of Directors may from time to time determine, each of whom shall be elected by the Board of Directors, each to have such authority, functions or duties as set forth in these bylaws or as determined by the Board of Directors. The Board of Directors shall have the power to appoint an individual to one or multiple offices. Each officer shall be chosen by the Board of Directors and shall hold office for such term as may be prescribed by the Board of Directors and until such person's successor shall have been duly chosen and qualified, or until such person's earlier death, disqualification, resignation or removal.

Section 4.2. Removal, Resignation and Vacancies. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, without prejudice to the rights, if any, of such officer under any contract to which it is a party. Any officer may resign at any time upon written notice to the Corporation, without prejudice to the rights, if any, of the Corporation under any contract to which such officer is a party. If any vacancy occurs in any office of the Corporation, the Board of Directors may elect a successor to fill such vacancy for the remainder of the unexpired term and until a successor shall have been duly chosen and qualified.

Section 4.3. Chief Executive Officer. The Chief Executive Officer shall have general supervision and direction of the business and affairs of the Corporation, shall be responsible for corporate policy and strategy, and shall report directly to the Board of Directors. Unless otherwise provided in these bylaws, all other officers of the Corporation shall report directly to the Chief Executive Officer or as otherwise determined by the Chief Executive Officer.

Section 4.4. Chief Financial Officer. The Chief Financial Officer shall exercise all the powers and perform the duties of the office of the chief financial officer and in general have overall supervision of the financial operations of the Corporation. The Chief Financial Officer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or as the Board of Directors may from time to time determine.

Section 4.5. President. The President shall have general responsibility for the management and control of the operations of the Corporation. The President shall have the power to affix the signature of the Corporation to all contracts that have been authorized by the Board of Directors or the Chief Executive Officer. The President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or as the Board of Directors may from time to time determine.

Section 4.6. Vice Presidents. The Vice Presidents shall have such powers and duties as shall be prescribed by his or her superior officer or the Chief Executive Officer. A Vice President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or as the Board of Directors may from time to time determine.

Section 4.7. Treasurer. The Treasurer shall supervise and be responsible for all the funds and securities of the Corporation, the deposit of all moneys and other valuables to the credit of the Corporation in depositories of the Corporation, borrowings and compliance with the provisions of all indentures, agreements and instruments governing such borrowings to which the Corporation is a party, the disbursement of funds of the Corporation and the investment of its funds, and in general shall perform all of the duties incident to the office of the Treasurer. The Treasurer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or as the Board of Directors may from time to time determine.

Section 4.8. Controller. The Controller shall be the chief accounting officer of the Corporation. The Controller shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or the Chief Financial Officer or as the Board of Directors may from time to time determine.

Section 4.9. Secretary. The powers and duties of the Secretary are: (i) to act as Secretary at all meetings of the Board of Directors, of the committees of the Board of Directors and of the stockholders and to record the proceedings of such meetings in a book or books to be kept for that purpose; (ii) to see that all notices required to be given by the Corporation are duly given and served; (iii) to act as custodian of the seal of the Corporation and affix the seal or cause it to be affixed to all certificates of stock of the Corporation and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these bylaws; (iv) to have charge of the books, records and papers of the Corporation and see that the reports, statements and other documents required by law to be kept and filed are properly kept and filed; and (v) to perform all of the duties incident to the office of Secretary. The Secretary shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or as the Board of Directors may from time to time determine.

Section 4.10. Additional Matters. The Chief Executive Officer and the Chief Financial Officer of the Corporation shall have the authority to designate employees of the Corporation to have the title of Vice President, Assistant Vice President, Assistant Treasurer or Assistant Secretary. Any employee so designated shall have the powers and duties determined by the officer making such designation. The persons upon whom such titles are conferred shall not be deemed officers of the Corporation unless elected by the Board of Directors.

ARTICLE V

Capital Stock

Section 5.1. Certificates. The interest of each stockholder of the Corporation may be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe or be uncertificated. The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Notwithstanding anything to the contrary in these bylaws, at all times that the Corporation's stock is listed on a stock exchange, the shares of the stock of the Corporation shall comply with all direct registration system eligibility requirements established by such exchange, including any requirement that shares of the Corporation's stock be eligible for issue in book-entry form. All issuances and transfers of shares of the Corporation's stock shall be entered on the books of the Corporation with all information necessary to comply with such direct

registration system eligibility requirements, including the name and address of the person to whom the shares of stock are issued, the number of shares of stock issued and the date of issue. The Board of Directors shall have the power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of shares of stock of the Corporation in both the certificated and uncertificated form.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 5.3. Transfer of Shares. The shares of the stock of the Corporation shall be transferred on the books of the Corporation, in the case of certificated shares of stock, by the holder thereof in person or by his or her attorney duly authorized in writing, upon surrender for cancellation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require; and, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered holder of the shares or by such person's attorney duly authorized in writing, and upon compliance with appropriate procedures for transferring shares in uncertificated form. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred. The Corporation shall be entitled to treat the holder of record of any shares of stock as the absolute owner thereof, and shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law. The Board of Directors may appoint one or more stock transfer agents and registrars (which functions may be combined), and may require all stock certificates to bear the signature of such transfer agent and such registrar.

ARTICLE VI

Indemnification and Advancement of Expenses

Section 6.1. Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as

otherwise provided in Section 6.3, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board of Directors of the Corporation.

Section 6.2. Prepayment of Expenses. The Corporation shall to the fullest extent permitted by applicable law pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification under this Article VI (following the final disposition of such proceeding) is not paid in full within sixty (60) days after the Corporation has received a claim therefor by the Covered Person, or if a claim for any advancement of expenses under this Article VI is not paid in full within thirty (30) days after the Corporation has received a statement or statements requesting such amounts to be advanced, the Covered Person shall thereupon (but not before) be entitled to file suit to recover the unpaid amount of such claim. If successful in whole or in part, the Covered Person shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action, the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article VI shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any right to indemnification or to advancement of expenses of any Covered Person arising hereunder shall not be eliminated or impaired by an amendment to or repeal of this Article VI after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought.

Section 6.7. Other Indemnification and Advancement of Expenses. This Article VI shall not limit the right of the Corporation, to the extent and in a manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

ARTICLE VII

Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein or permitted by applicable law, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, and except as prohibited by applicable law, any notice to stockholders given by the Corporation under any provision of applicable law, the Certificate of Incorporation, or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any stockholder who fails to object in writing to the Corporation, within sixty (60) days of having been given written notice by the Corporation of its intention to send the single notice permitted under this Section 7.3, shall be deemed to have consented to receiving such single written notice. Notice to directors may be given by telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any waiver of notice, given by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in a waiver of notice.

Section 7.5. Exclusive Forum. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if that court does not have jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for each of the following: (i) each derivative action or proceeding brought on behalf of the Corporation; (ii) each action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Corporation to the Corporation or the Corporation's stockholders; (iii) each action asserting a claim against the Corporation or any of its directors, officers, or other employees arising pursuant to any provision of the Delaware General Corporation Law, the Corporation's Certificate of Incorporation, as amended, or these bylaws (in each case, as may be amended from time to time); and (iv) each action asserting a claim against the Corporation or any of its directors, officers, or other employees governed by the internal affairs doctrine of the State of Delaware; but only if, in an action or a proceeding described in one or more of clauses (i), (ii), (iii), or (iv) above, the court has personal jurisdiction

over all indispensable parties named as defendants in the action or the proceeding. Each natural person, entity, organization, enterprise, or instrumentality purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of, and to have consented to, the provisions of this Section 7.5.

Section 7.6. Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on, or by means of, or be in the form of, any information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time.

ARTICLE VIII

Amendments

Section 8.1. By Directors. These bylaws may be altered, amended or repealed, and new bylaws made, by the Board of Directors by a majority vote of the members of the Board then in office.

Section 8.2. By Stockholders. These bylaws may be amended, altered or repealed and new bylaws may be adopted at any meeting of stockholders, if such purpose is contained in the notice of meeting (pursuant to Section 1.3), by a majority of the votes cast by the holders of shares entitled to vote thereon, given in person or by proxy, at an annual or special meeting of the stockholders called and held for such purpose. These bylaws may also be amended, altered or repealed and new bylaws may be adopted by an action taken in writing by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize such action at a meeting at which all shares entitled to vote thereon were present and voted, in accordance with Section 228 of the General Corporation Law of the State of Delaware.

Exhibit 4.1

EXECUTION COPY

ABL CREDIT AGREEMENT

Dated as of April 4, 2014

among

LANDS' END, INC.,
as the Domestic Borrower

LANDS' END EUROPE LIMITED,
as the UK Borrower

BANK OF AMERICA, N.A.
as Administrative Agent and Collateral Agent
and

The Other Lenders Party Hereto

BANK OF AMERICA, N.A. and **GE CAPITAL MARKETS, INC.**,
as Joint Lead Arrangers and Joint Bookrunners

GENERAL ELECTRIC CAPITAL CORPORATION,
as Syndication Agent

BANK OF MONTREAL,
as Documentation Agent

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

Form of

CREDIT AGREEMENT

This ABL CREDIT AGREEMENT is entered into as of April 4, 2014, among

LANDS' END, INC., a Delaware corporation (the "Domestic Borrower"),

LANDS' END EUROPE LIMITED, a company incorporated in England and Wales with company number 02583731 (the "UK Borrower"),

the Persons named on Schedule 1.01 hereto (the "Guarantors"),

each Person from time to time party hereto as a lender (collectively, the "Lenders" and individually, a "Lender"), and

BANK OF AMERICA, N.A., as Administrative Agent and Collateral Agent.

W I T N E S S E T H:

Sears Holdings Corporation, a Delaware corporation ("SHC") will, immediately prior to the effectiveness of this Agreement, consummate the Separation (as defined below) pursuant to which the Domestic Borrower will become an independent publicly traded company and the Domestic Borrower and its Subsidiaries will no longer be Subsidiaries of SHC.

The Borrowers have requested that the Lenders provide a revolving credit facility, and the Lenders have indicated their willingness to lend and the L/C Issuers have indicated their willingness to issue Letters of Credit, in each case on the terms and conditions set forth herein.

The proceeds of Loans made and the Letters of Credit issued after the Closing Date will be used for working capital and other general corporate purposes of the Loan Parties.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"ABL Priority Collateral" has the meaning assigned to such term in the Intercreditor Agreement.

"Accelerated Borrowing Base Delivery Event" means either (i) the occurrence and continuance of any Event of Default, or (ii) the failure of the Borrowers to maintain Availability at least equal to the greater of (x) $22,500,000 or (y) fifteen percent (15%) of the Loan Cap. For purposes of this Agreement, the occurrence of an Accelerated Borrowing Base Delivery Event shall be deemed continuing (i) so long as such Event of Default has not been waived, and/or (ii) if the Accelerated Borrowing Base Delivery Event arises as a result of the Borrowers' failure to achieve Availability as required hereunder, until Availability has exceeded the greater of (x) $22,500,000 or (y) fifteen percent (15%) of the Loan Cap for thirty (30) consecutive calendar days, in which case an Accelerated Borrowing Base Delivery Event shall no longer be deemed to be continuing. The termination of an Accelerated Borrowing Base Delivery Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Accelerated Borrowing Base Delivery Event in the event that the conditions set forth in this definition again arise.

"Acceptable Document of Title" means, with respect to any Inventory, a tangible bill of lading or other Document (as defined in the UCC or other applicable Law) that (a) is issued by a common carrier which is not an Affiliate of the applicable vendor or any Loan Party which is in actual possession of such Inventory, (b) is issued to the order of a Loan Party or, if so requested by the Agent, to the order of the Agent, (c) names the Agent as a notify party and bears a conspicuous notation on its face of the Agent's security interest therein, and (d) is otherwise reasonably acceptable to the Agent.

"ACH" means automated clearing house transfers.

"Account" means "accounts" as defined in the UCC, and also means a right to payment of a monetary obligation, whether or not earned by performance, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, or (b) for services rendered or to be rendered.

"Acquired EBITDA" means, with respect to any Acquired Entity or Business or any Converted Restricted Subsidiary for any Measurement Period, the amount for such period of Consolidated EBITDA of such Acquired Entity or Business or Converted Restricted Subsidiary, as applicable, all as determined on a Consolidated basis for such Acquired Entity or Business or Converted Restricted Subsidiary, as applicable.

"Acquired Entity or Business" means any Person, property, business or asset acquired by the Domestic Borrower or any Restricted Subsidiary during any period to the extent not subsequently sold, transferred or otherwise disposed of by the Domestic Borrower or such Restricted Subsidiary during such period.

"Acquisition" means, with respect to any Person (a) a purchase of a Controlling interest in the Equity Interests of any other Person, (b) a purchase or other acquisition of all or substantially all of the assets or properties of, another Person or of any business unit of another Person, or (c) any merger or consolidation of such Person with any other Person or other transaction or series of transactions resulting in the acquisition of all or substantially all of the assets, or a Controlling interest in the Equity Interests, of any other Person, in each case in any transaction or series of transactions which are part of a common plan, but in each case excluding any transaction or series of transactions resulting in the acquisition solely of Store locations or other interests in real property or of Equity Interests of Persons substantially all of whose assets constitutes Store locations or other interest in real property.

"Act" shall have the meaning provided in Section 10.17.

"Additional Commitment Lender" shall have the meaning provided in Section 2.15(c).

"Adjusted LIBOR Rate" means, with respect to any LIBOR Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of one percent (1%)) equal to the LIBOR Rate for such Interest Period multiplied by the Statutory Reserve Rate. The Adjusted LIBOR Rate will be adjusted automatically as to all LIBOR Borrowings then outstanding as of the effective date of any change in the Statutory Reserve Rate.

"Adjustment Date" means the first day of each Fiscal Quarter, commencing May 3, 2014.

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

"Affiliate" means, with respect to any Person, (i) 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 and (ii) any director, officer, managing member, partner, trustee, or beneficiary of that Person.

"Agent" means Bank of America in its capacity as administrative agent and collateral agent under any of the Loan Documents, or any successor thereto.

"Agent Parties" shall have the meaning specified in Section 10.02(c).

"Agent's Office" means the Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Agent may from time to time notify the Domestic Borrower and the Lenders.

"Aggregate Commitments" means the sum of the Commitments of all the Lenders. As of the Closing Date, the Aggregate Commitments are $175,000,000.

"Agreement" means this ABL Credit Agreement as it may be amended, restated, supplemented or otherwise modified from time to time.

"Applicable Lenders" means the Required Lenders, all affected Lenders, or all Lenders, as the context may require.

"Applicable Margin" means:

(a) From and after the Closing Date until the first Adjustment Date, the percentages set forth in Level II of the pricing grid below; and

(b) From and after the first Adjustment Date and on each Adjustment Date thereafter, the Applicable Margin shall be determined from the following pricing grid based upon the Average Daily Availability as of the Fiscal Quarter ended immediately preceding such Adjustment Date; provided that, if any Borrowing Base Certificate is at any time restated or otherwise revised (including as a result of an audit) or if the information set forth in any Borrowing Base Certificate otherwise proves to be false or incorrect such that the Applicable Margin would have been higher than was otherwise in effect during any period, without constituting a waiver of any Default or Event of Default arising as a result thereof, interest due under this Agreement shall be immediately recalculated at such higher rate for any applicable periods and shall be due and payable on demand.

Level	Average Daily Availability	Applicable Margin for LIBOR Rate Loans, Euribor Rate Loans and UK Base Rate Loans	Applicable Margin for Base Rate Loans
I	Equal to or greater than 66.67% of the Domestic Loan Cap	1.50%	0.50%
II	Equal to or greater than 33.33% of the Domestic Loan Cap but less than 66.67% of the Domestic Loan Cap	1.75%	0.75%
III	Less than 33.33% of the Domestic Loan Cap	2.00%	1.00%

"Applicable Percentage" means with respect to (a) any Domestic Lender at any time in respect of the Domestic Commitments, the percentage (carried out to the ninth decimal place) of the Domestic Total Commitments represented by such Domestic Lender's Domestic Commitment at such time, (b) any UK Lender at any time in respect of the UK Commitments, the percentage (carried out to the ninth decimal place) of the UK Total Commitments represented by such UK Lender's UK Commitment at such time, and (c) with reference to all Lenders at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender's Domestic Commitment at such time, subject to adjustment provided in Section 2.16. If the commitment of each Lender to make Loans and the obligation of each L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 2.06 or Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means, at any time of calculation, (a) with respect to Commercial Letters of Credit, a per annum rate equal to fifty percent (50%) of the Applicable Margin for Loans which are LIBOR Rate Loans, and (b) with respect to Standby Letters of Credit, a per annum rate equal to the Applicable Margin for Loans which are LIBOR Rate Loans.

"Applicable Time" means, with respect to any borrowings and payments in any Optional Currency, the local time in the place of settlement for such Optional Currency as may be determined by the Agent or the L/C Issuer, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

"Appointee" means any receiver, administrator or other insolvency officer appointed in respect the UK Borrower or its assets.

"Appraised Value" means, with respect to Eligible Inventory, the appraised orderly liquidation values, net of costs and expenses to be incurred in connection with any such liquidation, which values are expressed as one or more applicable percentages of Cost of Eligible Inventory as set forth in the inventory stock ledger of the applicable Borrower, which values shall be determined from time to time by the most recent appraisals undertaken by independent appraisers engaged by the Agent.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender (c) an entity or an Affiliate of an entity that administers or manages a Lender, or (d) the same investment advisor or an advisor under common control with such Lender, Affiliate or advisor, as applicable.

"Arranger" means Bank of America, N.A., in its capacity as joint lead arranger and joint bookrunner.

"Assignee Group" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Agent, in substantially the form of Exhibit E or any other form approved by the Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capital Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease or similar payments under the relevant lease or other applicable agreement or instrument that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease, agreement or instrument were accounted for as a capital lease.

"Audited Financial Statements" means the audited consolidated balance sheet of the Domestic Borrower and its Subsidiaries for the Fiscal Year ended February 2, 2013, and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Year of the Domestic Borrower and its Subsidiaries, including the notes thereto.

"Auto-Extension Letter of Credit" shall have the meaning specified in Section 2.03(b)(iii).

"Availability" means, as of any date of determination thereof by the Agent, the result, if a positive number, of (a) the Loan Cap minus (B) the Total Outstandings; provided that for purposes of calculating Availability hereunder, the amount attributable to UK Availability shall not exceed twenty-five (25%) percent of Availability as of the time of such calculation.

"Availability Period" means the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of each L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

"Availability Reserves" means, without duplication of any other Reserves or items that are otherwise addressed or excluded through eligibility criteria or the definition of "Domestic Borrowing Base", "UK Borrowing Base", or "Appraised Value", such reserves as the Agent from time to time determines in its Permitted Discretion as being appropriate (a) to reflect the impediments to the Agent's ability to realize upon the ABL Priority Collateral, (b) to reflect claims and liabilities that the Agent determines will need to be satisfied in connection with the realization upon the ABL Priority Collateral, (c) to reflect criteria, events, conditions, contingencies or risks which adversely affect any component of the Domestic Borrowing Base or the UK Borrowing Base, or (d) to reflect that a Default or an Event of Default then exists. Without limiting the generality of the foregoing, Availability Reserves may include, in the Agent's Permitted Discretion, (but are not limited to) reserves based on: (i) rent; (ii) customs duties, and other costs to release Inventory which is being imported into the United States or the United Kingdom; (iii) outstanding Taxes and other governmental charges, including, without limitation, ad valorem, real estate, personal property, sales, claims of the PBGC and other Taxes which may have priority over the interests of the Agent in the ABL Priority Collateral; (iv) salaries, wages, vacation pay, and benefits due to employees of any Loan Parties, (v) Customer Credit Liabilities, (vi) customer deposits, (viii) reserves for reasonably anticipated changes in the Appraised Value of Eligible Inventory

between appraisals, (viii) warehousemen's or bailee's charges and other Permitted Encumbrances which may have priority over the interests of the Agent in the ABL Priority Collateral, (ix) with respect to the UK Borrower, a reserve for the prescribed part of floating charge realizations which may be set aside for unsecured creditors which at the date of this Agreement is a maximum of 600,000 Pounds Sterling for each UK Loan Party, (x) past due amounts owed to vendors supplying web hosting, catalog, direct mailing, electronic mail blast, pay per click advertising and shipping services, (xi) amounts due from SHC and its Subsidiaries equal to one week of cash receipts for Inventory of the Domestic Loan Parties sold in store locations of SHC and its Subsidiaries, (xii) Inventory of the UK Loan Parties that is subject to a "retention of title" or similar agreement, (xiii) Cash Management Reserves, (xiv) Bank Products Reserves and (xv) reserves of the type described in clause (d) of the definition of "Eligible Inventory".

"Average Daily Availability" shall mean the average daily Availability for the immediately preceding Fiscal Quarter.

"Bank of America" means Bank of America, N.A., including acting through its branches, and its successors.

"Bank Products" means (i) any services or facilities provided to any Loan Party by the Agent or any of its Affiliates (other than Swap Contracts), and (ii) (x) any services or facilities provided to any Loan Party by any Lender or any of its Affiliates and (y) any Swap Contracts provided to any Loan Party by the Agent or any of its Affiliates that, in each case under this clause (ii), are designated in writing by the Domestic Borrower to the Agent as Bank Products hereunder (and not, for the avoidance of doubt, under the Term Facility), including, without limitation, on account of (a) Swap Contracts, (b) purchase cards, (c) leasing, (d) factoring, (e) supply chain finance services (including, without limitation, trade payable services and supplier accounts receivable purchases) and (f) other extensions of credit (agreed by the Agent and the Domestic Borrower as being a "Bank Product" for purposes of this Agreement) to or for the benefit of any Loan Party or to any other Person to the extent such other Person's obligations thereunder are guaranteed by any Loan Party, but excluding Cash Management Services.

"Bank Product Reserves" means such reserves as the Agent from time to time determine in its Permitted Discretion as being appropriate to reflect the liabilities and obligations of the Loan Parties with respect to Bank Products then provided or outstanding.

"Banker's Acceptance" means a time draft or bill of exchange or other deferred payment obligation relating to a Commercial Letter of Credit which has been accepted by the L/C Issuer.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the rate of interest in effect for such day as publicly announced from time to time by the Agent as its "prime rate"; (b) the Federal Funds Rate for such day, plus 0.50%; and (c) the LIBOR Rate for a one month interest period as determined on such day, plus 1.0%. The "prime rate" is a rate set by the Agent based upon various factors including the Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the Agent's prime rate, the Federal Funds Rate or the LIBOR Rate, respectively, shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Domestic Loan that bears interest based on the Base Rate.

"Blocked Account" means each DDA that is subject to a Blocked Account Agreement.

"Blocked Account Agreement" means with respect to an account established by a Loan Party, an agreement with or, with respect to an account established by the UK Loan Parties, notice to and acknowledgement from, the relevant Blocked Account Bank, in form and substance reasonably satisfactory to the Agent, establishing control (as defined in the UCC or other applicable Law) of such account by the Agent and whereby the bank maintaining such account agrees, upon the occurrence and during the continuance of a Cash Dominion Event, to comply only with the instructions originated by the Agent without the further consent of any Loan Party.

"Blocked Account Bank" means each bank with whom deposit accounts are maintained in which any funds of any of the Loan Parties from one or more DDAs are concentrated and with whom a Blocked Account Agreement has been, or is required to be, executed in accordance with the terms hereof.

"Borrower Materials" has the meaning specified in Section 6.02.

"Borrowers" means, collectively, the Domestic Borrower and the UK Borrower.

"Borrowing" means a Committed Borrowing or a Swing Line Borrowing, as the context may require.

"Borrowing Base Certificate" means a certificate substantially in the form of Exhibit F hereto (with such changes therein as may be required by the Agent to reflect the components of and reserves against the Combined Borrowing Base as provided for hereunder from time to time), executed and certified as accurate and complete by a Responsible Officer of the Domestic Borrower and the UK Borrower which shall include appropriate exhibits, schedules, supporting documentation, and additional reports as reasonably requested by the Agent.

"Business Day" means (a) any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Agent's Office is located; (b) if such day relates to any LIBOR Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market; (c) if such day relates to any interest rate settings as to a LIBOR Rate Loan denominated in Euro, any fundings, disbursements, settlements and payments in Euro in respect of any such LIBOR Rate Loan, or any other dealings in Euro to be carried out pursuant to this Agreement in respect of any such LIBOR Rate Loan, means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) payment system (or, if such payment system ceases to be operative, such other payment system (if any) determined by the Agent to be a suitable replacement) is open for the settlement of payments in Euro; (d) if such day relates to any interest rate settings as to a LIBOR Rate Loan denominated in a currency other than Dollars or Euro, means any such day on which dealings in deposits in the relevant currency are conducted by and between banks in the London or other applicable offshore interbank market for such currency; and (e) if such day relates to any fundings, disbursements, settlements and payments in a currency other than Dollars or Euro in respect of a LIBOR Rate Loan denominated in a currency other than Dollars or Euro, or any other dealings in any currency other than Dollars or Euro to be carried out pursuant to this Agreement in respect of any such (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency.

"Capital Expenditures" means, with respect to any Person for any period, all expenditures made (whether made in the form of cash or other property) or costs incurred for the acquisition or improvement of fixed or capital assets of such Person (excluding normal replacements and maintenance which are properly charged to current operations), in each case that are (or should be) set forth as capital expenditures in a Consolidated statement of cash flows of such Person for such period, in each case prepared in accordance with GAAP.

"Capital Lease Obligations" means, with respect to any Person for any period, 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 liabilities on a balance sheet of such Person under GAAP and the amount of which obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Collateral Account" means (a) with respect to the Domestic L/C Obligations, a non-interest bearing account established by one or more of the Domestic Loan Parties with Bank of America, and in the name of, the Agent (or as the Agent shall otherwise direct) and under the sole and exclusive dominion and control of the Agent, in which deposits are required to be made in accordance with Section 2.03(g) or 8.02(c), and (b) with respect to the UK L/C Obligations, a non-interest bearing account established by one or more of the UK Loan Parties with Bank of America, and in the name of, the Agent (or as the Agent shall otherwise direct) and under the sole and exclusive dominion and control of the Agent, in which deposits are required to be made in accordance with Section 2.03(g) or 8.02(d).

"Cash Collateralize" means to deposit in the Cash Collateral Account or to pledge and deposit with or deliver to the Agent, for the benefit of the Agent, the L/C Issuer or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect thereof (as the context may require), cash or deposit account balances or, if the Agent and the L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Agent and the L/C Issuer. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Dominion Event" means either (i) the occurrence and continuance of any Event of Default, or (ii) the failure of the Borrowers to maintain Availability of at least the greater of (x) 12.5% of the Loan Cap and (y) $18,750,000. For purposes of this Agreement, the occurrence of a Cash Dominion Event shall be deemed continuing (i) so long as such Event of Default has not been waived, and/or (ii) if the Cash Dominion Event arises as a result of the Borrowers' failure to achieve Availability as required hereunder, until Availability has exceeded the greater of (x) 12.5% of the Loan Cap and (y) $18,750,000 for thirty (30) consecutive days, in which case a Cash Dominion Event shall no longer be deemed to be continuing for purposes of this Agreement; provided that, a Cash Dominion Event shall be deemed continuing (even if an Event of Default is no longer continuing and/or Availability exceeds the required amount for thirty (30) consecutive days) at all times after a Cash Dominion Event has occurred and been discontinued on two occasions in any twelve month period until both no Event of Default is then continuing and Availability has exceeded the amounts set forth above for ninety (90) consecutive days. The termination of a Cash Dominion Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Cash Dominion Event in the event that the conditions set forth in this definition again arise.

"Cash Management Reserves" means such reserves as the Agent, from time to time, determines in its Permitted Discretion as being appropriate to reflect the reasonably anticipated liabilities and obligations of the Loan Parties with respect to Cash Management Services then provided or outstanding.

"Cash Management Services" means (i) any cash management services provided to any Loan Party by the Agent or any of its Affiliates, and (ii) any cash management services provided to any Loan Party by any Lender or any of its Affiliates that, in each case under this clause (ii), are designated in writing by the Domestic Borrower to the Agent as Cash Management Services hereunder (and not, for the avoidance of doubt, under the Term Facility), including, without limitation, (a) ACH transactions, (b) controlled disbursement services, treasury, depository, overdraft, and electronic funds transfer services, (c) credit card processing services, (d) credit or debit cards and (e) foreign exchange facilities.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

"CERCLIS" means the Comprehensive Environmental Response, Compensation, and Liability Information System maintained by the United States Environmental Protection Agency.

"Change in Law" means the occurrence, after the date of this Agreement, 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, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or 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 or issued.

"Change of Control" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than a Permitted Holder becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of both (i) 35% or more of the Equity Interests of the Domestic Borrower entitled to vote for members of the board of directors or equivalent governing body of the Domestic Borrower on a fully-diluted basis (and taking into account all such Equity Interests that such "person" or "group" has the right to acquire pursuant to any option right), and (ii) a greater percentage of such Equity Interests than are held by the Permitted Holders in the aggregate; or

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Domestic Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or by a Permitted Holder or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or by a Permitted Holder (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors); or

(c) any "change in control" or similar event as defined in any document governing Material Indebtedness (including, without limitation, the Term Facility) of any Loan Party; or

(d) the Domestic Borrower fails at any time to own, directly or indirectly, 100% of the Equity Interests of the UK Borrower (unless the UK Commitments shall have been terminated).

"Closing Date" means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01.

"Closing Date Dividend" means a Restricted Payment made by the Domestic Borrower to SHC or any of its Subsidiaries on the Closing Date immediately prior to the consummation of the Separation in a maximum amount not to exceed $500,000,000.

"Code" means the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended and in effect.

"Collateral" means any and all "Collateral" or "Mortgaged Property" as defined in any applicable Security Document and all other property that is or is intended under the terms of the Security Documents to be subject to Liens in favor of the Agent.

"Collateral Access Agreement" means an agreement reasonably satisfactory in form and substance to the Agent executed by (a) a bailee or other Person in possession of ABL Priority Collateral, and (b) any landlord of Real Estate leased by any Loan Party, pursuant to which such Person (i) acknowledges the Agent's Lien on the ABL Priority Collateral, (ii) releases or subordinates such Person's Liens in the ABL Priority Collateral held by such Person or located on such Real Estate, (iii) provides the Agent with access to the ABL Priority Collateral held by such bailee or other Person or located in or on such Real Estate, (iv) provides the Agent with a reasonable time to sell and dispose of the ABL Priority Collateral from such Real Estate, and (v) makes such other agreements with the Agent as the Agent may reasonably require.

"Collection Account" means each of the Domestic Collection Account and the UK Collection Account.

"Combined Borrowing Base" means, at any time of calculation, an amount equal to the sum of the Domestic Borrowing Base and the UK Borrowing Base.

"Commercial Letter of Credit" means any letter of credit or similar instrument (including, without limitation, Bankers' Acceptances) issued for the purpose of providing the primary payment mechanism in connection with the purchase of any materials, goods or services by a Loan Party in the ordinary course of business of such Loan Party.

"Commitment" means, as to each Lender, its Domestic Commitment or its UK Commitment (which, for the avoidance of doubt, is a sublimit of, and not in addition to, such Lender's Domestic Commitment), as applicable.

"Commitment Fee Percentage" means (a) from and after the Closing Date until the first Adjustment Date, 0.375% per annum, and (b) from and after the first Adjustment Date and on each Adjustment Date thereafter, (i) 0.375% per annum if the average daily Total Outstandings during the previous Fiscal Quarter were 50% or less of the Aggregate Commitments, and (ii) 0.25% per annum if the average daily Total Outstandings during the previous Fiscal Quarter were more than 50% of the Aggregate Commitments.

"Committed Borrowing" means each Domestic Committed Borrowing and each UK Committed Borrowing.

"Committed Loan" means any loan at any time made by any Lender (including, without limitation, any Domestic Committed Loan and any UK Committed Loan) pursuant to Section 2.01.

"Committed Loan Notice" means a notice of (a) a Committed Borrowing, (b) a Conversion of Committed Loans from one Type to the other, or (c) a continuation of LIBOR Rate Loans, pursuant to Section 2.02(b), which, if initially given in writing or when confirmed in writing after electronic notice has been given, shall be substantially in the form of Exhibit A-1 (Committed Loan Notice (Domestic)), or Exhibit A-2 (Committed Loan Notice (UK)), as applicable.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"Consolidated" means, when used to modify a financial term, test, statement, or report of a Person, the application or preparation of such term, test, statement or report (as applicable) based upon the consolidation, in accordance with GAAP, of the financial condition or operating results of such Person and its Restricted Subsidiaries.

"Consolidated EBITDA" means, at any date of determination, without duplication, an amount equal to Consolidated Net Income of the Domestic Borrower and its Restricted Subsidiaries on a Consolidated basis for the most recently completed Measurement Period, plus (a) the following to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Charges, (ii) the provision for Federal, state, local and foreign income Taxes, (iii) depreciation and amortization expense, (iv) any items of loss resulting from the sale of assets other than in the ordinary course of business (it being understood that gains and losses on sales of Inventory pursuant to "going out of business" or similar sales with respect to 10% of the Domestic Borrower's and its Restricted Subsidiaries' Stores (measured at the commencement of the relevant period) shall not be excluded pursuant to this clause), (v) other expenses reducing such Consolidated Net Income which do not represent a cash item in such period or any future period (in each case of or by the Domestic Borrower and its Restricted Subsidiaries for such Measurement Period), (vi) one-time costs incurred in connection with acquisitions, divestitures or debt or equity financings after the Closing Date or in connection with the Transactions contemplated hereby, (vii) any restructuring charge or reserve, transition cost, separation cost or other expense or cost that is deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs related to systems implementation and/or consolidation of facilities, in each case to the extent incurred within 18 months of the Separation and reasonably related to the Domestic Borrower and its Subsidiaries becoming independent of SHC, and (viii) any restructuring charge or reserve, integration cost or other business optimization expense or cost that is deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs related to the closure and/or consolidation of facilities and to exiting lines of business; provided, all such amounts pursuant to this clause (viii), when aggregated with the amount of increases pursuant to clause (b) of the definition of Pro Forma Adjustment for such Measurement Period, shall not exceed 10.0% of Consolidated EBITDA prior to giving effect to any add-back pursuant to this clause (viii); minus (b) the following to the extent included in calculating such Consolidated Net Income: (i) Federal, state, local and foreign income tax credits, (ii) any items of gain resulting from the sale of assets other than in the ordinary course of business

(it being understood that gains and losses on sales of Inventory pursuant to "going out of business" or similar sales with respect to 10% of the Domestic Borrower's and its Restricted Subsidiaries' Stores (measured at the commencement of the relevant period) shall not be excluded pursuant to this clause) and (iii) all non-cash items increasing Consolidated Net Income (in each case of or by the Domestic Borrower and its Restricted Subsidiaries for such Measurement Period), all as determined on a Consolidated basis in accordance with GAAP.

"Consolidated Fixed Charge Coverage Ratio" means, at any date of determination, the ratio of (a) (i) Consolidated EBITDA for such period minus (ii) Capital Expenditures made during such period (other than Financed Capital Expenditures), minus (iii) the aggregate amount of Federal, state, local and foreign income taxes paid in cash during such period net of cash refunds of such Taxes received during such period (but in no event shall the amounts calculated under this clause (iii) be less than zero) to (b) Debt Service Charges, in each case, of or by the Domestic Borrower and its Restricted Subsidiaries for the most recently completed Measurement Period, all as determined on a Consolidated basis in accordance with GAAP.

"Consolidated Interest Charges" means, for any Measurement Period, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under applicable Swap Contracts, but excluding any non-cash or deferred interest financing costs, (b) the portion of rent expense with respect to such period under Capital Lease Obligations that is treated as interest in accordance with GAAP, in each case of or by the Domestic Borrower and its Restricted Subsidiaries for the most recently completed Measurement Period, all as determined on a Consolidated basis in accordance with GAAP, and (c) all dividends or distributions in respect of Disqualified Stock (other than dividends or distributions to the Domestic Borrower or a Restricted Subsidiary).

"Consolidated Net Income" means, as of any date of determination, the net income of the Domestic Borrower and its Restricted Subsidiaries for the most recently completed Measurement Period, all as determined on a Consolidated basis in accordance with GAAP, provided, however, that there shall be excluded (a) extraordinary gains and extraordinary losses for such Measurement Period, (b) the income (or loss) of any Subsidiary that is not a Restricted Subsidiary, and of any non-Subsidiary joint venture, except to the extent of the amount of cash dividends or other distributions actually paid in cash to the Domestic Borrower or a Restricted Subsidiary of the Domestic Borrower during such period, (c) the income (or loss) of such Subsidiary during such Measurement Period and accrued prior to the date it becomes a Restricted Subsidiary of the Domestic Borrower or any of its Restricted Subsidiaries or is merged into or consolidated with the Domestic Borrower or any of its Restricted Subsidiaries or that Person's assets are acquired by the Domestic Borrower or any of its Restricted Subsidiaries, and (d) the income of any direct or indirect Restricted Subsidiary of the Domestic Borrower that is not a Loan Party to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its Organization Documents or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary, except that the Domestic Borrower's equity in any net loss of any such Restricted Subsidiary for such Measurement Period shall be included in determining Consolidated Net Income.

"Consolidated Total Debt" means, as of any date of determination, (a) the aggregate principal amount of Indebtedness of the Domestic Borrower and its Restricted Subsidiaries outstanding on such date, determined on a Consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the

Separation or any Permitted Acquisition), consisting of Indebtedness for borrowed money, Capital Lease Obligations and debt obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments minus (b) the aggregate amount of unrestricted cash and Permitted Cash Equivalents included in the Consolidated balance sheet of the Domestic Borrower and its Restricted Subsidiaries as of such date, which aggregate amount of cash and Permitted Cash Equivalents shall be determined without giving Pro Forma Effect to the proceeds of Indebtedness incurred on such date. For the avoidance of doubt, Consolidated Total Debt shall not include obligations under Swap Contracts or obligations in respect of undrawn letters of credit.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Contribution Notice" a contribution notice issued by the Pensions Regulator under section 38 or section 47 of the Pensions Act 2004 (UK).

"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. "Controlling" and "Controlled" have meanings correlative thereto.

"Convert", "Conversion" and "Converted" each refers to a conversion of Committed Loans of one Type into Committed Loans of the other Type.

"Converted Restricted Subsidiary" means any Unrestricted Subsidiary that is converted into a Restricted Subsidiary.

"Cost" means the lower of cost or market value of Inventory, based upon the Borrowers' accounting practices, known to the Agent, which practices are in effect on the Closing Date as such calculated cost is determined from invoices received by the Borrowers, the Borrowers' purchase journals or the Borrowers' stock ledger and on a consistent basis with the calculation of cost set forth in the most recent Inventory appraisal delivered to the Agent. "Cost" does not include inventory capitalization costs or other non-purchase price charges (such as freight) used in the Borrowers' calculation of cost of goods sold.

"Covenant Compliance Event" means, at any time, Availability is less than the greater of (i) 10% of the Loan Cap or (ii) $15,000,000. The termination of a Covenant Compliance Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Covenant Compliance Event in the event that the conditions set forth in this definition again arise.

"Credit Card Issuer" shall mean any person (other than a Borrower or other Loan Party) who issues or whose members issue credit cards, including, without limitation, MasterCard or VISA bank credit or debit cards or other bank credit or debit cards issued through MasterCard International, Inc., Visa, U.S.A., Inc. or Visa International and American Express, Discover, Diners Club, Carte Blanche and other non-bank credit or debit cards, including, without limitation, credit or debit cards issued by or through American Express Travel Related Services Company, Inc., and Novus Services, Inc. and other issuers approved by the Agent.

"Credit Card Notifications" has the meaning provided in Section 6.13(a)(ii).

"Credit Card Processor" shall mean any servicing or processing agent or any factor or financial intermediary who facilitates, services, processes or manages the credit authorization, billing transfer and/or payment procedures with respect to any Borrower's sales transactions involving credit card or debit card purchases by customers using credit cards or debit cards issued by any Credit Card Issuer.

"Credit Card Receivables" means each "Account" or "payment intangible" (each as defined in the UCC or other applicable Law) together with all income, payments and proceeds thereof, owed by a Credit Card Issuer or Credit Card Processor to a Loan Party resulting from charges by a customer of a Loan Party on credit or debit cards issued by such Credit Card Issuer in connection with the sale of goods by a Loan Party, or services performed by a Loan Party, in each case in the ordinary course of its business.

"Credit Extensions" mean each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Credit Party" or "Credit Parties" means, collectively, each Domestic Credit Party and each UK Credit Party.

"Credit Party Expenses" means (a) all reasonable out-of-pocket expenses incurred by the Agent, the Arranger and their respective Affiliates, in connection with this Agreement and the other Loan Documents, including without limitation (i) the reasonable fees, charges and disbursements of (A) one primary counsel and of one local counsel in each relevant jurisdiction for the Agent and the Arranger, (B) outside consultants for the Agent, (C) appraisers and (D) commercial finance examiners, and (ii) in connection with (A) the syndication of the credit facilities provided for herein, (B) the preparation, negotiation, administration, management, execution and delivery of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (C) the enforcement or protection of their rights in connection with this Agreement or the Loan Documents or efforts to preserve, protect, collect, or enforce the Collateral or in connection with any proceeding under any Debtor Relief Laws, or (D) any workout, restructuring or negotiations in respect of any Loan Agreement Obligations, and (b) with respect to the L/C Issuer, and its Affiliates, all reasonable out-of-pocket expenses incurred in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder; and (c) all reasonable out-of-pocket expenses incurred by the Lenders who are not the Agent, the Arranger, the L/C Issuer or any Affiliate of any of them in connection with the enforcement of the Loan Documents after the occurrence and during the continuance of an Event of Default, provided that such Lenders shall be entitled to reimbursement for no more than one counsel representing all such Lenders (absent a conflict of interest in which case the Lenders may engage and be reimbursed for additional counsel).

"CTA" means the Corporation Tax Act 2009 (UK).

"Customer Credit Liabilities" means at any time, the aggregate remaining value at such time of (a) outstanding gift certificates and gift cards of the Borrowers entitling the holder thereof to use all or a portion of the certificate or gift card to pay all or a portion of the purchase price for any Inventory, and (b) outstanding merchandise credits of the Borrowers.

"Customs Broker/Carrier Agreement" means an agreement in form and substance satisfactory to the Agent among a Loan Party, a customs broker, freight forwarder, consolidator, or carrier, and the Agent, in which the customs broker, freight forwarder, consolidator, or carrier acknowledges that it has control over and holds the documents evidencing ownership of the subject Inventory for the benefit of the Agent and agrees, upon notice from the Agent, to hold and dispose of the subject Inventory solely as directed by the Agent.

"DDA" means each checking, savings or other demand deposit account maintained by any of the Loan Parties other than Excluded Accounts.

"Debt Service Charges" means for any Measurement Period, the sum of (a) Consolidated Interest Charges paid or required to be paid in cash for such Measurement Period, plus (b) scheduled principal payments made or required to be made on account of Indebtedness (excluding the Loan Agreement Obligations and any Synthetic Lease Obligations but including, without limitation, principal payments made in respect of Capital Lease Obligations) for such Measurement Period, in each case determined on a Consolidated basis in accordance with GAAP.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States, the United Kingdom or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Loans, an interest rate equal to the interest rate (including the Applicable Margin) otherwise applicable to such Loan plus two percent (2%) per annum, (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate for Standby Letters of Credit or Commercial Letters of Credit, as applicable, plus two percent (2%) per annum, and (c) with respect to all other Loan Agreement Obligations, an interest rate equal to the Base Rate or UK Base Rate, as applicable, plus the then Applicable Margin, plus two percent (2%) per annum.

"Defaulting Lender" means, subject to Section 2.16(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder, or (ii) pay to the Agent, the L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within two Business Days of the date when due, (b) has notified the Domestic Borrower, the Agent, the L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect, (c) has failed, within three Business Days after written request by the Agent or the Domestic Borrower, to confirm in writing to the Agent and the Domestic Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Domestic Borrower), or (d) after the Closing Date, has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender 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 Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.16(b)) as of the date established therefor by the Agent in a written notice of such determination, which shall be delivered by the Agent to the Domestic Borrower, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

"Delegate" means means any delegate, agent, attorney or co-trustee appointed by the Agent (in its capacity as security trustee).

"Determination Date" shall mean the date upon which each of the following has occurred:

(a) the Commitments have been terminated by the Borrowers or the Required Lenders (or are deemed terminated) upon the occurrence of an Event of Default; and

(b) the Loan Agreement Obligations and/or the UK Liabilities have been declared to be due and payable (or have become automatically due and payable) and have not been paid in accordance with the terms of this Agreement.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction), whether in one transaction or in a series of transactions, of any property (including, without limitation, any Equity Interests other than Equity Interests of the Domestic Borrower) by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Stock" means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is ninety-one (91) days after the Maturity Date. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that the Domestic Borrower and its Restricted Subsidiaries may become obligated to pay upon maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock or portion thereof, plus accrued dividends.

"Dollar Equivalent" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any Optional Currency, the equivalent amount thereof in Dollars as determined by the Agent or the L/C Issuer, as the case may be, at such time on the basis of the Spot Rate for the purchase of Dollars with such Optional Currency.

"Dollars" and "$" mean lawful money of the United States.

"Domestic Availability" means, as of any date of determination thereof by the Agent, the result, if a positive number, equal to the lesser of (a)(i) the Domestic Loan Cap minus (ii) aggregate unpaid balance of the Domestic Total Outstandings, and (b)(i) the Loan Cap minus (ii) the Total Outstandings on such date.

"Domestic Borrower" has the meaning set forth in the introductory paragraph to this Agreement.

"Domestic Borrowing" means a Domestic Committed Borrowing or a Domestic Swing Line Borrowing, as the context may require.

"Domestic Borrowing Base" means, at any time of calculation, an amount equal to:

(a) the face amount of Eligible Credit Card Receivables of the Domestic Loan Parties multiplied by 90%;

plus

(b) the face amount of Eligible Trade Receivables (net of Receivables Reserves applicable thereto) of the Domestic Loan Parties multiplied by 85%;

plus

(c) the Cost of Eligible Inventory of the Domestic Loan Parties, net of Inventory Reserves, multiplied by the Inventory Advance Rate multiplied by the Appraised Value of Eligible Inventory of the Domestic Loan Parties;

minus

(d) the then amount of all Availability Reserves in respect of the Domestic Loan Parties.

"Domestic Collection Account" has the meaning provided in Section 6.12.

"Domestic Committed Borrowing" means a borrowing consisting of simultaneous Domestic Committed Loans of the same Type and, in the case of LIBOR Rate Loans, having the same Interest Period made by each of the Domestic Lenders pursuant to Section 2.01.

"Domestic Committed Loan" has the meaning set forth in Section 2.01(a).

"Domestic Commitments" means, as to each Domestic Lender, its obligation to (a) make Domestic Committed Loans to the Domestic Borrower pursuant to Section 2.01, (b) purchase participations in Domestic L/C Obligations, and (c) purchase participations in Domestic Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Domestic Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Domestic Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the Closing Date, the Domestic Commitments are $175,000,000.

"Domestic Credit Party" or "Domestic Credit Parties" means (a) individually, (i) each Domestic Lender, (ii) the Agent, (iii) each L/C Issuer, (iv) the Arranger, (v) any other Person to whom Obligations are owing, and (vi) the successors and permitted assigns of each of the foregoing, and (b) collectively, all of the foregoing, in each case, to the extent relating to the services provided to, and obligations owing by or guaranteed by, the Domestic Loan Parties.

"Domestic L/C Borrowing" means an extension of credit resulting from a drawing under any Domestic Letter of Credit which has not been reimbursed on or prior to the date required to be reimbursed by the Domestic Borrower pursuant to Section 2.03(c)(i) or refinanced as a Domestic Committed Borrowing.

"Domestic L/C Obligations" means, at any date of determination and without duplication, the aggregate Stated Amount of all outstanding Domestic Letters of Credit plus the aggregate of all Unreimbursed Amounts under Domestic Letters of Credit, including all Domestic L/C Borrowings.

"Domestic Lenders" means the Lenders having Domestic Commitments from time to time or at any time.

"Domestic Letter of Credit" means each Letter of Credit issued hereunder for the account of the Domestic Borrower.

"Domestic Letter of Credit Sublimit" means an amount equal to $70,000,000. The Domestic Letter of Credit Sublimit is part of, and not in addition to, the Domestic Commitments. A permanent reduction of the Domestic Commitments shall not require a corresponding pro rata reduction in the Domestic Letter of Credit Sublimit; provided, however, that if the Domestic Commitments are reduced to an amount less than the Domestic Letter of Credit Sublimit, then the Domestic Letter of Credit Sublimit shall be reduced to an amount equal to (or, at the Domestic Borrower's option, less than) the Domestic Commitments.

"Domestic Loan" means an extension of credit by a Domestic Lender to the Domestic Borrower under Article II in the form of a Domestic Committed Loan or a Domestic Swing Line Loan.

"Domestic Loan Cap" means, at any time of determination, (i) the lesser of (a) the Domestic Total Commitments and (b) the Domestic Borrowing Base, minus (ii) the UK Total Outstandings.

"Domestic Loan Parties" means, collectively, the Domestic Borrower and each Domestic Subsidiary that is a Guarantor of the Obligations. "Domestic Loan Party" means any one of such Persons.

"Domestic Note" means a promissory note made by the Domestic Borrower in favor of a Domestic Lender evidencing Domestic Loans made by such Domestic Lender, substantially in the form of Exhibit C-1.

"Domestic Subsidiary" means any direct or indirect Restricted Subsidiary organized under the laws of United States, any state thereof or the District of Columbia.

"Domestic Swing Line Borrowing" means a borrowing of a Domestic Swing Line Loan by the Domestic Borrower pursuant to Section 2.04.

"Domestic Swing Line Loan" has the meaning specified in Section 2.04(a).

"Domestic Swing Line Sublimit" means an amount equal to $20,000,000. The Domestic Swing Line Sublimit is part of, and not in addition to, the Domestic Total Commitments. A permanent reduction of the Domestic Total Commitments shall not require a corresponding pro rata reduction in the Domestic Swing Line Sublimit; provided, however, that if the Domestic Total Commitments are reduced to an amount less than the Domestic Swing Line Sublimit, then the Domestic Swing Line Sublimit shall be reduced to an amount equal to (or, at Domestic Borrower's option, less than) the Domestic Total Commitments.

"Domestic Total Commitments" means the aggregate of the Domestic Commitments of all Domestic Lenders. On the Closing Date, the Domestic Total Commitments are $175,000,000.

"Domestic Total Outstandings" means the aggregate Outstanding Amount of all Domestic Loans and all Domestic L/C Obligations.

"Eligible Assignee" means (a) a Lender or any of its Affiliates; (b) a bank, insurance company, or company engaged in the business of making commercial loans, which Person, together with its Affiliates, has a combined capital and surplus in excess of $250,000,000; (c) an Approved Fund; and (d) any Person to whom a Lender assigns its rights and obligations under this Agreement as part of an assignment and transfer of such Lender's rights in and to a material portion of such Lender's portfolio of asset based credit facilities; provided that, notwithstanding the foregoing, "Eligible Assignee" shall not include a Permitted Holder, a Loan Party or any of their respective Affiliates or Subsidiaries or any natural Person.

"Eligible Credit Card Receivables" means at the time of any determination thereof, each Credit Card Receivable that satisfies the following criteria at the time of creation and continues to meet the same at the time of such determination: such Credit Card Receivable (i) has been earned by performance and represents the bona fide amounts due to a Domestic Loan Party from a Credit Card Issuer or Credit Card Processor, and in each case is originated in the ordinary course of business of such Domestic Loan Party, and (ii) in each case is not ineligible for inclusion in the calculation of the Domestic Borrowing Base pursuant to any of clauses (a) through (i) below. Without limiting the foregoing, to qualify as an Eligible Credit Card Receivable, a Credit Card Receivable shall indicate no Person other than a Domestic Loan Party as payee or remittance party, it being understood that Credit Card Receivables governed by credit card processing arrangements of SHC and its Subsidiaries pursuant to which the Domestic Loan Parties also obtain services shall not, if they otherwise satisfy the requirements of this definition, be disqualified. In determining the amount to be so included, the face amount of a Credit Card Receivable shall be reduced by, without duplication, to the extent not reflected in such face amount, (i) the amount of all accrued and actual discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances (including any amount that a Domestic Loan Party may be obligated to rebate to a customer, a Credit Card Issuer or Credit Card Processor pursuant to the terms of any agreement or understanding (written or oral)) and (ii) the aggregate amount of all cash received in respect of such Credit Card Receivable but not yet applied by the Domestic Loan Parties to reduce the amount of such Credit Card Receivable. Except as otherwise agreed by the Agent, any Credit Card Receivable included within any of the following categories shall not constitute an Eligible Credit Card Receivable:

(a) Credit Card Receivables which do not constitute an "Account" or "payment intangible" (each as defined in the UCC);

(b) Credit Card Receivables that have been outstanding for more than five (5) Business Days from the date of sale;

(c) Credit Card Receivables (i) that are not subject to a perfected first priority security interest in favor of the Agent (subject to Permitted Encumbrances having priority over the Lien of the Agent by operation of applicable Law), or (ii) with respect to which a Domestic Loan Party does not have good and valid title thereto, free and clear of any Lien (other than Permitted Encumbrances);

(d) Credit Card Receivables which are disputed or with respect to which a claim, counterclaim, offset or chargeback has been asserted (to the extent of such dispute, claim, counterclaim, offset or chargeback);

(e) Credit Card Receivables as to which a Credit Card Issuer or a Credit Card Processor has the right under certain circumstances to require a Domestic Loan Party to repurchase the entire portfolio of Accounts from such Credit Card Issuer or Credit Card Processor;

(f) Credit Card Receivables due from a Credit Card Issuer or a Credit Card Processor of the applicable credit card which is the subject of any bankruptcy or insolvency proceedings;

(g) Credit Card Receivables which are not a valid, legally enforceable obligation of the applicable Credit Card Issuer or a Credit Card Processor with respect thereto;

(h) Credit Card Receivables which do not conform to all representations, warranties or other provisions in the Loan Documents relating to Credit Card Receivables; or

(i) Credit Card Receivables which the Agent determines in its Permitted Discretion to be uncertain of collection or which do not meet such other reasonable eligibility criteria for Credit Card Receivables as the Agent may determine in its Permitted Discretion.

"Eligible In-Transit Inventory" means, as of any date of determination thereof, without duplication of other Eligible Inventory, In-Transit Inventory:

(a) Which has been shipped by a vendor from a foreign location for receipt directly or indirectly by a Loan Party, but which has not yet been delivered directly or indirectly to such Loan Party, which In-Transit Inventory is scheduled to arrive at a facility owned or leased by a Loan Party within fifty (50) days from the date of shipment;

(b) For which the purchase order is in the name of a Loan Party (or, during the 180 day period following the Closing Date, has been assigned by SHC or a Subsidiary of SHC to a Loan Party) and title and risk of loss has passed to such Loan Party;

(c) For which an Acceptable Document of Title has been issued, and in each case as to which the Agent has control (as defined in the UCC or other applicable Law) over the documents of title which evidence ownership of the subject Inventory (including, if requested by the Agent, by the delivery of a Customs Broker/Carrier Agreement);

(d) Which is insured in accordance with Section 5.10 hereof (including, without limitation, marine cargo insurance); and

(e) Which otherwise would constitute Eligible Inventory;

provided that the Agent may, in its Permitted Discretion, exclude any particular Inventory from the definition of "Eligible In-Transit Inventory" in the event the Agent determines that such Inventory is subject to any Person's right which is (or is capable of being) senior to, or pari passu with, the Lien of the Collateral Agent (including, without limitation, a right of stoppage in transit) which may otherwise adversely impact the ability of the Agent to realize upon such Inventory.

"Eligible Inventory" means, as of the date of determination thereof, without duplication, (i) Eligible In-Transit Inventory, and (ii) other items of Inventory of a Domestic Loan Party or a UK Loan Party that are finished goods, merchantable and readily saleable to the public in the ordinary course of the applicable Loan Parties' business, in each case that, except as otherwise agreed by the Agent, (A) complies with each of the representations and warranties respecting Inventory made by the applicable Loan Parties in the Loan Documents, and (B) is not excluded as ineligible by virtue of one or more of the criteria set forth below. Except as otherwise agreed by the Agent, in its Permitted Discretion, the following items of Inventory shall not be included in Eligible Inventory:

(a) Inventory (i) that is not subject to a perfected first priority security interest in favor of the Agent, including any Inventory of a UK Loan Party that is subject of any retention of title arrangement (subject to Permitted Encumbrances having priority over the Lien of the Agent by operation of applicable Law), or (ii) with respect to which a Domestic Loan Party or a UK Loan Party does not have good and valid title thereto, free and clear of any Lien (other than Permitted Encumbrances);

(b) Inventory that is leased or consigned from a vendor to a Domestic Loan Party or a UK Loan Party;

(c) Inventory that is consigned by a Domestic Loan Party or a UK Loan Party to a Person which is not a Loan Party;

(d) Inventory (other than Eligible In-Transit Inventory) that is not located in the United States of America (excluding territories or possessions of the United States) or Puerto Rico (with respect to the Domestic Loan Parties) or in the United Kingdom (with respect to the UK Loan Parties) at a location that is owned or leased by the applicable Loan Party, except (i) Inventory in transit between such owned or leased locations, (ii) Inventory at locations owned or leased by SHC and its Subsidiaries (provided that the Agent may establish an Availability Reserve in such amount as the Agent in its Permitted Discretion deems appropriate with respect to Inventory at locations owned or leased by SHC and its Subsidiaries if (a) SHC or such applicable Subsidiary is subject to an insolvency proceeding under any Debtor Relief Laws, (b) in any transaction or series of transactions which are part of a common plan, 25% or more of the number of LE Shops (as defined in the Separation Agreement referenced in clause (b) of the definition thereof) operated by the Loan Parties under the Separation Agreements referenced in clauses (c) and (j) of the definition thereof immediately prior to such closings are closed, or (c) SHC or any of its Subsidiaries breach any of the Material Contracts), and (iii) Inventory constituting finished goods located with providers of embroidery and similar services, not to exceed an aggregate of $2,500,000 in Cost at any one time;

(e) Inventory that is located in a distribution center leased by a Loan Party unless the applicable lessor has delivered to the Agent a Collateral Access Agreement; provided that if such a Collateral Access Agreement is not obtained, Inventory at such locations shall constitute Eligible Inventory as long as the Agent has established an Availability Reserve in such amount as the Agent in its Permitted Discretion deemed appropriate;

(f) Inventory that is comprised of goods which (i) are damaged, defective, "seconds," or otherwise unmerchantable, (ii) are to be returned to the vendor, (iii) are obsolete, work-in-process, raw materials, or that constitute samples, spare parts, promotional, marketing, labels, bags and other packaging and shipping materials or supplies used or consumed in a Loan Party's business, (iv) which have been held for more than 18 months, (v) are not in material compliance with all standards imposed by any Governmental Authority having regulatory authority over such Inventory, its use or sale, or (vi) are bill and hold goods;

(g) Inventory that is not insured in compliance with the provisions of Section 5.10 hereof;

(h) Inventory that has been sold by a Loan Party but not yet delivered or as to which a Loan Party has accepted a deposit from a third party;

(i) Inventory that exhibits, includes or is identified by any trademark, tradename or other Intellectual Property right which trademark, tradename or other Intellectual Property right (i) is subject to a restriction that could reasonably be expected to adversely affect the Agent's ability to liquidate such Inventory or (ii) the relevant Loan Party does not have the right to use in connection with the sale of such Inventory, either through direct ownership or through a written license or sublicense;

(j) Inventory acquired in a Permitted Acquisition, unless and until the Agent has completed or received (A) an appraisal of such Inventory from appraisers reasonably satisfactory to the Agent and establishes Inventory Reserves (if applicable) therefor, and (B) such other due diligence as the Agent may reasonably require, all of the results of the foregoing to be reasonably satisfactory to the Agent; provided that such Inventory shall be deemed to constitute Eligible Inventory for a period of 45 days after the date of its acquisition notwithstanding that the Agent has not completed such due diligence as long as such Inventory is of the same kind and quality as other of the Loan Parties' Inventory and would otherwise constitute Eligible Inventory;

(k) Inventory (other than Inventory acquired in a Permitted Acquisition which is governed by clause (k) above) which is not of the type usually sold in the ordinary course of any Loan Party's business, unless and until the Agent agrees in its Permitted Discretion that such Inventory shall be deemed Eligible Inventory; or

(l) Inventory which does not meet such other reasonable eligibility criteria for Inventory as the Agent may determine in its Permitted Discretion.

"Eligible Trade Receivables" means Accounts arising from the sale of the Inventory of the Domestic Loan Parties (but excluding, for the avoidance of doubt, Credit Card Receivables) that satisfies the following criteria at the time of creation and continues to meet the same at the time of such determination: such Account (i) has been earned by performance and represents the bona fide amounts due to a Domestic Loan Party from an account debtor, and in each case is originated in the ordinary course of business of such Domestic Loan Party, and (ii) in each case is not ineligible for inclusion in the calculation of the Domestic Borrowing Base pursuant to any of clauses (a) through (s) below. Without limiting the foregoing, to qualify as an Eligible Trade Receivable, an Account shall indicate no Person other than a Domestic Loan Party as payee or remittance party. In determining the amount to be so included, the face amount of an Account shall be reduced by, without duplication, to the extent not reflected in such face amount but creditable against such Account, (i) the amount of all accrued and actual discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances (including any amount that a Domestic Loan Party may be obligated to rebate to a customer pursuant to the terms of any agreement or understanding (written or oral)) and (ii) the aggregate amount of all cash received in respect of such Account but not yet applied by the Domestic Loan Parties to reduce the amount of such Eligible Trade Receivable. Except as otherwise agreed by the Agent, any Account included within any of the following categories shall not constitute an Eligible Trade Receivable:

(a) Accounts that are not evidenced by an invoice;

(b) Accounts that have been outstanding for more than 90 days from the date of sale or more than 60 days past the due date;

(c) Accounts due from any account debtor which is obligated on any accounts described in clause (b), above.

(d) All Accounts owed by an account debtor and/or its Affiliates in the aggregate in excess of ten percent (10%) (or, with respect to the account debtors set forth on Schedule 1.05 hereof, twenty percent (20%)) (or any other greater percentage now or hereafter established by the Agent for any particular account debtor) of the amount of all Accounts of all account debtors of the Domestic Loan Parties at any one time outstanding;

(e) Accounts (i) that are not subject to a perfected first-priority security interest in favor of the Agent (subject to Permitted Encumbrances having priority over the Lien of the Agent by operation of applicable law), or (ii) with respect to which a Domestic Loan Party does not have good and valid title thereto, free and clear of any Lien (other than Permitted Encumbrances);

(f) Accounts which are disputed or with respect to which a claim, counterclaim, offset or chargeback has been asserted, but only to the extent of such dispute, counterclaim, offset or chargeback;

(g) Accounts which arise out of any sale (i) not made in the ordinary course of business, (ii) made on a basis other than upon credit terms usual to the business of the Domestic Loan Parties or (iii) are not payable in Dollars;

(h) Accounts which are owed by any account debtor whose principal place of business is not within the United States;

(i) Accounts which are owed by an employee of a Loan Party or by any Affiliate (other than any portfolio companies of the Permitted Holders, including SHC or any of its Subsidiaries) of a Loan Party;

(j) Accounts which are owed by SHC or any of its Subsidiaries if such Accounts relate to sales of the Domestic Loan Parties' Inventory in store locations of SHC or such Subsidiaries, unless the Agent otherwise agrees in its Permitted Discretion;

(k) Accounts for which all consents, approvals or authorizations of, or registrations or declarations with any Governmental Authority required to be obtained, effected or given in connection with the performance of such Account by the account debtor or in connection with the enforcement of such Account by the Agent have been duly obtained, effected or given and are in full force and effect;

(l) Accounts due from an account debtor which is the subject of any bankruptcy or insolvency proceeding, has had a trustee or receiver appointed for all or a substantial part of its property, has made an assignment for the benefit of creditors or has suspended its business;

(m) Accounts due from any Governmental Authority except to the extent that the subject account debtor is the federal government, or any state government, of the United States of America and the Domestic Loan Parties have complied with the Federal Assignment of Claims Act of 1940;

(n) Accounts representing any manufacturer's or supplier's credits, discounts, incentive plans or similar arrangements entitling a Loan Party or any of its Subsidiaries to discounts on future purchase therefrom;

(o) Accounts arising out of sales on a bill-and-hold, guaranteed sale, sale-or-return, sale on approval or consignment basis or subject to any right of return;

(p) Accounts arising out of sales to account debtors outside the United States unless such Accounts are fully backed by an irrevocable letter of credit on terms, and issued by a financial institution, acceptable to the Agent and such irrevocable letter of credit is in the possession of the Agent;

(q) Accounts evidenced by a promissory note or other instrument;

(r) Accounts consisting of amounts due from vendors as rebates or allowances;

(s) Accounts which are in excess of the credit limit for such account debtor established by the Domestic Loan Parties in the ordinary course of business and consistent with past practices;

(t) Accounts which include extended payment terms (datings) beyond those generally furnished to other account debtors in the ordinary course of business;

(u) Accounts arising out of sales of gift cards unless such gift cards have been activated; or

(v) Accounts which do not meet such other reasonable eligibility criteria for as the Agent may determine in its Permitted Discretion.

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, obligation, damage, loss, claim, action, suit, judgment, order, fine, penalty, fee, expense, or cost, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Borrower, any other Loan Party or any of their respective Restricted Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal or presence 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, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or non-voting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"Equivalent Amount" means, with respect to any Optional Currency, the equivalent amount thereof determined by the Agent at such time on the basis of the Spot Rate.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Domestic Borrower (immediately after the Separation) within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Domestic Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Domestic Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is insolvent or in reorganization (within the meaning of Title IV of ERISA); (d) the filing of a notice of intent to terminate a Pension Plan, or the treatment of a Multiemployer Plan amendment as a termination, under Section 4041 or 4041A of ERISA, respectively; (e) the institution by the PBGC of proceedings to terminate a Pension Plan or a Multiemployer Plan; (f) any event or condition determined by the PBGC to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or that a Multiemployer Plan is in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; (h) the failure by the Domestic Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules in respect of a Pension Plan, whether or not waived, or a failure by the Domestic Borrower or any ERISA Affiliate to make any required contribution to a Multiemployer Plan or (i) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Domestic Borrower or any ERISA Affiliate.

"Euribor Rate" means for any Interest Period with respect to a Euribor Rate Loan, the rate at which euro interbank term deposits in the applicable currency are being offered by one prime bank to another within the EMU zone as determined by the Administrative Agent at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period.

"Euribor Rate Loan" means a Loan that bears interest based on the Euribor Rate.

"Euros" and the designation "€" means the lawful currency of the Participating Member States.

"Event of Default" has the meaning specified in Section 8.01. An Event of Default shall be deemed to be continuing unless and until that Event of Default has been duly waived as provided in Section 10.01 hereof.

"Excluded Accounts" means payroll, trust, tax withholding (including VAT in the UK) and zero balance disbursement accounts funded in the ordinary course of business.

"Excluded Swap Obligation" means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the guaranty of such Loan Party under the Guaranty and Security Agreement of, or the grant under a Loan Document by such Loan Party of a security interest to secure, such Swap Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 10.28 hereof and any and all guarantees of such Loan Party's Swap Obligations by other Loan Parties) and the regulations thereunder at the time the guaranty of such Loan Party, or grant by such Loan

Party of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one Swap Contract, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swap Contracts for which such guaranty or security interest is or becomes illegal.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any 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 and including any Taxes imposed in lieu of income Taxes), 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 Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Recipient with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Recipient acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Domestic Borrower under Section 10.13) or (ii) in the case of a Lender, such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii) or (c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e), and (d) any Taxes imposed pursuant to FATCA.

"Executive Order" has the meaning set forth in Section 10.18.

"Existing Letters of Credit" means the letters of credit described on Schedule 1.02 hereto.

"Existing Revolver Tranche" has the meaning provided in Section 2.17(a).

"Extended Commitments" has the meaning provided in Section 2.17(a).

"Extending Lender" has the meaning provided in Section 2.17(b).

"Extension Amendment" has the meaning provided in Section 2.17(d).

"Extension Request" has the meaning provided in Section 2.17(a).

"Extension Election" has the meaning provided in Section 2.17(b).

"Extension Series" has the meaning provided in Section 2.17(a).

"Extraordinary Receipt" means any cash received by or paid to or for the account of any Person not in the ordinary course of business, including tax refunds, pension plan reversions, indemnity payments and any purchase price adjustments.

"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) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, as of the date of this Agreement (or any amended or successor version described above).

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Agent.

"Fee Letter" means the letter agreement dated as of March 14, 2014 among the Domestic Borrower, the Agent and the Arranger, as amended and in effect on the Closing Date.

"Financed Capital Expenditures" shall mean Capital Expenditures made with the proceeds of Indebtedness (other than from Credit Extensions hereunder), including capital lease transactions permitted hereunder.

"Financial Support Direction" a financial support direction issued by the Pensions Regulator under Section 43 of the Pensions Act 2004 (UK).

"Fiscal Quarter" means any fiscal quarter of any Fiscal Year, which quarters shall generally end on (i) with respect to the first fiscal quarter of any Fiscal Year, the Friday preceding the Saturday of the thirteenth week of such Fiscal Year, (ii) with respect to the second fiscal quarter of any Fiscal Year, the Friday preceding the Saturday of the twenty- sixth week of such Fiscal Year, (iii) with respect to the third fiscal quarter of any Fiscal Year, the Friday preceding the Saturday of the thirty-ninth week of such Fiscal Year, and (iv) with respect to the last fiscal quarter of any Fiscal Year, the last day of such Fiscal Year, as such Fiscal Quarters may be amended in accordance with the provisions of Section 7.13 hereof.

"Fiscal Year" means any period of twelve consecutive months ending on the Friday preceding the Saturday closest to January 31 of any calendar year, as such Fiscal Year may be amended in accordance with the provisions of Section 7.13 hereof.

"Flood Insurance Laws" means collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statue thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto, (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (v) the Biggert Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"Foreign Asset Control Regulations" has the meaning set forth in Section 10.18.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Domestic Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means as to any Person, any Subsidiary of such Person that is not a Domestic Subsidiary.

"Foreign Vendor" means a Person that sells In-Transit Inventory to a Loan Party.

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

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States, the United Kingdom, or any other nation, or of any political subdivision thereof, whether state 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" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantor" means (a) with respect to all of the Obligations (including, without limitation, the UK Liabilities but excluding, as to any Guarantor, Obligation as to which such Person is directly liable), the Persons named on Schedule 1.01 hereof as Guarantors, the Domestic Borrower and each other Person that shall be required to execute and deliver a guaranty of all of the Obligations pursuant to Section 6.11, and excluding, for the avoidance of doubt, the UK Borrower and any Foreign Subsidiary of the Domestic Borrower, (b) with respect to the UK Liabilities, the Persons named on Schedule 1.01 hereof as UK

Guarantors, the Domestic Borrower, the UK Borrower and each other Person that shall be required to execute and deliver a guaranty of the UK Liabilities pursuant to Section 6.11 (but excluding, as to any Guarantor, Obligations as to which such Person is directly liable), and (c) with respect to any Swap Obligation of a Specified Loan Party (determined before giving effect to Section 10.28) under the Guaranty and Security Agreement, the Domestic Borrower.

"Guaranty and Security Agreement" means the Guaranty and Security Agreement dated as of the Closing Date among the Loan Parties and the Agent.

"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.

"Honor Date" has the meaning specified in Section 2.03(c)(i).

"Increase Effective Date" shall have the meaning provided therefor in Section 2.15(d).

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(b) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than sixty (60) days;

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) All Attributable Indebtedness of such Person;

(g) all obligations of such Person in respect of Disqualified Stock of such Person; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company unless the Indebtedness of such joint venture is Guaranteed by such Person and covered by clause (h) above) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract

on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Indebtedness that is only Indebtedness pursuant to clause (e) shall be the lesser of the indebtedness secured by a Lien on property of the applicable Person and the fair market value of such property, as reasonably determined by the Domestic Borrower; provided that the full amount of Debt Service Charges paid by the Domestic Borrower or any Restricted Subsidiary in respect of any such Indebtedness shall be included in the calculation of the Consolidated Fixed Charge Coverage Ratio.

"Indemnified Taxes" means 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.

"Indemnitees" has the meaning specified in Section 10.04(b).

"Information" has the meaning specified in Section 10.07.

"Insolvency Proceedings" means, in the case of a UK Loan Party, any corporate action, legal proceedings or other procedure commenced or other formal step taken (including the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution) in relation to (i) such UK Loan Party being adjudicated or found insolvent, (ii) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or distressed reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of such UK Loan Party other than a solvent liquidation or reorganization of such UK Loan Party, the terms of which have been previously approved in writing by the Agent, (iii) a composition, assignment or arrangement with any class of creditors of such UK Loan Party or (iv) the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer in respect of such UK Loan Party or any of its assets. Notwithstanding the foregoing, any winding up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement shall not be deemed an Insolvency Proceeding hereunder.

"Insolvency Regulation" the Council Regulation (EC) No.1346/2000 29 May 2000 on Insolvency Proceedings.

"Insolvent" means pertaining to a condition of Insolvency.

"In-Transit Inventory" means Inventory of a Loan Party which is in the possession of a common carrier and is in transit from a Foreign Vendor of a Loan Party from a location outside of the United States to a location of a Loan Party that is within the United States.

"Intellectual Property" means all present and future: trade secrets, know-how and other proprietary information; trademarks, trademark applications, internet domain names, service marks, trade dress, trade names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing) indicia and other source and/or business identifiers, and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights and copyright applications; (including copyrights for computer programs) and all tangible and intangible property embodying the copyrights, unpatented inventions (whether or not patentable); patents and patent applications; industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any of the foregoing; all other intellectual property; and all common law and other rights throughout the world in and to all of the foregoing.

"Intercreditor Agreement" means the Intercreditor Agreement, dated as of the date hereof, among the Agent, the Term Agent and the applicable Loan Parties, substantially in the form of Exhibit I.

"Interest Payment Date" means, (a) as to any LIBOR Rate Loan or Euribor Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a LIBOR Rate Loan or Euribor Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan or UK Base Rate Loan (including a Swing Line Loan), the first Business Day of each month and the Maturity Date.

"Interest Period" means, as to each LIBOR Rate Loan and Euribor Rate Loan, the period commencing on the date such LIBOR Rate Loan or Euribor Rate Loan, as applicable,is disbursed or Converted to or continued as a LIBOR Rate Loan or Euribor Rate Loan and ending on the date one, two, three or six months thereafter, as selected by the applicable Borrower in its Committed Loan Notice; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(iii) no Interest Period shall extend beyond the Maturity Date; and

(iv) notwithstanding the provisions of clause (iii), no Interest Period shall have a duration of less than one (1) month, and if any Interest Period applicable to a LIBOR Borrowing or Euribor Borrowing would be for a shorter period, such Interest Period shall not be available hereunder.

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.

"Internal Control Event" means a material weakness in, or fraud that involves management or other employees who have a significant role in, the Domestic Borrower's and/or its Subsidiaries' internal controls over financial reporting, in each case as described in the Securities Laws.

"Inventory" has the meaning given that term in the UCC, and shall also include, without limitation, all: (a) goods which (i) are leased by a Person as lessor, (ii) are held by a Person for sale or lease or to be furnished under a contract of service, (iii) are furnished by a Person under a contract of service, or (iv) consist of raw materials, work in process, or materials used or consumed in a business; (b) goods of said description in transit; (c) goods of said description which are returned, repossessed or rejected; and (d) packaging, advertising, and shipping materials related to any of the foregoing.

"Inventory Advance Rate" means (i) from October 1 through December 31 of each year, 92.5%, and (ii) at all other times, 90%.

"Inventory Reserves" means such reserves as may be established from time to time by the Agent in its Permitted Discretion, without duplication of any other Reserves or items that are otherwise addressed or excluded through eligibility criteria or the definition of "Domestic Borrowing Base", "UK Borrowing Base" or "Appraised Value", with respect to the determination of the saleability, at retail, of the Eligible Inventory, which reflect such other factors as affect the market value of the Eligible Inventory or which reflect claims and liabilities that the Agent determines will need to be satisfied in connection with the realization upon the Inventory. Without limiting the generality of the foregoing, Inventory Reserves may, in the Agent's Permitted Discretion, include (but are not limited to) reserves based on:

(a) Obsolescence;

(b) Seasonality;

(c) Shrink;

(d) Imbalance;

(e) Change in Inventory character;

(f) Change in Inventory composition;

(g) Change in Inventory mix;

(h) Mark-downs (both permanent and point of sale);

(i) Retail mark-ons and mark-ups inconsistent with prior period practice and performance, industry standards, current business plans or advertising calendar and planned advertising events; and

(j) Out-of-date and/or expired Inventory.

"Investment" means, as to any Person, any direct or indirect (a) purchase or other acquisition of Equity Interests of another Person, (b) loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or interest in, another Person, or (c) any Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"IRS" means the United States Internal Revenue Service.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" means with respect to any Letter of Credit, the Letter Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and any Borrower or in favor the L/C Issuer and relating to any such Letter of Credit.

"ITA" means the Income Tax Act 2007 (UK).

"Joinder Agreement" means an agreement, in form satisfactory to the Agent pursuant to which, among other things, a Person becomes a party to, and bound by the terms of, this Agreement and/or the other Loan Documents in the same capacity and to the same extent as either a Borrower or a Guarantor.

"Latest Maturity Date" means, at any date of determination, the latest Maturity Date applicable to any Loan or Commitment hereunder at such time, including the latest termination date of any Extended Commitment or New Commitment, as applicable, as extended in accordance with this Agreement from time to time.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"L/C Advance" means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Committed Borrowing.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Issuer" means Bank of America in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder (which successor may only be a Lender selected by the Agent in its discretion). The L/C Issuer may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the L/C Issuer, in which case the term "L/C Issuer" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"L/C Obligations" means, collectively, the Domestic L/C Obligations and the UK L/C Obligations For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.07. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"Lease" means any agreement, whether written or oral, no matter how styled or structured, pursuant to which a Loan Party is entitled to the use or occupancy of any real property for any period of time.

"Lender" means each Domestic Lender and each UK Lender and, as the context requires, includes the Swing Line Lender. Any Lender may, in its reasonable discretion, arrange for one or more Loans to be made by Affiliates or branches of such Lender, in which case the term "Lender" shall include any such Affiliate or branch with respect to Loans made by such Affiliate or branch.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Domestic Borrower and the Agent.

"Letter of Credit" means each Banker's Acceptance, each Standby Letter of Credit and each Commercial Letter of Credit issued hereunder and shall include the Existing Letters of Credit.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

"Letter of Credit Expiration Date" means the day that is five (5) Business Days prior to the Maturity Date then in effect.

"Letter of Credit Fee" has the meaning specified in Section 2.03(i).

"Letter of Credit Sublimit" means the Domestic Letter of Credit Sublimit or the UK Letter of Credit Sublimit, as applicable.

"LIBOR Borrowing" means a Borrowing comprised of LIBOR Rate Loans.

"LIBOR Rate" means:

(a) for any Interest Period with respect to a LIBOR Rate Loan, the rate per annum equal to the London interbank offered rate administered by ICE Benchmark Administration Limited ("ICE LIBOR"), as published by Reuters (or other commercially available source providing quotations of ICE LIBOR as designated by the Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If such rate is not available at such time for any reason, then the "LIBOR Rate" for such Interest Period shall be the rate per annum determined by the Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the LIBOR Rate Loan being made, continued or Converted by Bank of America and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to (i) ICE LIBOR, at approximately 11:00 a.m., London time determined two London Banking Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate per annum determined by the Agent to be the rate at which deposits in Dollars for delivery on the date of determination in same day funds in the approximate amount of the Base Rate Loan being made or maintained and with a term equal to one month would be offered by Bank of America's London Branch to major banks in the London interbank Eurodollar market at their request at the date and time of determination.

"LIBOR Rate Loan" means a Committed Loan that bears interest at a rate based on the Adjusted LIBOR Rate.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, encumbrance, lien (statutory or other), charge, or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including the lien or retained security title of a conditional vendor, any easement, right of way or other encumbrance on title to real property, but excluding the interests of lessors under operating leases).

"Liquidation" means the exercise by the Agent of those rights and remedies accorded to the Agent under the Loan Documents and applicable Laws as a creditor of the Loan Parties with respect to the realization on the Collateral, including (after the occurrence and during the continuation of an Event of Default) the conduct by the Loan Parties acting with the consent of the Agent, of any public, private or "going-out-of-business", "store closing" or other similar sale or any other disposition of the Collateral for the purpose of liquidating the Collateral. Derivations of the word "Liquidation" (such as "Liquidate") are used with like meaning in this Agreement.

"Liquidation Percentage" shall mean, for any Lender, a fraction, the numerator of which is the sum of such Lender's Domestic Commitment on the Determination Date and the denominator of which is the Aggregate Commitments of all Lenders on the Determination Date.

"Loan" means a Domestic Loan or a UK Loan, as applicable.

"Loan Account" has the meaning assigned to such term in Section 2.11(a).

"Loan Agreement Obligations" means all advances to, and debts (including principal, interest, fees, costs, and expenses), liabilities, obligations, covenants, indemnities, and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit (including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral therefor), whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, fees, costs, expenses and indemnities that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, fees costs, expenses and indemnities are allowed claims in such proceeding.

"Loan Cap" means, at any time of determination, the lesser of (a) the Aggregate Commitments or (b) the sum of the Domestic Loan Cap (calculated without giving effect to clause (ii) thereof) plus the UK Loan Cap.

"Loan Documents" means this Agreement, each Note, each Issuer Document, the Perfection Certificate, the Fee Letter, all Borrowing Base Certificates, the Blocked Account Agreements, the Credit Card Notifications, the Security Documents, the Sears Tri-Party Agreement, the Intercreditor Agreement, and any other instrument or agreement now or hereafter executed and delivered in connection herewith, each as amended and in effect from time to time.

"Loan Parties" means, collectively, the Borrowers and each Guarantor.

"Local Time" means, (a) with respect to Domestic Loans, Eastern time (daylight or standard, as applicable), and (b) with respect to UK Loans, prevailing time in London, England.

"Mandatory Cost" means, with respect to any period, the percentage rate per annum determined in accordance with Schedule 1.03.

"Master Agreement" has the meaning set forth in the definition of "Swap Contract."

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), or financial condition of the Domestic Borrower and its Restricted Subsidiaries taken as a whole; (b) a material impairment of the ability of the Loan Parties taken as a whole to perform their obligations under the Loan Documents to

which they are a party; or (c) a material impairment of the rights and remedies of the Agent or the Lenders under the Loan Documents taken as a whole or a material adverse effect upon the legality, validity, binding effect or enforceability against the Loan Parties of the Loan Documents to which they are a party taken as a whole. In determining whether any individual event would result in a Material Adverse Effect, notwithstanding that such event in and of itself does not have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other then existing events would result in a Material Adverse Effect.

"Material Contract" means (a) the Separation Agreements described in clauses (a), (b), (c), (e), (g) and (j) of the definition thereof, and (b) any replacements of, or substitutions for, any of the foregoing.

"Material Indebtedness" means Indebtedness (other than the Loan Agreement Obligations) of the Loan Parties in an aggregate principal amount exceeding $35,000,000. Notwithstanding the foregoing, any Indebtedness incurred under clause (j) of the definition of "Permitted Indebtedness" shall at all times be deemed Material Indebtedness hereunder. For purposes of determining the amount of Material Indebtedness at any time, (a) the amount of the obligations in respect of any Swap Contract at such time shall be calculated at the Swap Termination Value thereof, (b) undrawn and committed amounts shall be included, and (c) all amounts owing to all creditors under any combined or syndicated credit arrangement shall be included.

"Material Real Estate" means any piece of owned Real Estate located in the United States that is owned in fee by a Loan Party having a fair market value in excess of $3,500,000 as reasonably determined, in good faith, by the Domestic Borrower and reasonably acceptable to the Agent.

"Maturity Date" means, as to any Loan or Commitment (a) April 4, 2019, or, if applicable with respect to such Loan or Commitment, (b) the date determined pursuant to Section 2.17 in connection with an effective Extension Election.

"Maximum Rate" has the meaning provided therefor in Section 10.09.

"Measurement Period" means, at any date of determination of the Senior Secured Leverage Ratio or the Total Leverage Ratio, the most recently completed four fiscal quarters of the Domestic Borrower and its Restricted Subsidiaries for which financial statements have been, or were required to be delivered pursuant to Section 6.01(a) or (b), as applicable, and for all other purposes under this Agreement, at any date of determination, the most recently completed twelve fiscal month period of the Domestic Borrower and its Restricted Subsidiaries for which financial statements have been, or were required to be delivered pursuant to Section 6.01(c).

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Mortgage" means an agreement, including, but not limited to, a mortgage, deed of trust, deed to secure debt or any other document, creating and evidencing a Lien on a Mortgaged Property in favor of the Agent, for the benefit of the applicable Credit Parties, securing the applicable Obligations, which shall be in form and substance reasonably satisfactory to the Agent, with such schedules and including such provisions as shall be necessary to conform such document to applicable local law or as shall be customary under applicable local law.

"Mortgaged Property" means (a) each piece of Real Estate identified as a Mortgaged Property on Schedule I.C.1. to the Perfection Certificate and (b) each piece of Material Real Estate, if any, that shall be subject to a Mortgage delivered after the Closing Date pursuant to Sections 6.11 and/or 6.16.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Domestic Borrower or any ERISA Affiliate makes or is obligated to make contributions or has any continuing liability.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including the Domestic Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"New Extended Commitment" has the meaning provided therefor in Section 2.17(c).

"New Commitment Extending Lender" has the meaning provided therefor in Section 2.17(c).

"New Commitment Lender" has the meaning provided therefor in Section 2.15(c).

"Non-Consenting Lender" has the meaning provided therefor in Section 10.01.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-Extension Notice Date" has the meaning specified in Section 2.03(b)(iii).

"Note" means a Domestic Note or UK Note made by the applicable Borrower in favor of a Lender evidencing Committed Loans made by such Lender, substantially in the form of Exhibit C-1 or Exhibit C-2, as applicable, as each may be amended, supplemented or modified from time to time.

"NPL" means the National Priorities List under CERCLA.

"Obligations" means, collectively, all Loan Agreement Obligations and all Other Liabilities. For clarity, "Obligations" include, without limitation, all liabilities of the Domestic Borrower and the Guarantors, and all UK Liabilities.

"Optional Currency" means Euros and Pounds Sterling.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating or LLC agreement (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity, and (d) in each case, all shareholder or other equity holder agreements, voting trusts and similar arrangements to which such Person is a party.

"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 solely 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 Domestic Liabilities" means any obligation on account of (a) any Cash Management Services furnished to any of the Domestic Loan Parties or any of their Domestic Subsidiaries and/or (b) any Bank Product furnished to any of the Domestic Loan Parties and/or any of their Domestic Subsidiaries; provided that Obligations of a Domestic Loan Party shall exclude any Excluded Swap Obligations with respect to such Domestic Loan Party.

"Other Liabilities" means the Other Domestic Liabilities and the Other UK Liabilities, as applicable.

"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 Excluded Taxes (other than with respect to an assignment made pursuant to Section 3.06).

"Other UK Liabilities" means any obligation on account of (a) any Cash Management Services furnished to any of the UK Loan Parties or any of their Subsidiaries and/or (b) any Bank Product furnished to any of the UK Loan Parties and/or any of their Subsidiaries.

"Outstanding Amount" means (i) with respect to Committed Loans and Swing Line Loans on any date, the Dollar Equivalent of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date; and (ii) with respect to any L/C Obligations on any date, the Dollar Equivalent amount of the aggregate outstanding amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrowers of Unreimbursed Amounts.

"Overadvance" means a Credit Extension to the extent that, immediately after its having been made, Domestic Availability or UK Availability, as applicable, is less than zero.

"Participant" has the meaning specified in Section 10.06(d).

"Participating Member State" means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"Participation Register" has the meaning provided therefor in Section 10.06(d).

"Payment Conditions" means, at the time of determination with respect to any specified transaction or payment, that (a) no Default or Event of Default then exists or would arise as a result of entering into such transaction or the making of such payment, (b) after giving effect to such transaction or payment, either (x)(i) the Pro Forma Availability Condition has been satisfied, and (ii) after giving effect to such transaction or payment, the Consolidated Fixed Charge Coverage Ratio, as calculated on a Pro Forma Basis for the Measurement Period preceding such transaction or payment, is equal to or greater than 1.0:1.0, or (y) Pro Forma Excess Availability will be equal to or greater than the greater of (i) 20% of the Loan Cap and (ii) $30,000,000. Prior to undertaking any transaction or payment which is subject to the Payment Conditions, the Loan Parties shall deliver to the Agent evidence of satisfaction of the conditions contained in clause (b) above on a basis reasonably satisfactory to the Agent.

"PBGC" means the Pension Benefit Guaranty Corporation.

"PCAOB" means the Public Company Accounting Oversight Board.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan but excluding a Multiemployer Plan) that is maintained or is contributed to by the Domestic Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Pensions Regulator" means the body corporate called the Pensions Regulator established under Part 1 of the Pensions Act 2004 (UK).

"Perfection Certificate" means the Perfection Certificate dated as of the Closing Date executed by the Loan Parties.

"Permitted Acquisition" means an Acquisition in which all of the following conditions are satisfied:

(a) if any of the proceeds of the Credit Extensions are to be used to consummate the Acquisition, unless otherwise consented to by the Agent, such Acquisition shall have been approved by the Board of Directors of the Person (or similar governing body if such Person is not a corporation) which is the subject of such Acquisition and such Person shall not have announced that it will oppose such Acquisition or shall not have commenced any action which alleges that such Acquisition shall violate applicable Law;

(b) if the Payment Conditions are required to be satisfied pursuant to clause (e) below, the Domestic Borrower shall have furnished the Agent with five (5) Business Days' prior written notice of such intended Acquisition and a calculation with respect to such Payment Conditions;

(c) any assets acquired shall be utilized in, and if the Acquisition involves a merger, consolidation or acquisition of Equity Interests, the Person which is the subject of such Acquisition shall be engaged in, a business otherwise permitted to be engaged in by the Domestic Borrower and its Restricted Subsidiaries under this Agreement;

(d) any Equity Interests of a Person acquired in such transaction shall be of a Person that becomes a Restricted Subsidiary; provided that the aggregate consideration paid in respect of Persons that do not become Loan Parties shall not exceed $25,000,000 in the aggregate for all Permitted Acquisitions; and

(e) if the total consideration payable in connection such Acquisition is $20,000,000 or more, the Payment Conditions shall have been satisfied.

"Permitted Cash Equivalents" shall mean:

(a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof having maturities of not more than 360 days from the date of acquisition thereof; provided that the full faith and credit of the United States of America is pledged in support thereof;

(b) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated at least "Prime-1" (or the then equivalent grade) by Moody's or at least "A-1" (or the then equivalent grade) by S&P, in each case with maturities of not more than 180 days from the date of acquisition thereof;

(c) time deposits with, or insured certificates of deposit or bankers' acceptances of, any commercial bank that (i) (A) is a Lender or (B) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, and (ii) has combined capital and surplus of at least $1,000,000,000, in each case with maturities of not more than 180 days from the date of acquisition thereof;

(d) fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above (without regard to the limitation on maturity contained in such clause) and entered into with a financial institution satisfying the criteria described in clause (c) above or with any primary dealer and having a market value at the time that such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such counterparty entity with whom such repurchase agreement has been entered into;

(e) Investments, classified in accordance with GAAP as current assets of the Loan Parties, in any money market fund, mutual fund, or other investment companies that are registered under the Investment Company Act of 1940, as amended, which are administered by financial institutions that have the highest rating obtainable from either Moody's or S&P, and which invest solely in one or more of the types of securities described in clauses (a) through (d) above; and

(f) in the case of any Foreign Subsidiary, (x) such local currencies in those countries in which such Foreign Subsidiary transacts business from time to time in the ordinary course of business and (y) investments of comparable tenor and credit quality to those described in the foregoing clauses (a) through (e) or the definition of Permitted Cash Equivalents, in each case, customarily utilized in countries in which such Foreign Subsidiary operates for short term cash management purposes.

"Permitted Discretion" means a determination made by the Agent in good faith and in the exercise of commercially reasonable business judgment.

"Permitted Disposition" means any of the following:

(a) Dispositions of Inventory in the ordinary course of business;

(b) (i) bulk sales of Inventory not in the ordinary course of business in connection with Store closings or closings of other locations where Inventory of the Loan Parties is sold at retail (including without limitation, stores of SHC and its Subsidiaries), at arm's length, in an amount not to exceed in any Fiscal Year twenty percent (20%) of the number of Stores and other locations in existence at the beginning of such Fiscal Year and (ii) sales of Inventory pursuant to "going out of business" or similar sales in connection with Store closings or closings of other locations where Inventory of the Loan Parties is sold at retail (including, without limitation, stores of SHC and its Subsidiaries);

(c) non-exclusive licenses of Intellectual Property of a Loan Party or any of its Restricted Subsidiaries in the ordinary course of business and the lapse or abandonment of intellectual property rights in the ordinary course of business which, in the reasonable good faith determination of Borrower, are not material to the conduct of the business of Borrower and its Restricted Subsidiaries taken as a whole;

(d) sales, transfers and other 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 arrangements and similar binding arrangements;

(e) Dispositions of equipment and other property in the ordinary course of business that is worn, damaged, obsolete or, in the judgment of a Loan Party, no longer useful or necessary in its business or that of any Restricted Subsidiary;

(f) sales, transfers and other Dispositions among the Loan Parties or by any Restricted Subsidiary to a Loan Party;

(g) sales, transfers and other Dispositions by any Restricted Subsidiary which is not a Loan Party to another Restricted Subsidiary that is not a Loan Party;

(h) Dispositions which constitute Restricted Payments that are otherwise permitted hereunder;

(i) Dispositions permitted pursuant to Section 7.04 hereof;

(j) the Disposition of defaulted receivables and the compromise, settlement and collection of receivables in the ordinary course of business or in bankruptcy or other proceedings concerning the other account party thereon and not as part of an accounts receivable financing transaction;

(k) leases, licenses or subleases or sublicenses of any real or personal property not constituting ABL Priority Collateral in the ordinary course of business;

(l) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind to the extent that any of the foregoing could not reasonably be expected to have a Material Adverse Effect;

(m) the sale of Permitted Cash Equivalents in the ordinary course of business;

(n) sales of Inventory (other than Eligible Inventory) determined by the management of the applicable Loan Party not to be saleable in the ordinary course of business of such Loan Party or any of the Loan Parties;

(o) Dispositions of assets pursuant to condemnation proceedings;

(p) Dispositions of other property so long as the Payment Conditions are satisfied; provided that, with respect to any Disposition of ABL Priority Collateral, such Disposition shall be made at arm's length and for fair market value, and the applicable Loan Parties shall repay the applicable Loan Agreement Obligations (without any reduction to the Commitments in connection therewith) in an amount equal to the net proceeds of such Disposition; and

(q) Other Dispositions (other than of ABL Priority Collateral, except incidental to the primary transaction) so long as no Default or Event of Default then exists or would arise as a result of such transaction; provided that (i) such Disposition shall be for fair market value as reasonably determined by the Domestic Borrower in good faith, and (ii) the Domestic Borrower or any of its Restricted Subsidiaries shall receive not less than 75.0% of such consideration in the form of cash or cash equivalents (provided, however, that for the purposes of this clause (q)(ii), the following shall be deemed to be cash: (A) the assumption by the transferee of Indebtedness or other liabilities contingent or otherwise of the Domestic Borrower or any of its Restricted Subsidiaries (other than Subordinated Debt) and the valid release of the Domestic Borrower or such Restricted Subsidiary, by all applicable creditors in writing, from all liability on such Indebtedness or other liability in connection with such Disposition, (B) securities, notes or other obligations received by the Domestic Borrower or any of its Restricted Subsidiaries from the transferee that are converted by such Domestic Borrower or any of its Restricted Subsidiaries into cash or cash equivalents within 180 days following the closing of such Disposition, (C) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Disposition, to the extent that the Domestic Borrower and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Disposition and (D) aggregate non-cash consideration received by the Domestic Borrower and its Restricted Subsidiaries for all Dispositions under this clause (q) having an aggregate fair market value (determined as of the closing of the applicable Disposition for which such non-cash consideration is received) not to exceed $10,000,000,

provided, no Dispositions of Related Intellectual Property shall constitute a Permitted Disposition unless the transferee thereof shall have entered into an agreement, reasonably satisfactory to the Agent, acknowledging the limited license granted to the Agent in such Related Intellectual Property pursuant to the Loan Documents and agreeing to abide by, and not interfere with, such limited license.

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 6.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by applicable Laws, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 6.04;

(c) pledges, deposits or security under workmen's compensation laws, unemployment insurance, employers' health tax, and other social security laws or similar legislation, or other insurance related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety, stay,

customs or appeal bonds to which such Person is a party, or deposits as security for the payment of rent, performance and return of money bonds and other similar obligations (including letters of credit issued in lieu of any such bonds or to support the issuance thereof and including those to secure health, safety and environmental obligations), in each case incurred in the ordinary course of business;

(d) pledges or deposits made in the ordinary course of business to secure the performance of tenders, bids, trade contracts and leases (other than Indebtedness for borrowed money), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) Liens in respect of judgments that would not constitute an Event of Default hereunder;

(f) easements, covenants, conditions, restrictions, building code laws, zoning restrictions, rights-of-way, similar encumbrances on real property and such other minor title defects or survey matters that are disclosed by current surveys that, in each case, do not individually or in the aggregate materially interfere with (i) the ordinary conduct of business of a Loan Party or (ii) the current use of the real property subject to such encumbrances and/or defects;

(g) Liens existing on the Closing Date listed in the Perfection Certificate and Liens to secure any Permitted Refinancings of the Indebtedness with respect thereto;

(h) Liens (other than on ABL Priority Collateral) which secure Indebtedness permitted under clause (c) of the definition of Permitted Indebtedness so long as (i) such Liens and the Indebtedness secured thereby are incurred prior to or within ninety (90) days after the acquisition thereof (or such Liens secure Permitted Refinancing of such Indebtedness), (ii) the Indebtedness secured thereby does not exceed the cost of acquisition of the applicable assets, and (iii) such Liens shall attach only to the assets acquired, improved or refinanced with such Indebtedness, and any replacements, additions or accessions thereto and any proceeds therefrom and shall not extend to any other property or assets of the Loan Parties;

(i) Liens in favor of the Agent securing the Obligations;

(j) landlords' and lessors' statutory Liens in respect of rent not in default;

(k) possessory Liens in favor of brokers and dealers arising in connection with the acquisition or disposition of Investments owned as of the Closing Date and other Permitted Investments, provided that such liens (a) attach only to such Investments and (b) secure only obligations incurred in the ordinary course and arising in connection with the acquisition or disposition of such Investments and not any obligation in connection with margin financing;

(l) Liens arising solely by virtue of any statutory or common law provisions or customary contractual provisions relating to banker's Liens, Liens in favor of securities intermediaries, rights of setoff or similar rights and remedies as to deposit accounts or securities accounts or other funds maintained with depository institutions or securities intermediaries, including rights of setoff relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness or relating to pooled deposit or sweep accounts of the Loan Parties to permit the satisfaction of overdraft or similar obligations incurred in the ordinary course of business;

(m) any interest of a lessor or sublessor under, and Liens arising from, precautionary UCC filings (or equivalent filings) regarding leases and subleases permitted under the Loan Documents;

(n) any interest of, and Liens granted to consignors in the ordinary course of business with respect to the consignment of goods to a Loan Party;

(o) Liens on property (other than property of the type included in the Combined Borrowing Base) in existence at the time such property is acquired or on such property of a Subsidiary in existence at the time such Subsidiary is acquired; provided, that such Liens are not incurred in connection with or in anticipation of such acquisition and do not attach to any other assets of any Loan Party or any Subsidiary;

(p) Liens in favor of customs and revenues authorities imposed by applicable Laws arising in the ordinary course of business in connection with the importation of goods and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 6.04;

(q) Liens on assets (other than ABL Priority Collateral) of the UK Loan Parties to secure Indebtedness otherwise permitted hereunder;

(r) Liens on property of the Loan Parties to secure Permitted Indebtedness under clauses (j), or (s) of the definition thereof, any cash management services and other bank products secured under the documentation governing such Indebtedness and any Permitted Refinancings thereof; provided that, (i) any Liens on the ABL Priority Collateral granted by the Loan Parties pursuant to this clause (r) shall be junior and subordinate to the Agent's Lien on the ABL Priority Collateral and shall be subject to the Intercreditor Agreement or another intercreditor agreement on terms substantially similar to those contained in the Intercreditor Agreement and otherwise reasonably satisfactory to the Agent, and (ii) if the Loan Parties grant Liens on both ABL Priority Collateral and on other property or assets which do not constitute ABL Priority Collateral ("Other Property") pursuant to this clause (r), the Loan Parties shall grant a junior Lien on such Other Property to the Agent, which Lien shall be subject to the Intercreditor Agreement or another intercreditor agreement on terms substantially similar to those contained in the Intercreditor Agreement with respect to Term Priority Collateral and otherwise reasonably satisfactory to the Agent;

(s) Liens securing obligations in an amount not to exceed $15,000,000 in the aggregate;

(t) Liens in favor of issuers of credit cards arising in the ordinary course of business securing the obligation to pay customary fees and expenses in connection with credit card arrangements;

(u) Liens on premium rebates securing financing arrangements with respect to insurance premiums;

(v) Liens on securities that are the subject of repurchase agreements constituting Permitted Cash Equivalents;

(w) Liens on cash or Permitted Cash Equivalents posted as margin to secure Indebtedness incurred pursuant to clause (e) of the definition of Permitted Indebtedness;

(x) Liens solely on any cash earnest money deposits made by any Loan Party or any of its Subsidiaries in connection with any letter of intent or purchase agreement in respect of any Investment permitted hereunder

(y) any encumbrance or restriction (including put and call arrangements) with respect to capital stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(z) Liens on assets of a Subsidiary other than a Loan Party securing Permitted Indebtedness of such Subsidiary; and

(aa) leases or subleases, licenses or sublicenses (including with respect to intellectual property and software) granted to others in the ordinary course of business not interfering in any material respect with the business of the Domestic Borrower and its Subsidiaries, taken as a whole.

"Permitted Holder" means ESL Investments, Inc. and any of its Affiliates other than any of their portfolio companies.

"Permitted Indebtedness" means each of the following:

(a) Indebtedness outstanding on the Closing Date listed in the Perfection Certificate and any Permitted Refinancing thereof;

(b) Indebtedness of any Loan Party to any other Loan Party;

(c) purchase money Indebtedness of the Domestic Borrower or any Restricted Subsidiary to finance the acquisition of any real or personal property (other than ABL Priority Collateral), including Capital Lease Obligations, and any finance or capital leases of vehicles, plant, equipment or computers, and 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 Permitted Refinancings thereof, provided, however, that the aggregate principal amount of Indebtedness permitted by this clause (c) shall not exceed the greater of $75,000,000 or 6.25% of the Domestic Borrower's consolidated total assets at any time outstanding and further provided that, if reasonably requested by the Agent with respect to property that is material to the realization on the ABL Priority Collateral, the Loan Parties shall use commercially reasonable efforts to cause the holders of such Indebtedness to enter into a use and access agreement on terms reasonably satisfactory to the Agent;

(d) contingent liabilities under surety bonds or similar instruments incurred in the ordinary course of business;

(e) obligations (contingent or otherwise) of any Loan Party or any Restricted Subsidiary thereof existing or arising under any Swap Contract, provided that such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates, commodity prices or foreign exchange rates, and not for purposes of speculation or taking a "market view";

(f) Indebtedness arising from agreements of the Domestic Borrower or any Restricted Subsidiary providing for indemnification, adjustment of purchase or acquisition price, deferred purchase price or similar obligations with respect to any Acquisition permitted under Section 7.02 or Disposition permitted by Section 7.05;

(g) Indebtedness of any Person that becomes a Subsidiary of a Loan Party in a Permitted Acquisition, which Indebtedness is existing at the time such Person becomes a Subsidiary of a Loan Party (other than Indebtedness incurred solely in contemplation of such Person's becoming a Subsidiary of a Loan Party) and any Permitted Refinancing thereof;

(h) the Obligations;

(i) Subordinated Debt of any Loan Party and any Permitted Refinancing thereof;

(j) Indebtedness of a Borrower or a Guarantor in respect of the Term Facility; provided that the principal amount of the Indebtedness outstanding at any time pursuant to this clause (j) shall not exceed $515,000,000 plus the Maximum Incremental Facilities Amount (as defined in the Term Credit Agreement as in effect on the date hereof), and any Permitted Refinancing of any of the foregoing, which Indebtedness, in each case, shall, to the extent secured by any Collateral, be subject to the Intercreditor Agreement;

(k) other Indebtedness not otherwise permitted hereunder in a principal amount not to exceed $50,000,000 at any time outstanding;

(l) (i) Indebtedness of any Restricted Subsidiary of the Domestic Borrower that is not a Loan Party to any other Restricted Subsidiary that is not a Loan Party, (ii) Indebtedness of any Loan Party to any Restricted Subsidiary that is not a Loan Party, provided such Indebtedness is subordinated to the Obligations on terms reasonably satisfactory to the Agent, and (iii) Indebtedness of any Restricted Subsidiary that is not a Loan Party to any Loan Party arising from a Permitted Investment by such Loan Party in such Restricted Subsidiary that is not a Loan Party;

(m) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations (including, in each case, letters of credit issued to provide such bonds, guaranties and similar obligations), in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(n) Indebtedness arising from overdraft facilities and/or 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 or other cash management services (including, but not limited to, intraday, ACH and purchasing card/T&E services) in the ordinary course of business; provided, that (x) such Indebtedness (other than credit or purchase cards) is extinguished within ten Business Days of notification to the applicable Loan Party of its incurrence and (y) such Indebtedness in respect of credit or purchase cards is extinguished within 60 days from its incurrence;

(o) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(p) To the extent constituting Indebtedness, obligations incurred in the ordinary course of business in respect of private label trade letters of credit not constituting Obligations;

(q) [Reserved];

(r) Indebtedness arising from a Guarantee of any Indebtedness otherwise constituting Permitted Indebtedness to the extent the Person providing such Guarantee is not prohibited from directly incurring such Permitted Indebtedness;

(s) (i) other Indebtedness; provided that (A) if such Indebtedness is unsecured, after giving effect to such Indebtedness, the Total Leverage Ratio (calculated on a Pro Forma Basis) as of the end of the most recent Measurement Period is not greater than 4.75:1.00 and (B) if such Indebtedness is secured by any Lien, after giving effect to such secured Indebtedness, the Senior Secured Leverage Ratio (calculated on a Pro Forma Basis) as of the last day of the most recently ended Measurement Period would not be greater than 3.75 to 1.00; provided further that, any Indebtedness incurred under this clause (s) (1) shall not mature prior to the date that is 91 days after the Latest Maturity Date and (2) shall not have mandatory prepayment, redemption or offer to purchase events more onerous on the Borrowers than those applicable to the initial loans under the Term Facility; provided further the maximum aggregate principal amount of Indebtedness that may be incurred pursuant to this clause (s) by Restricted Subsidiaries that are not Loan Parties shall not exceed $25,000,000 and (ii) any Permitted Refinancing thereof; and

(t) Indebtedness of Subsidiaries other than Loan Parties not to exceed $25,000,000.

"Permitted Investments" means each of the following:

(a) Permitted Cash Equivalents;

(b) Investments existing on the Closing Date and listed in the Perfection Certificate, but not any increase in the amount thereof or any other modification of the terms thereof, unless committed as of the Closing Date and listed in the Perfection Certificate;

(c) (i) Investments by any Loan Party and its Restricted Subsidiaries in their respective Restricted Subsidiaries outstanding on the Closing Date, (ii) additional Investments by any Loan Party and the Restricted Subsidiaries in Loan Parties, (iii) additional Investments by Restricted Subsidiaries of the Loan Parties that are not Loan Parties in other Restricted Subsidiaries that are not Loan Parties and (iv) additional Investments by the Loan Parties in Restricted Subsidiaries that are not Loan Parties in an aggregate amount invested after the Closing Date not to exceed $25,000,000;

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(e) Guarantees constituting Permitted Indebtedness and Guarantees of operating leases or other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(f) so long as no Default or Event of Default has occurred and is continuing or would result from such Investment, Investments by any Loan Party in Swap Contracts permitted hereunder;

(g) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(h) advances to officers, directors and employees of the Loan Parties and their Restricted Subsidiaries in the ordinary course of business in an amount not to exceed $1,000,000 to any individual at any time outstanding or in an aggregate amount not to exceed $2,500,000 at any time outstanding, for ordinary business purposes;

(i) Investments constituting Permitted Acquisitions and Investments held by the Person acquired in such Acquisition at the time of such Acquisition (and not acquired in contemplation of the Acquisition);

(j) Investments arising out of the receipt of non-cash consideration for the sale of assets otherwise permitted under this Agreement;

(k) Investments in Swap Contracts not entered into for speculative purposes;

(l) advances in the form of a prepayment of expenses, so long as such expenses are being paid in accordance with customary trade terms of the applicable Loan Party;

(m) Investments consisting of the licensing or contribution of Intellectual Property pursuant to joint marketing arrangements with other Persons, provided that no such Investment shall impair in any manner the limited license granted to the Agent in such Intellectual Property pursuant to the Loan Documents;

(n) Investments in joint ventures that solely own real properties (and ancillary assets) upon which Stores are located existing as of the Closing Date and entered into hereafter in the ordinary course of business;

(o) as long as no Event of Default exists or would arise therefrom, other Investments not otherwise specifically described herein not to exceed $20,000,000 at any time outstanding irrespective of whether the Payment Conditions have been satisfied;

(p) other Investments not otherwise specifically described herein so long as the Payment Conditions have been satisfied;

(q) Investments in exchange for Qualified Equity Interests;

(r) any Investment in securities or other assets not constituting cash or Permitted Cash Equivalents and received in connection with a Disposition made pursuant to Section 7.05; and

(s) any Investment in any Subsidiary or joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business.

"Permitted Overadvance" means an Overadvance made by the Agent, in its discretion, which:

(a) (i) Is made to maintain, protect or preserve the Collateral and/or the Credit Parties' rights under the Loan Documents or which is otherwise for the benefit of the Credit Parties; or

(ii) Is made to enhance the likelihood of, or to maximize the amount of, repayment of any Obligation; or

(iii) Is made to pay any other amount chargeable to any Loan Party hereunder; and

(b) Together with all other Permitted Overadvances then outstanding, shall not (i) exceed five percent (5%) of the Combined Borrowing Base at any time or (ii) unless a Liquidation is occurring, remain outstanding for more than forty-five (45) consecutive Business Days, unless in each case, the Required Lenders otherwise agree;

provided however, that the foregoing shall not (i) modify or abrogate any of the provisions of Section 2.03 regarding the Lenders' obligations with respect to Letters of Credit or Section 2.04 regarding the Lenders' obligations with respect to Swing Line Loans, or (ii) result in any claim or liability against the Agent (regardless of the amount of any Overadvance) for Unintentional Overadvances, and such Unintentional Overadvances shall not reduce the amount of Permitted Overadvances allowed hereunder, and further provided that in no event shall the Agent make an Overadvance, if after giving effect thereto, the principal amount of the Credit Extensions (including any such Overadvance) would exceed the Aggregate Commitments (as in effect prior to any termination of the Commitments pursuant to Sections 2.06 or 8.02 hereof).

"Permitted Refinancing" means, with respect to any Person, any Indebtedness issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund (collectively, to "Refinance"), the Indebtedness being Refinanced (or previous refinancings thereof constituting a Permitted Refinancing); provided, that (a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so Refinanced (plus unpaid accrued interest and premiums thereon and underwriting discounts, defeasance costs, fees, commissions and expenses), (b) the Weighted Average Life to Maturity of such Permitted Refinancing is greater than or equal to the Weighted Average Life to Maturity of the Indebtedness being Refinanced (c) such Permitted Refinancing shall not have a final maturity earlier than the final maturity of the Indebtedness being refinanced, (d) if the Indebtedness being Refinanced is subordinated in right of payment to the Loan Agreement Obligations, such Permitted Refinancing shall be subordinated in right of payment to such Loan Agreement Obligations on terms at least as favorable to the Agent and the Lenders as those contained in the documentation governing the Indebtedness being Refinanced and (e) no Permitted Refinancing shall have direct or indirect obligors that are not Loan Parties who were not also obligors of the Indebtedness being Refinanced, or greater guarantees or security, than the Indebtedness being Refinanced.

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

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan but excluding a Multiemployer Plan) maintained for employees of the Domestic Borrower or any ERISA Affiliate or any such Plan to which the Domestic Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Platform" has the meaning specified in Section 6.02.

"Pounds Sterling" and "£" mean the lawful currency of England and Wales.

"Pro Forma Adjustment" means, as to any Measurement Period, with respect to an Acquired Entity or Business or Converted Restricted Subsidiary acquired or converted during or following such Measurement Period, an adjustment to the Consolidated EBITDA of the Domestic Borrower for such Measurement Period equal to the sum of, (a) (i) the applicable Acquired EBITDA and (ii) additional amounts that are factually supportable and expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of Regulation S-X of the Securities Act, as interpreted by the SEC and (b) additional pro forma adjustments, determined by the Domestic Borrower in good faith, arising out of cost savings initiatives attributable to such transaction and/or the combination of the operations of such Acquired Entity or Business or Converted Restricted Subsidiary with the operations of the Domestic Borrower and its Restricted Subsidiaries, not to exceed 10.0% of Consolidated EBITDA (prior to giving effect to such non-S-X adjustments) in the aggregate for the relevant Measurement Period; provided, that (i) such cost savings have been realized or (ii) such initiatives will be implemented following such transaction and are supportable and quantifiable and expected to be realized within the succeeding twelve (12) months. Cost savings pursuant to the foregoing clause (b) may include, without limitation, (w) reduction in personnel expenses, (x) reduction of costs related to administrative functions, (y) reductions of costs related to leased or owned properties and (z) reductions from the consolidation of operations and streamlining of corporate overhead and shall, in any event, take into account the historical financial statements of the Acquired Entity or Business or Converted Restricted Subsidiary and the consolidated financial statements of the Domestic Borrower and its Subsidiaries.

"Pro Forma Availability Condition" shall mean, as of any date of calculation, Pro Forma Excess Availability will be equal to or greater than the greater of (a) 15% of the Loan Cap and (b) $22,500,000.

"Pro Forma Basis" and "Pro Forma Effect" mean, with respect to compliance of any Specified Transaction with any test hereunder for an applicable period of measurement, that in calculating such test (A) to the extent applicable, the Pro Forma Adjustment shall have been made and (B) such Specified Transaction, all other Specified Transactions occurring prior to such Specified Transaction, and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement (or as of the last date in the case of a balance sheet item): (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (i) in the case of a Disposition of all or substantially all Equity Interests in any Restricted Subsidiary of the Domestic Borrower or any division, product line, or facility used for operations of the Domestic Borrower or any of its Restricted Subsidiaries, shall be excluded, and (ii) in the case of a Permitted Acquisition or Investment, shall be included, (b) any retirement of Indebtedness, and (c) any Indebtedness incurred or assumed by the Domestic Borrower or any of its Restricted Subsidiaries in connection therewith and if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination

"Pro Forma Excess Availability" shall mean, as of any date of calculation, after giving pro forma effect to the transaction then to be consummated or payment to be made, Availability as of the date of such transaction or payment and projected average monthly Availability for each month during the subsequent projected twelve (12) fiscal months; provided that for purposes of calculating Pro Forma Excess Availability hereunder, the amount attributable to UK Availability shall not exceed twenty-five (25%) percent of Pro Forma Excess Availability as of the time of such calculation.

"Public Lender" has the meaning specified in Section 6.02.

"Qualified Equity Interests" means Equity Interests of the Domestic Borrower other than Disqualified Stock.

"Qualifying Lender" means

(a) a Lender (other than a Lender within clause (b) below) which is beneficially entitled to interest payable to that Lender in respect of an advance and is:

(i) a Lender:

(A) that is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Loan Document; or

(B) in respect of an advance by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that such advance was made,

and, in each case, which is within the charge to United Kingdom corporation tax with respect to any payments of interest made in respect of that advance; or

(ii) a Lender which is:

(A) a company resident in the United Kingdom for United Kingdom tax purposes;

(B) a partnership, each member of which is:

(i) a company so resident in the United Kingdom; or

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

(C) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or

(iii) a Treaty Lender; or

(b) a building society (as defined for the purposes of section 880 of the ITA) making an advance.

"Qualified ECP Guarantor" means, at any time, each Loan Party with total assets exceeding $10,000,000 or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act and can cause another Person to qualify as an "eligible contract participant" at such time under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Real Estate" means all Leases and all land, together with the buildings, structures, parking areas, and other improvements thereon, now or hereafter owned by any Loan Party, including all easements, rights-of-way, and similar rights relating thereto and all leases, tenancies, and occupancies thereof.

"Receivables Reserves" means such Reserves as may be established from time to time by the Agent in the Agent's Permitted Discretion with respect to the determination of the collectability in the ordinary course of Eligible Trade Receivables, including, without limitation, on account of dilution.

"Recipient" means the Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"Register" has the meaning specified in Section 10.06(c).

"Registered Public Accounting Firm" has the meaning specified by the Securities Laws and shall be independent of the Domestic Borrower and its Subsidiaries as prescribed by the Securities Laws.

"Related Intellectual Property" means such rights with respect to the Intellectual Property of the Loan Parties as are reasonably necessary to permit the Agent to enforce its rights and remedies under the Loan Documents with respect to the ABL Priority Collateral.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, counsel, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Reports" has the meaning provided in Section 9.13(c).

"Request for Credit Extension" means (a) with respect to a Borrowing, Conversion or continuation of Committed Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Lenders" means, as of any date of determination, Lenders holding at least 51% of the Aggregate Commitments or, if the Commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated, Lenders holding in the aggregate at least 51% of the Total Outstandings (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Reserves" means all Inventory Reserves and Availability Reserves. The Agent shall have the right, at any time and from time to time after the Closing Date in its Permitted Discretion to establish, modify or eliminate Reserves.

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, controller or assistant treasurer of a Loan Party or any of the other individuals designated in writing to the Agent by an existing Responsible Officer of a Loan Party as an authorized signatory of any certificate or other document to be delivered hereunder. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restricted Payment" means (i) any dividend or other distribution (whether in cash, securities or other property and the amount of any Restricted Payment made other than in cash being deemed to be the fair market value, as reasonably determined by the Borrower, of the property subject to such Restricted Payment as of the time of such Restricted Payment) with respect to any capital stock or other Equity Interest of any Person or any of its Subsidiaries, or (ii) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent of any thereof). Without limiting the foregoing, "Restricted Payments" with respect to any Person shall also include all payments made by such Person with any proceeds of a dissolution or liquidation of such Person.

"Restricted Payment Conditions" means, with respect to any Restricted Payment, either (a) (i) no Default or Event of Default then exists or would arise as a result of the making of such Restricted Payment, (ii) the Borrowers have demonstrated to the reasonable satisfaction of the Agent that monthly Availability, immediately following the making of such Restricted Payment and as projected on a Pro Forma Basis for the twelve (12) months following and after giving effect to such Restricted Payment, will be at least equal to the greater of (x) 17.5% of the Loan Cap, and (y) $26,250,000, and (iii) after giving pro forma effect to such Restricted Payment, the Consolidated Fixed Charge Coverage Ratio, as calculated on a trailing twelve months basis, is equal to or greater than 1.1:1.0, or (b) (i) no Default or Event of Default then exists or would arise as a result of the making of such Restricted Payment, and (ii) the Borrowers have demonstrated to the reasonable satisfaction of the Agent that monthly Availability, immediately following the making of such Restricted Payment and as projected on a Pro Forma Basis for the twelve (12) months following and after giving effect to such Restricted Payment, will be at least equal to the greater of (x) 25% of the Loan Cap, and (y) $37,500,000. Prior to making any Restricted Payment which is subject to the Restricted Payment Conditions, the Domestic Borrower shall deliver to the Agent evidence of satisfaction of the conditions contained in the foregoing clauses (a)(ii) and (a)(iii) or (b)(ii), as applicable, on a basis reasonably satisfactory to the Agent.

"Restricted Subsidiary" means any Subsidiary of the Domestic Borrower other than an Unrestricted Subsidiary.

"S&P" means Standard & Poor's Ratings Services, Standard & Poor's Financial Services LLC business, and any successor thereto.

"Sarbanes-Oxley" means the Sarbanes-Oxley Act of 2002.

"Sears Tri-Party Agreement" means the Tri-Party Agreement dated the Closing Date among the Agent, the Loan Parties and SHC and certain of its Subsidiaries, as the same may be amended and in effect from time to time.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Securities Laws" means the Securities Act of 1933, the Securities Exchange Act of 1934, Sarbanes-Oxley, and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or the PCAOB.

"Security Documents" means the Guaranty and Security Agreement, the UK Security Documents, the Blocked Account Agreements, the Credit Card Notifications, the Mortgages, and each other security agreement or other instrument or document executed and delivered to the Agent pursuant to this Agreement or any other Loan Document granting a Lien to secure any of the Obligations.

"Senior Secured Leverage Ratio" means, with respect to any Measurement Period, the ratio of (a) Consolidated Total Debt (other than any portion of Consolidated Total Debt that is unsecured) as of the last day of such Measurement Period to (b) Consolidated EBITDA of the Domestic Borrower for such Measurement Period.

"Separation" means the spin-off by SHC on the Closing Date of 100% of the Equity Interests of the Domestic Borrower in accordance with Domestic Borrower's Form 10 filed with the SEC on December 6, 2013, as amended or replaced from time to time, as a result of which the Domestic Borrower will become a publicly traded company independent from SHC and its Subsidiaries.

"Separation Agreements" means each of (a) the Separation and Distribution Agreement dated April 4, 2014 between SHC and the Domestic Borrower, (b) the Retail Operations Agreement dated April 4, 2014 between the Domestic Borrower and Sears, Roebuck and Co., (c) the Master Lease Agreement dated April 4, 2014 between Sears, Roebuck and Co. and the Domestic Borrower, (d) the Buying Agency Agreement dated April 4, 2014 between the Domestic Borrower and Sears Holdings Global Sourcing, Ltd., (e) the Transition Services Agreement dated April 4, 2014 between Sears Holdings Management Corporation and the Domestic Borrower, (f) the Financial Services Agreement dated April 4, 2014 between the Domestic Borrower and Sears Holdings Management Corporation, (g) the Tax Sharing Agreement dated April 4, 2014 between, among others, SHC and the Domestic Borrower, (h) the Co-Location Services Agreement dated April 4, 2014 between Sears Holdings Management Corporation and the Domestic Borrower, (i) the Shop Your Way Retail Establishment Agreement dated April 4, 2014 between Sears Holdings Management Corporation and the Domestic Borrower, (j) the Master Sublease Agreement dated April 4, 2014 between Sears, Roebuck and Co. and the Domestic Borrower, and (k) the Gift Card Services Agreement dated April 4, 2014 between SHC Promotions LLC and the Domestic Borrower.

"Settlement Date" has the meaning provided in Section 2.14(a).

"Shareholders' Equity" means, as of any date of determination, consolidated shareholders' equity of the Domestic Borrower and its Restricted Subsidiaries as of that date determined in accordance with GAAP.

"SHC" has the meaning specified in the recitals hereto.

"SHC Credit Agreement" means that certain Second Amended and Restated Credit Agreement dated as of April 8, 2011 among Sears Roebuck Acceptance Corp. and Kmart Corporation, as Borrowers, SHC, Bank of America, as agent, and a syndicate of lenders.

"Shrink" means Inventory which has been lost, misplaced, stolen, or is otherwise unaccounted for.

"Solvent" and "Solvency" means, with respect to any Person and its Subsidiaries on a Consolidated basis on a particular date, that on such date (a) at fair valuation, all of the properties and assets of such Person are greater than the sum of the debts, including contingent liabilities, of such Person, (b) the present fair saleable value of the properties and assets of such Person is not less than the amount that would be required to pay the probable liability of such Person on its debts as they become

absolute and matured, (c) such Person is able to realize upon its properties and assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts beyond such Person's ability to pay as such debts mature, and (e) such Person is not engaged in a business or a transaction, and is not about to engage in a business or transaction, for which such Person's properties and assets would constitute unreasonably small capital after giving due consideration to the prevailing practices in the industry in which such Person is engaged. The amount of all guarantees at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, can reasonably be expected to become an actual or matured liability.

"Specified Loan Party" means any Loan Party that is not then an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 10.28).

"Specified Transaction" means any Investment, Disposition, incurrence or repayment of Indebtedness, Restricted Payment, Subsidiary designation or other transaction by the Domestic Borrower or any Restricted Subsidiary that by the terms of this Agreement requires satisfaction of a financial test calculated on a "Pro Forma Basis" or after giving "Pro Forma Effect" thereto; provided that any such Specified Transaction (other than a Restricted Payment) having an aggregate value of less than $1,000,000 shall not be calculated on a "Pro Forma Basis" or after giving "Pro Forma Effect."

"Spot Rate" for a currency means the exchange rate, as determined by the Agent, that is applicable to conversion of one currency into another currency, which is (a) the exchange rate reported by Bloomberg (or other commercially available source designated by the Agent) as of the end of the preceding business day in the financial market for the first currency; or (b) if such report is unavailable for any reason, the spot rate for the purchase of the first currency with the second currency as in effect during the preceding business day in Agent's principal foreign exchange trading office for the first currency.

"Standby Letter of Credit" means any Letter of Credit that is not a Commercial Letter of Credit and that (a) is used in lieu or in support of performance guaranties or performance, surety or similar bonds (excluding appeal bonds) arising in the ordinary course of business, (b) is used in lieu or in support of stay or appeal bonds, (c) supports the payment of insurance premiums for reasonably necessary casualty insurance carried by any of the Loan Parties, or (d) supports payment or performance for identified purchases or exchanges of products or services in the ordinary course of business.

"Stated Amount" means at any time the maximum amount for which a Letter of Credit may be honored.

"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 percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the FRB to which the Agent is subject with respect to the Adjusted LIBOR Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. LIBOR Rate Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Store" means any retail store (which may include any real property, fixtures, equipment, inventory and other property related thereto) operated, or to be operated, by any Loan Party.

"Subordinated Debt" means Indebtedness incurred by a Loan Party that is subordinated in a customary manner in right of payment to the prior payment of all Obligations of such Loan Party under the Loan Documents.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Domestic Borrower.

"Substantial Liquidation" means either (a) the Liquidation of substantially all of the Collateral, or (b) the sale or other disposition of substantially all of the Collateral by the Loan Parties.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Obligations" means with respect to any Loan Party any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts 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 Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Swing Line Borrowing" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"Swing Line Lender" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit B.

"Swing Line Sublimit" means the Domestic Swing Line Sublimit or the UK Swing Line Sublimit, as applicable.

"Synthetic Lease Obligation" means the obligations of a Person under any lease that is treated as an operating lease for financial accounting purposes and a financing lease for tax purposes.

"Tax Confirmation" means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance is either:

(a) a company resident in the United Kingdom for United Kingdom tax purposes; or

(b) a partnership each member of which is:

(i) a company so resident in the United Kingdom; or

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

(c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

"Tax Credit" means a credit against, relief or remission for, or repayment of, any Taxes.

"Tax Deduction" means a deduction or withholding from a payment under any Loan Document for and on account of any taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein with respect to such payments and all interest, penalties or similar liabilities with respect thereto.

"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.

"Tax Payment" means, in relation to any UK Borrower, either the increase in a payment made by that UK Borrower to a Lender under Section 1.04(b) or a payment under Section 1.04(c).

"Term Agent" has the meaning assigned to such term in the Intercreditor Agreement.

"Term Credit Agreement" has the meaning assigned to such term in the definition of "Term Facility".

"Term Facility" means the term loan facility pursuant to that certain Term Loan Credit Agreement (as amended, amended and restated, supplemented or modified from time to time, the "Term Credit Agreement"), dated as of the date hereof, by and among the Domestic Borrower, Bank of America, N.A., as administrative agent and collateral agent, the lenders party thereto and the other agents party thereto.

"Term Priority Collateral" has the meaning assigned to such term in the Intercreditor Agreement.

"Termination Date" means the earliest to occur of (i) the applicable Maturity Date, (ii) the date on which the maturity of the Loan Agreement Obligations is accelerated (or deemed accelerated) and the Commitments are irrevocably terminated (or deemed terminated) in accordance with Article VIII, or (iii) the termination of the Commitments in accordance with the provisions of Section 2.06 hereof.

"Total Leverage Ratio" means, with respect to any Measurement Period, the ratio of (a) Consolidated Total Debt as of the last day of such Measurement Period to (b) Consolidated EBITDA of the Domestic Borrower for such Measurement Period.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

"Trading with the Enemy Act" has the meaning set forth in Section 10.18.

"Transactions" means, collectively, (a) the entry into this Agreement and the Borrowings and issuances of Letters of Credit, as applicable, hereunder on the Closing Date, (b) the Closing Date Dividend, (c) the effectiveness of the Term Facility, (d) the Separation and (e) the payment of the fees and expenses incurred in connection with the consummation of the foregoing.

"Treaty Lender" means a Lender which:

(a) is treated as a resident of a Treaty State for the purposes of the relevant Treaty; and

(b) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in any advance is effectively connected.

"Treaty State" means a jurisdiction having a double taxation agreement (a "Treaty") with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

"Type" means, (i) when used with respect to a Committed Loan, its character as a Base Rate Loan, a UK base Rate Loan, a Euribor Rate Loan or a LIBOR Rate Loan, and (ii) when used with respect to commitments, refers to whether such commitment is a Commitment with a Maturity Date of April 4, 2019 or an Extended Commitment of a given Extension Series.

"UCC" or "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the state of New York; provided, however, that if a term is defined in Article 9 of the Uniform Commercial Code differently than in another Article thereof, the term shall have the meaning set forth in Article 9; provided further that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "Uniform Commercial Code" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

"UCP 600" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce ("ICC") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

"UK Availability" means, as of any date of determination thereof, the result, if a positive number, equal to the lesser of (a)(i) the UK Loan Cap minus (ii) the UK Total Outstandings on such date, or (b)(i) the Loan Cap minus (ii) the Total Outstandings on such date.

"UK Base Rate" means, (i) with respect to Loans denominated in Pounds Sterling, the rate equal to the highest of (A) the interest per annum as set and published by the Bank of England known as the BOE Official Bank Rate (or any successor rate), and (B) the 3 month LIBOR Rate, (ii) with respect to Loans denominated in Euros, the rate equal to the highest of (A) the rate as set and published by the European Central Bank known as the ECB Main Refinancing Rate (or any successor rate), and (B) the 3 month LIBOR Rate, and (iii) with respect to Loans denominated in Dollars, a fluctuating rate per annum equal to the highest of (A) the Federal Funds Rate plus 1/2 of 1%, (B) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate," and (C) the Adjusted LIBOR Rate on such day (or if such day is not a Business Day, the immediately preceding Business Day) for a deposit in Dollars, with a maturity of one month plus 1.00%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"UK Base Rate Loan" means a Loan or portion thereof made to the UK Borrower denominated in Optional Currency and bearing interest at a rate based on the UK Base Rate.

"UK Blocked Account" means, at any time, the bank accounts of the UK Borrower subject to a floating charge in favor of the Agent.

"UK Borrower" has the meaning set forth in the introductory paragraph to this Agreement.

"UK Borrowing" means a UK Committed Borrowing or a UK Swing Line Borrowing, as the context may require.

"UK Borrowing Base" means, at any time of calculation, an amount equal to:

(a) the Cost of Eligible Inventory of the UK Loan Parties, net of Inventory Reserves, multiplied by the Inventory Advance Rate multiplied by the Appraised Value of Eligible Inventory of the UK Loan Parties;

minus

(b) the then amount of all Availability Reserves in respect of the UK Loan Parties.

"UK Collection Account" has the meaning provided in Section 6.12.

"UK Committed Borrowing" means a borrowing consisting of simultaneous UK Committed Loans of the same Type and, in the case of LIBOR Rate Loans, having the same Interest Period made by each of the UK Lenders pursuant to Section 2.01.

"UK Committed Loan" has the meaning set forth in Section 2.01(b).

"UK Commitments" means, as to each UK Lender, its obligation to (a) make UK Committed Loans to the UK Borrower pursuant to Section 2.01, (b) purchase participations in UK L/C Obligations, and (c) purchase participations in UK Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such UK Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such UK Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the Closing Date, the UK Commitments are $30,000,000.

"UK Credit Party" or "UK Credit Parties" means (a) individually, (i) each UK Lender, (ii) the Agent, (iii) each L/C Issuer, (iv) the Arranger, (v) any other Person to whom UK Obligations are owing, and (vi) the successors and permitted assigns of each of the foregoing, and (b) collectively, all of the foregoing, in each case, to the extent relating to the services provided to, and obligations owing by or guaranteed by, the UK Loan Parties.

"UK L/C Borrowing" means an extension of credit resulting from a drawing under any UK Letter of Credit which has not been reimbursed on or prior to the date required to be reimbursed by the UK Borrower pursuant to Section 2.03(c)(i) or refinanced as a UK Committed Borrowing.

"UK L/C Obligations" means, at any date of determination and without duplication, the aggregate Stated Amount of all outstanding UK Letters of Credit plus the aggregate of all Unreimbursed Amounts under UK Letters of Credit, including all UK L/C Borrowings.

"UK Lenders" means the Lenders having UK Commitments from time to time or at any time.

"UK Letter of Credit" means each Letter of Credit issued hereunder for the account of the UK Borrower.

"UK Letter of Credit Sublimit" means an amount equal to $15,000,000. The UK Letter of Credit Sublimit is part of, and not in addition to, the UK Total Commitments. A permanent reduction of the UK Commitments shall not require a corresponding pro rata reduction in the UK Letter of Credit Sublimit; provided, however, that if the UK Total Commitments are reduced to an amount less than the UK Letter of Credit Sublimit, then the UK Letter of Credit Sublimit shall be reduced to an amount equal to (or, at the UK Borrower's option, less than) the UK Commitments.

"UK Liabilities" means (a) all advances to, and debts (including principal, interest, fees, costs, and expenses), liabilities, obligations, covenants, indemnities, and duties of, any UK Loan Party arising under any Loan Document or otherwise with respect to any UK Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, fees, costs, expenses and indemnities that accrue after the commencement by or against any UK Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding, and (b) any Other UK Liabilities.

"UK Loan" means an extension of credit by a UK Lender to the UK Borrower under Article II in the form of a UK Committed Loan or a UK Swing Line Loan.

"UK Loan Cap" means, at any time of determination, the lesser of (a) the UK Total Commitments and (b) the UK Borrowing Base.

"UK Loan Parties" means, collectively, the UK Borrower and each UK Subsidiary that is a Guarantor of the UK Liabilities. "UK Loan Party" means any one of such Persons.

"UK Non-Bank Lender" means:

(i) a Lender (which falls within clause (a)(ii) of the definition of Qualifying Lender) which is a party to this Agreement and which has provided a Tax Confirmation to the Agent; and

(ii) where a Lender becomes a party after the Closing Date, an Assignee which gives a Tax Confirmation in the Assignment and Acceptance Agreement which it executes on becoming a party.

"UK Note" means a promissory note made by the UK Borrower in favor of a UK Lender evidencing UK Loans made by such UK Lender, substantially in the form of Exhibit C-2.

"UK Security Documents" means:

(i) the debenture governed by English law between the UK Loan Parties and the Agent dated on or about the date of this Agreement;

(ii) the mortgage over shares governed by English law between the Domestic Borrower and the Agent dated on or about the date of this Agreement; and

(iii) each other debenture or security agreement governed by English law over assets in the UK jurisdiction entered into pursuant to the terms hereof or the other Loan Documents.

"UK Subsidiary" means any Subsidiary that is incorporated in England and Wales.

"UK Swing Line Borrowing" means a borrowing of a UK Swing Line Loan by the UK Borrower pursuant to Section 2.04.

"UK Swing Line Loan" has the meaning specified in Section 2.04(a).

"UK Swing Line Sublimit" means an amount equal to the lesser of (a) $10,000,000 and (b) the UK Total Commitments. The UK Swing Line Sublimit is part of, and not in addition to, the UK Total Commitments. A permanent reduction of the UK Total Commitments shall not require a corresponding pro rata reduction in the UK Swing Line Sublimit; provided, however, that if the UK Total Commitments are reduced to an amount less than the UK Swing Line Sublimit, then the UK Swing Line Sublimit shall be reduced to an amount equal to (or, at UK Borrower's option, less than) the UK Total Commitments.

"UK Total Commitments" means the aggregate of the UK Commitments of all UK Lenders. On the Closing Date, the UK Total Commitments are $30,000,000.

"UK Total Outstandings" means the aggregate Outstanding Amount of all UK Loans and all UK L/C Obligations.

"Unintentional Overadvance" means an Overadvance which, to the Agent's knowledge, did not constitute an Overadvance when made but which has become an Overadvance resulting from changed circumstances beyond the control of the Agent and the Lenders, including, without limitation, a reduction in the Appraised Value of property or assets included in the Combined Borrowing Base or misrepresentation by the Loan Parties.

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"Unrestricted Subsidiary" means any Subsidiary of the Domestic Borrower designated by the board of directors of the Domestic Borrower as an Unrestricted Subsidiary pursuant to Section 6.15 subsequent to the date hereof, in each case, until such Person ceases to be an Unrestricted Subsidiary of Domestic Borrower in accordance with Section 6.15 or ceases to be a Subsidiary of Domestic Borrower.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 3.01(e)(ii)(B)(III).

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (ii) the then outstanding principal amount of such Indebtedness.

1.02 Other Interpretive Provisions With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(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." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, 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) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Domestic Borrower or the Required Lenders shall so request, the Agent, the Lenders and the Domestic Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Domestic Borrower shall provide to the Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Pro Forma Basis. Notwithstanding anything to the contrary herein, for purposes of determining compliance with any test contained in this Agreement with respect to any period during which (or after which, but on or prior to the date of determination) any Specified Transaction occurs, the Consolidated Fixed Charge Coverage Ratio, Senior Secured Leverage Ratio and Total Leverage Ratio shall be calculated with respect to such period and such Specified Transaction on a Pro Forma Basis; provided, that for purposes of Section 7.14 Pro Forma Effect shall not be given to any event occurring after the end of the applicable Measurement Period.

1.04 United Kingdom Tax Matters.

(a) The provisions of this Section 1.04 shall apply only in respect of any UK Borrower (a "Relevant Borrower") and only in respect of UK Liabilities.

(b) Tax gross-up.

(i) Each Relevant Borrower shall make all payments to be made by it under any Loan Document without any Tax Deduction unless a Tax Deduction is required by law.

(ii) A Relevant Borrower shall, promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify Agent accordingly. Similarly, a Lender shall promptly notify Agent on becoming so aware in respect of a payment payable to that Lender. If Agent receives such notification from a Lender it shall notify the Relevant Borrower.

(iii) If a Tax Deduction is required by law to be made by a Relevant Borrower, the amount of the payment due from that Relevant Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(iv) A payment shall not be increased under clause (iii) above by reason of a Tax Deduction on account of Taxes imposed by the United Kingdom if, on the date on which the payment falls due:

(A) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or

(B) the relevant Lender is a Qualifying Lender solely by virtue of clause (a)(ii) of the definition of Qualifying Lender, and:

(1) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a "Direction") under section 931 of the ITA which relates to the payment and that Lender has received from the Relevant Borrower making the payment a certified copy of that Direction; and

(2) the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made; or

(C) the relevant Lender is a Qualifying Lender solely by virtue of clause (a)(ii) of the definition of Qualifying Lender and:

(1) the relevant Lender has not given a Tax Confirmation to the Relevant Borrower; and

(2) the payment could have been made to the Lender without any Tax Deduction if the Lender had given a Tax Confirmation to the Relevant Borrower, on the basis that the Tax Confirmation would have enabled the Relevant Borrower to have formed a reasonable belief that the payment was an "excepted payment" for the purpose of section 930 of the ITA; or

(D) the relevant Lender is a Treaty Lender and the Relevant Borrower making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under clause (vii) below.

(v) If a Relevant Borrower is required to make a Tax Deduction, that Relevant Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(vi) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Relevant Borrower making that Tax Deduction shall deliver to Agent for the benefit of the Lender entitled to the payment a statement under section 975 of the ITA or other evidence reasonably satisfactory to that Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(vii) A Treaty Lender and each Relevant Borrower which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Relevant Borrower to obtain authorization to make that payment without a Tax Deduction.

(viii) Nothing in clause (b)(vii) above shall require a Treaty Lender to:

(A) register under the HMRC DT Treaty Passport scheme;

(B) apply the HMRC DT Treaty Passport scheme to any advance if it has so registered; or

(C) file Treaty forms if it has included an indication to the effect that it wishes the HMRC DT Treaty Passport Scheme to apply to this Agreement in accordance with clause (b)(xi) or clause (f)(i) (*HMRC DT Treaty Passport scheme confirmation*) and the Relevant Borrower making that payment has not complied with its obligations under clause (b)(xii) or clause (f)(ii) (*HMRC DT Treaty Passport scheme confirmation*).

(ix) A UK Non-Bank Lender which becomes a party on the day on which this Agreement is entered into gives a Tax Confirmation to the UK Borrower by entering into this Agreement.

(x) A UK Non-Bank Lender shall promptly notify the Relevant Borrower and Agent if there is any change in the position from that set out in the Tax Confirmation.

(xi) A Treaty Lender which becomes a party on the day on which this Agreement is entered into that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall include an indication to that effect (for the benefit of the Agent and without liability to any Relevant Borrower) by notifying the UK Borrower of its scheme reference number and its jurisdiction of tax residence.

(xii) Where a Lender notifies the UK Borrower as described in clause (b)(xi) above each Relevant Borrower shall file a duly completed form DTTP2 in respect of such Lender with HM Revenue & Customs within 30 days of the date of this Agreement and shall promptly provide the Lender with a copy of that filing.

(xiii) If a Lender has not included an indication to the effect that it wishes the HMRC DT Treaty Passport scheme to apply to this Agreement in accordance with clause (b)(xi) above or clause (f)(i) (*HMRC DT Treaty Passport scheme confirmation),* no Relevant Borrower shall file any form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's advance or its participation in any advance.

(c) Tax indemnity.

(i) The UK Borrower shall (within three Business Days of demand by the Agent) pay to a Lender an amount equal to the loss, liability or cost which that Lender reasonably determines will be or has been (directly or indirectly) suffered for or on account of Taxes by that Lender in respect of amounts payable under a Loan Document.

(ii) Clause (c)(i) above shall not apply:

(A) with respect to any Taxes assessed on a Lender;

(1) under the law of the jurisdiction in which such Lender is incorporated or, if different, the jurisdiction (or jurisdictions) in which such Lender is treated as resident for tax purposes; or

(2) with respect to Other Connection Taxes under the law of the jurisdiction in which such Lender's Lending Office is located in respect of amounts received or receivable in such jurisdiction,

if such Taxes are imposed on or calculated by reference to the net income, profits or gains received or receivable (but not any sum deemed to be received or receivable) by such Lender or if such Taxes consist of bank levy under Section 73 and Schedule 19 Finance Act 2011 as amended or varied from time to time or if such Taxes are imposed under FATCA; or

(B) to the extent a loss, liability or cost:

(1) is compensated for by an increased payment under Section 1.04(b)(iii) (*Tax gross-up*); or

(2) would have been compensated for by an increased payment under Section1.04(b)(iii) (*Tax gross-up*) but was not so compensated solely because one of the exclusions in Section 1.04(b)(iv) (*Tax gross-up*) applied; or

(3) is compensated for by a payment under any other provisions of any Loan Document (including, without limitation, Sections 1.04(g) and (h) hereof.

(C) in respect of any interest payable by a Lender which is attributable to any delay in payment of an amount to any tax authority after payment of that amount by the Relevant Borrower to the Lender (provided such Relevant Borrower has also specified to which taxation authority payment should be made) or in respect of any penalties which are due to a default of a Lender.

(iii) A Lender making, or intending to make a claim under Section 1.04(c)(i) above shall promptly notify Agent of the event which will give, or has given, rise to the claim, following which Agent shall notify the UK Borrower. The UK Borrower shall be provided (at the UK Borrower's expense) with such information as it reasonably requests in respect of the claim in question and shall be entitled to make representations to the Lender as to action to be taken to dispute the existence or quantum of such loss, liability or cost, which representations the Lender shall consider but shall be under no duty to act upon.

(iv) A Lender shall, on receiving a payment from the UK Borrower under this clause (c), notify Agent.

(d) Tax Credit. If a Relevant Borrower makes a Tax Payment and the relevant Lender determines that:

(i) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment; and

(ii) such Lender has obtained, utilized and retained that Tax Credit,

such Lender shall pay an amount to the Relevant Borrower which such Lender reasonably determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Relevant Borrower.

(e) Lender Status Confirmation. Each Lender which becomes a party to this Agreement after the date of this Agreement ("New Lender") shall indicate, in the Assignment and Acceptance Agreement which it executes on becoming a party, and for the benefit of Agent and without liability to any Relevant Borrower, which of the following categories it falls within:

(i) not a Qualifying Lender;

(ii) a Qualifying Lender (other than a Treaty Lender); or

(iii) a Treaty Lender.

If a New Lender fails to indicate its status in accordance with this Section 1.04(e), then such New Lender or Lenders (as appropriate) shall be treated for the purposes of this Agreement (including by each Relevant Borrower) as if it is not a Qualifying Lender until such time as it notifies Agent which category of Qualifying Lender applies (and Agent, upon receipt of such notification, shall inform the Relevant Borrower). For the avoidance of doubt, an Assignment and Acceptance shall not be invalidated by any failure of a New Lender to comply with this Section 1.04(e). Lenders which are a party to this Agreement on the date hereof will cooperate with the Relevant Borrower in providing such information as the Relevant Borrower reasonably requests to establish whether the Lender is a Qualifying Lender and, if so, which category of Qualifying Lender is applicable.

(f) HMRC DT Treaty Passport Scheme Confirmation.

(i) A New Lender that is a Treaty Lender that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall include an indication to that effect (for the benefit of the Agent and without liability to any Relevant Borrower) in the Assignment and Acceptance which it executes by including its scheme reference number and its jurisdiction of tax residence in that Assignment and Acceptance.

(ii) Where a Assignment and Acceptance includes the indication described in clause (f)(i) above in the relevant Assignment and Acceptance each Relevant Borrower which is a Party as a Borrower as at the date that the relevant Assignment and Acceptance Agreement is executed (the "Transfer Date") shall file a duly completed form DTTP2 in respect of such Lender with HM Revenue & Customs within 30 days of that Transfer Date and shall promptly provide the Lender with a copy of that filing.

(g) Stamp Taxes. The Relevant Borrower shall pay and, within three Business Days of demand, indemnify each Lender against any cost, loss or liability that Lender incurs in relation to all stamp duty, registration and other similar Taxes payable in the United Kingdom in respect of any Loan Document to which the Relevant Borrower is a party, provided that this Section 1.04(g) shall not apply to any such Taxes payable in respect of any transfer, assignment, novation or other dealing with all or any part of the Loan made to the Relevant Borrower.

(h) Value Added Tax.

(i) All amounts set out or expressed in a Loan Document to be payable by any party to any Lender which (in whole or in part) constitute the consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply or supplies, and accordingly, subject to clause (ii) below, if VAT is or becomes chargeable on any supply made by any Lender to any party under a Loan Document, that party shall pay to the Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and such Lender shall promptly provide an appropriate VAT invoice to such party).

(ii) If VAT is or becomes chargeable on any supply made by any Lender (the "Supplier") to any other Lender (the "VAT Recipient") under a Loan Document, and any party other than the VAT Recipient (the "Subject Party") is required by the terms of any Loan Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the VAT Recipient in respect of that consideration), such Party shall also pay to the Supplier (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. The VAT Recipient will promptly pay to the Subject Party an amount equal to any credit or repayment obtained by the VAT Recipient from the relevant tax authority which the VAT Recipient reasonably determines is in respect of such VAT.

(iii) Where a Loan Document requires any party to reimburse or indemnify a Lender for any cost or expense, that party shall reimburse or indemnify (as the case may be) such Lender for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Lender reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(iv) Any reference in this Section 1.04(h) to any party shall, at any time when such party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the United Kingdom Value Added Tax Act 1994).

(v) Except as otherwise expressly provided in Section 1.04(h), a reference to "determines" or "determined" in connection with tax provisions contained in Section 1.04(h) means a determination made in the absolute discretion of the person making the determination acting in good faith.

1.05 Rounding. Any financial ratios required to be maintained by the Loan Parties pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to two places more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding up if there is no nearest number).

1.06 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.07 Letter of Credit Amounts. Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the Stated Amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Documents related thereto, provides for one or more automatic increases in the Stated Amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum Stated Amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum Stated Amount is in effect at such time. Any Letter of Credit issued pursuant to Section 2.03 hereof in a currency other than Dollars shall be issued in an amount equivalent to Dollars in such currency, such equivalent amount thereof in the applicable currency to be determined by the Agent at such time on the basis of the Spot Rate (as defined below) for the purchase of such currency with Dollars. For purposes of this Section 1.06, the "Spot Rate" for a currency means the rate determined by the Agent to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date of such determination; provided that the Agent may obtain such spot rate from another financial institution designated by the Agent if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

1.08 Currency Equivalents Generally

(a) For purposes of determining compliance with Sections 7.02 and 7.03 with respect to any amount of Indebtedness or Investment in a currency other than Dollars, no Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Indebtedness or Investment is incurred (so long as such Indebtedness or Investment, at the time incurred, made or acquired, was permitted hereunder); *provided* that, for the avoidance of doubt, the below provisions of Section 1.09 shall otherwise apply to such Sections, including with respect to determining whether any Investment or Indebtedness may be incurred or made at any time under such Sections.

(b) For purposes of calculating any financial ratio hereunder, amounts denominated in a currency other than Dollars will be converted to Dollars at the currency exchange rates used in preparing the Borrowers' financial statements corresponding to the test period with respect to the applicable date of determination and will, in the case of Indebtedness, reflect the currency translation effects, determined in accordance with GAAP, of Hedge Agreements permitted hereunder for currency exchange risks with respect to the applicable currency in effect on the date of determination of the Dollar Equivalent of such Indebtedness; *provided* that, notwithstanding anything to the contrary herein, Loans and L/C Obligations denominated in a currency other than Dollars will be converted to Dollars at the Spot Rate.

1.09 Exchange Rates; Currency Translation.

(a) The Agent or the L/C Issuer, as applicable, shall determine the Spot Rates to be used for calculating Dollar Equivalent amounts of Loans and Outstanding Amounts denominated in Optional Currencies. Such Spot Rates shall become effective as of any such date of determination and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next date to so occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder (including baskets related thereto, as applicable) or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Agent or the applicable L/C Issuer, as applicable.

(b) Any amount specified in this Agreement or any of the other Loan Documents to be in Dollars shall also include the Dollar Equivalent in any Optional Currency. Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a LIBOR Rate Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, LIBOR Rate Loan or Letter of Credit is denominated in an Optional Currency, such amount shall be the relevant Equivalent Amount of such Dollar amount (rounded to the nearest unit of such Optional Currency, with 0.5 of a unit being rounded upward), as determined by the Agent or the L/C Issuer, as the case may be.

(c) Notwithstanding the foregoing, for purposes of any determination under Article VI, Article VII or Article VIII or any determination under any other provision of this Agreement expressly requiring the use of a currency exchange rate, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than Dollars shall be translated into Dollars at the Spot Rate.

ARTICLE II
THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Committed Loans; Reserves

(a) Subject to the terms and conditions set forth herein, each Domestic Lender severally agrees to make loans in Dollars (each such loan, a "Domestic Committed Loan") to the Domestic Borrower from time to time, on any Business Day during the Availability Period, in an aggregate principal amount not to exceed at any time outstanding the lesser of (x) the amount of such Domestic Lender's Domestic Commitment, or (y) such Domestic Lender's Applicable Percentage of the Domestic Borrowing Base; subject in each case to the following limitations:

(i) after giving effect to any Domestic Committed Borrowing, the Domestic Total Outstandings shall not exceed the Domestic Loan Cap and the Total Outstandings shall not exceed the Loan Cap, and

(ii) after giving effect to any Domestic Committed Borrowing, the aggregate Outstanding Amount of the Domestic Committed Loans of any Domestic Lender, plus such Domestic Lender's Applicable Percentage of the Outstanding Amount of all Domestic L/C Obligations, plus such Domestic Lender's Applicable Percentage of the Outstanding Amount of all Domestic Swing Line Loans shall not exceed such Domestic Lender's Domestic Commitment.

(b) Subject to the terms and conditions set forth herein, each UK Lender severally agrees to make loans in Optional Currency (each such loan, a "UK Committed Loan") to the UK Borrower from time to time, on any Business Day during the Availability Period, in an aggregate principal amount not to exceed at any time outstanding the lesser of (x) the amount of such UK Lender's UK Commitment, or (y) such UK Lender's Applicable Percentage of the UK Borrowing Base; subject in each case to the following limitations:

(i) after giving effect to any UK Committed Borrowing, the Total UK Outstandings shall not exceed the UK Loan Cap and the Total Outstandings shall not exceed the Loan Cap, and

(ii) after giving effect to any UK Committed Borrowing, the aggregate Outstanding Amount of the UK Committed Loans of any UK Lender, plus such UK Lender's Applicable Percentage of the Outstanding Amount of all UK L/C Obligations, plus such UK Lender's Applicable Percentage of the Outstanding Amount of all UK Swing Line Loans shall not exceed such UK Lender's UK Commitment.

Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, the Borrowers may borrow under this Section 2.01, prepay under Section 2.05, and reborrow under this Section 2.01.

2.02 Borrowings, Conversions and Continuations of Committed Loans.

(a) Domestic Committed Loans (other than Swing Line Loans) shall be either Base Rate Loans or LIBOR Rate Loans as the Domestic Borrower may request subject to and in accordance with this Section 2.02. All Swing Line Loans shall be only Base Rate Loans or UK Base Rate Loans, as applicable. Subject to the other provisions of this Section 2.02, Committed Borrowings of more than one Type may be incurred at the same time. UK Committed Loans made to the UK Borrower shall be made in Dollars or in the Optional Currencies and shall be either LIBOR Rate Loans, Euribor Rate Loans or UK Base Rate Loans as the UK Borrower may request subject to and in accordance with this Section 2.02.

(b) Each Committed Borrowing, each Conversion of Committed Loans from one Type to the other, and each continuation of LIBOR Rate Loans or Euribor Rate Loans shall be made upon the applicable Borrower's irrevocable notice to the Agent, which may be given electronically. Each such notice must be received by the Agent not later than (i) 12:00 p.m. Local Time three Business Days prior to the requested date of any Borrowing of, Conversion to or continuation of LIBOR Rate Loans, Euribor Rate Loans or of any Conversion of LIBOR Rate Loans or Euribor Rate Loans to Base Rate Loans or UK Base Rate Loans, as applicable, and (ii) 1:00 p.m. Local Time (or, with respect to UK Loans, 11 a.m. Local Time) on the requested date of any Borrowing of Base Rate Loans or UK Base Rate Loans. Each electronic notice by a Borrower pursuant to this Section 2.02(b) must be confirmed promptly by delivery to the Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the applicable Borrower. Each Borrowing by the Domestic Borrower of, or Conversion to or continuation by the Domestic Borrower of, LIBOR Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof, provided that one Borrowing by the Domestic Borrower of, or Conversion to or continuation by the Domestic Borrower of LIBOR Rate Loans may be in a principal amount of less than $5,000,000 but in all events shall be greater than $2,000,000. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing by the Domestic Borrower of, or Conversion by the Domestic Borrower to Base Rate Loans shall be in minimum amounts of $500,000 or a whole multiple of $100,000 in excess thereof. For the avoidance of doubt, no such minimum Borrowing, Conversion or continuation amount shall be required in the case of Borrowings, Conversions or continuations by the UK Borrower. Each Committed Loan Notice (whether electronic or written) shall specify (i) the applicable Borrower, (ii) whether the applicable Borrower is requesting a Committed Borrowing, a Conversion of Committed Loans from one Type to the other, or a continuation

of LIBOR Rate Loans or Euribor Rate Loans, (iii) the requested date of the Borrowing, Conversion or continuation, as the case may be (which shall be a Business Day), (iv) the principal amount of Committed Loans to be borrowed, Converted or continued, (v) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be Converted, (vi) whether such Committed Loan is to be made in Dollars or Optional Currency, and (vii) if applicable, the duration of the Interest Period with respect thereto. If a Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the applicable Borrower fails to give a timely notice requesting a Conversion or continuation, then the applicable Committed Loans shall be made as, or Converted to, Base Rate Loans or UK Base Rate Loans, as applicable. Any such automatic Conversion to Base Rate Loans or UK Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBOR Rate Loans or Euribor Rate Loans. If a Borrower requests a Borrowing of, Conversion to, or continuation of LIBOR Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be Converted to a LIBOR Rate Loan or to a Euribor Rate Loan.

(c) Following receipt of a Committed Loan Notice, the Agent shall promptly notify each Lender in writing of the amount of its Applicable Percentage of the applicable Committed Loans, and if no timely notice of a Conversion or continuation is provided by the applicable Borrower, the Agent shall notify each Lender of the details of any automatic Conversion to Base Rate Loans or UK Base Rate Loans described in Section 2.02(b). In the case of a Committed Borrowing, each Lender shall make the amount of its Committed Loan available to the Agent in immediately available funds at the Agent's Office not later than 3:00 p.m. Local Time on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Agent shall make all funds so received available to the Borrowers in like funds as received by the Agent either by (i) crediting the account of the applicable Borrower on the books of the Agent with the amount of such funds or (ii) wire transferring such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Agent by the applicable Borrower; provided, however, that if, on the date the Committed Loan Notice with respect to such Borrowing is given by a Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrowers as provided above.

(d) The Agent, without the request of the Borrowers, may advance any interest, fee, service charge (including direct wire fees), expenses, or other payment to which the Agent, the L/C Issuer or any Lender is entitled from the Loan Parties pursuant hereto or any other Loan Document and may charge the same to the Loan Account notwithstanding that an Overadvance may result thereby. The Agent shall advise the Borrowers of any such advance or charge promptly after the making thereof. Such action on the part of the Agent shall not constitute a waiver of the Agent's rights and the Borrowers' obligations under Section 2.05(d). Any amount which is added to the principal balance of the Loan Account as provided in this Section 2.02(d) shall bear interest at the interest rate then and thereafter applicable to Base Rate Loans or UK Base Rate Loans, as applicable (including the Default Rate).

(e) Except as otherwise provided herein, a LIBOR Rate Loan or a Euribor Rate Loan may be continued or Converted only on the last day of an Interest Period for such LIBOR Rate Loan or a Euribor Rate Loan. During the existence of a Default or an Event of Default, no Loans may be requested as, Converted to or continued as LIBOR Rate Loans or Euribor Rate Loans (whether in Dollars or any Optional Currency) without the consent of the Required Lenders. During the continuance of an Event of Default, the Required Lenders may demand that any or all of the then outstanding LIBOR Rate Loans or Euribor Rate Loans denominated in an Optional Currency be prepaid, or redenominated into Dollars in the amount of the Dollar Equivalent thereof, on the last day of the then current Interest Period with respect thereto.

(f) The Agent shall promptly notify the Borrowers and the Lenders of the interest rate applicable to any Interest Period for LIBOR Rate Loans or Euribor Rate Loans upon determination of such interest rate. At any time that Base Rate Loans or UK Base Rate Loans are outstanding, the Agent shall notify the Borrowers and the Lenders of any change in the Agent's prime rate used in determining the Base Rate or UK Base Rate promptly following the public announcement of such change.

(g) After giving effect to all Committed Borrowings, all Conversions of Committed Loans from one Type to the other, and all continuations of Committed Loans as the same Type, there shall not be more than seven (7) Interest Periods in effect with respect to LIBOR Rate Loans to the Domestic Borrower nor more than five (5) Interest Periods in effect with respect to LIBOR Rate Loans to the UK Borrower.

(h) The Agent, the Lenders, the Swing Line Lender and the L/C Issuer shall have no obligation to make any Loan or to provide any Letter of Credit if an Overadvance would result. The Agent may, in its discretion, make Permitted Overadvances without the consent of the Borrowers, the Lenders, the Swing Line Lender and the L/C Issuer and the Borrowers and each Lender and L/C Issuer shall be bound thereby; provided that the Required Lenders may suspend the Agent's authorization to make any or all Permitted Overadvances. Any Permitted Overadvance may constitute a Swing Line Loan. A Permitted Overadvance is for the account of the Borrowers and shall constitute a Base Rate Loan (or a UK Base Rate Loan, as applicable) and a Loan Agreement Obligation and shall be repaid by the Borrowers in accordance with the provisions of Section 2.05(d). The making of any such Permitted Overadvance on any one occasion shall not obligate the Agent or any Lender to make or permit any Permitted Overadvance on any other occasion or to permit such Permitted Overadvances to remain outstanding. The making by the Agent of a Permitted Overadvance shall not modify or abrogate any of the provisions of Section 2.03 regarding the Lenders' obligations to purchase participations with respect to Letters of Credit or of Section 2.04 regarding the Lenders' obligations to purchase participations with respect to Swing Line Loans. Except as expressly provided in Section 9.03, the Agent shall have no liability for, and no Loan Party or Credit Party shall have the right to, or shall, bring any claim of any kind whatsoever against the Agent with respect to Unintentional Overadvances regardless of the amount of any such Overadvance.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit in Dollars or, with respect to the UK Borrower only, one or more Optional Currencies for the account of the Borrowers and the other Loan Parties, and to amend or extend Letters of Credit previously issued by it, in accordance with Section 2.03(b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrowers and the other Loan Parties and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (w), the Domestic Total Outstandings shall not exceed the Domestic Loan Cap, and the UK Total Outstandings shall not exceed the UK Loan Cap, as applicable, (x) the Total Outstandings shall not exceed the Loan Cap, (y) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment to the applicable Borrower, and (z) the Outstanding Amount of the Domestic L/C Obligations or UK L/C Obligations, as applicable, shall not exceed the applicable Letter of Credit Sublimit. Each request by a

Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrowers that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrowers' ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrowers may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) The L/C Issuer shall not issue any Letter of Credit, if:

(A) subject to Section 2.03(b)(iii), the expiry date of such requested Standby Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) the expiry date of such requested Commercial Letter of Credit would occur more than 180 days after the date of issuance, unless the Required Lenders have approved such expiry date; or

(C) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless either such Letter of Credit is Cash Collateralized on or prior to the date that is ten (10) Business Days prior to the Letter of Credit Expiration Date (or such later date as to which the Agent may agree) or all the Lenders have approved such expiry date; or

(D) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(E) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(F) such Letter of Credit is to be denominated in a currency other than Dollars or an Optional Currency;

(G) such Letter of Credit contains any provisions for automatic reinstatement of the Stated Amount after any drawing thereunder; or

(H) any Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the Borrowers or such Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.16(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(iii) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof or if the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(iv) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of a Borrower delivered to the L/C Issuer (with a copy to the Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of such Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Agent not later than 11:00 a.m. Local Time at least two Business Days (or such other date and time as the Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount and currency thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G)) the Borrower for whose account the Letter of Credit is being issued, and (H) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may require. Additionally, the applicable Borrower shall furnish to the L/C Issuer and the Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Agent may reasonably require.

(ii) Subject to the provisions of Section 2.02(b)(iv) hereof, promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Agent (electronically or in writing) that the Agent has received a copy of such Letter of Credit Application from the applicable Borrower and, if not, the L/C Issuer will provide the Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV is not then satisfied or unless the L/C Issuer would not be permitted, or would have no obligation, at such time to issue such Letter of Credit under the terms hereof

(by reason of the provisions of Section 2.03(a)(ii) or otherwise), then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the applicable Borrower (or the applicable Loan Party) or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance or amendment of each Letter of Credit, each Lender having a Commitment to the applicable Borrower shall be deemed to (without any further action), and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer, without recourse or warranty, a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the Stated Amount of such Letter of Credit. Upon any change in the Commitments under this Agreement, it is hereby agreed that with respect to all L/C Obligations, there shall be an automatic adjustment to the participations hereby created to reflect the new Applicable Percentages of the assigning and assignee Lenders.

(iii) If a Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole and absolute discretion, agree to issue a Standby Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Standby Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Standby Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, no Borrower shall be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Standby Letter of Credit at any time to an expiry date not later than (i) the Letter of Credit Expiration Date, or (ii) to a date later than the Letter of Credit Expiration Date, if the Borrowers Cash Collateralize such Letter of Credit on or prior to the date that is ten (10) Business Days prior to the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Standby Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of Section 2.03(a)(ii) or otherwise), or (B) it has received notice (which may be electronically or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Agent that the Required Lenders have elected not to permit such extension or (2) from the Agent, any Lender or the applicable Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the applicable Borrower and the Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall promptly notify the applicable Borrower and the Agent thereof; provided, however, that any failure to give or delay in giving such notice shall not relieve the applicable Borrower of its obligation to reimburse the L/C Issuer and the Lenders with respect to any such payment. In the case of a Letter of Credit denominated in an Optional Currency, the applicable Borrower shall reimburse the L/C Issuer in such Optional Currency, unless (A) the L/C Issuer (at its option) shall have specified in such notice that it will require reimbursement in Dollars, or (B) in the absence of any such requirement for reimbursement in Dollars, the applicable Borrower shall have

notified the L/C Issuer promptly following receipt of the notice of drawing that such Borrower will reimburse the L/C Issuer in Dollars. In the case of any such reimbursement in Dollars of a drawing under a Letter of Credit denominated in an Optional Currency, the L/C Issuer shall notify the Borrowers of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof.

(ii) Not later than 12:00 p.m. Local Time on (1) the Business Day that the applicable Borrower receives notice of any payment by the L/C Issuer under a Letter of Credit to be reimbursed in Dollars, or the Applicable Time on the date of any payment by the L/C Issuer under a Letter of Credit to be reimbursed in an Optional Currency, in each case if such notice is received prior to 10:00 a.m. on such day or (2) if clause (1) above does not apply, the Business Day immediately following the day that such Borrower receives such notice (each such date, an "Honor Date"), such Borrower shall reimburse the L/C Issuer through the Agent in an amount equal to the amount of such drawing and in the applicable currency. If such Borrower fails to so reimburse the L/C Issuer by such time, the Agent shall promptly notify each Domestic Lender or UK Lender, as applicable, of the Honor Date, the amount of the unreimbursed drawing (expressed in Dollars in the amount of the Dollar Equivalent thereof in the case of a Letter of Credit denominated in an Optional Currency) (the "Unreimbursed Amount"), and the amount of such Lender's Applicable Percentage thereof. In such event, such Borrower shall be deemed to have requested a Committed Borrowing of Base Rate Loans or UK Base Rate Loans, as applicable, to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans or UK Base Rate Loans, but subject to the amount of the unutilized portion of the Loan Cap, Domestic Loan Cap or UK Loan Cap, as applicable, and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by the L/C Issuer or the Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(iii) Each Lender shall upon any notice from the Agent pursuant to Section 2.03(c)(ii) make funds available to the Agent (and the Agent may apply Cash Collateral provided for this purpose) for the account of the L/C Issuer, in Dollars, at the Agent's Office for Dollar-denominated payments in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. Local Time on the Business Day specified in such notice by the Agent, whereupon, subject to the provisions of Section 2.03(c)(iv), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan or UK Base Rate Loan to the applicable Borrower in such amount. The Agent shall remit the funds so received to the L/C Issuer in Dollars.

(iv) With respect to any Unreimbursed Amount that is not fully refinanced by a Committed Borrowing of Base Rate Loans or UK Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrowers shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate for Base Rate Loans or UK Base Rate Loans, as applicable. In such event, each Lender's payment to the Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(iii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(v) Until each Lender funds its Committed Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(vi) Each Lender's obligation to make Committed Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, any Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default or Event of Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the applicable Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrowers to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vii) If any Lender fails to make available to the Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(iii), without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Lender (through the Agent) with respect to any amounts owing under this clause (vii) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender its L/C Advance in respect of such payment in accordance with Section 2.03(c), if the L/C Issuer, or the Agent for the account of the L/C Issuer, receives any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrowers or otherwise, including proceeds of Cash Collateral applied thereto by the Agent pursuant to Section 2.03(g)), the L/C Issuer shall distribute any payment it receives to the Agent and the Agent will distribute to such Lender its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in Dollars and in the same funds as those received by the Agent.

(ii) If any payment received by the L/C Issuer or by Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Agent for the account of the L/C Issuer its Applicable Percentage thereof on demand of the Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Loan Agreement Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrowers to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrowers or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrowers or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrowers;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrowers or any of their Subsidiaries;

(ix) any adverse change in the relevant exchange rates or in the availability of the relevant Optional Currency to the UK Borrower or any of its Subsidiaries or in the relevant currency markets generally; or

(x) the fact that any Default or Event of Default shall have occurred and be continuing.

The applicable Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of non-compliance with such Borrower's instructions or other irregularity, such Borrower will promptly notify the L/C Issuer. Such Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrowers agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Loan Party or to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence, bad faith or willful misconduct; (iii) 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 or any error in interpretation of technical terms; or (iv) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrowers hereby assume all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrowers' pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (ix) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrowers may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrowers, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrowers which the Borrowers prove were caused by the L/C Issuer's willful misconduct, bad faith or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Cash Collateral. If, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrowers shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations in an amount equal to 103% of the Outstanding Amount of all L/C Obligations, pursuant to documentation in form and substance reasonably satisfactory to the Agent and the L/C Issuer (which documents are hereby consented to by the Lenders). The Borrowers hereby grant to the Agent a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing to secure all Obligations. Such cash collateral shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. If at any time the Agent reasonably determines that any funds held as cash collateral are subject to any right or claim of any Person other than the Agent or that the total amount of such funds is less than the aggregate Outstanding Amount of all L/C Obligations, the Borrowers will, forthwith upon demand by the Agent, pay to the Agent, as additional funds to be deposited as cash collateral, an amount equal to the excess of (x) such aggregate Outstanding Amount of all L/C Obligations over (y) the total amount of funds, if any, then held as cash collateral that the Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit as cash collateral, such funds shall be applied to reimburse the L/C Issuer and, to the extent not so applied, shall thereafter be applied to satisfy other Loan Agreement Obligations and other Obligations to the extent applied pursuant to Section 8.03

hereof. After all such Letters of Credit shall have expired or been fully drawn upon, all reimbursement obligations shall have been satisfied and all other obligations of the Borrowers hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrowers (or such other Person as may be lawfully entitled thereto).

(h) Applicability of ISP and UCP; Limitation of Liability. Unless otherwise expressly agreed by the L/C Issuer and the applicable Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each Standby Letter of Credit, and (ii) the rules of the UCP shall apply to each Commercial Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrowers for, and the L/C Issuer's rights and remedies against the Borrowers shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade—International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(i) Letter of Credit Fees. Each Borrower shall pay to the Agent for the account of each applicable Lender in accordance with its Applicable Percentage, in Dollars, a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit issued for the account of such Borrower equal to the Applicable Rate for the relevant period times the Dollar Equivalent of the daily Stated Amount under each such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit). For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of the Letter of Credit shall be determined in accordance with Section 1.07. Letter of Credit Fees shall be (i) due and payable on the 5th day subsequent to the last day of each April, July, October and January, commencing with the first such date to occur after the issuance of such Letter of Credit, and as to each Letter of Credit, on the expiry date of such Letter of Credit, and (ii) computed on a quarterly basis in arrears. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate as provided in Section 2.08(b) hereof.

(j) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrowers shall pay directly to the L/C Issuer for its own account, in Dollars, a fronting fee with respect to each Letter of Credit, at a rate equal to 0.125% per annum, computed on the Dollar Equivalent of the daily amount available to be drawn under each such Letter of Credit on a quarterly basis in arrears. Such fronting fees shall be due and payable on the 5th day subsequent to the last day of each April, July, October and January, commencing with the first such date to occur after the issuance of such Letter of Credit and on the expiry date thereof. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of the Letter of Credit shall be determined in accordance with Section 1.07. In addition, the Borrowers shall pay directly to the L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(k) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

2.04 Swing Line Loans.

(a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender may, in its discretion, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, make loans (each such loan, a "Swing Line Loan") to the Borrowers from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the applicable Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Committed Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender's Commitment; provided, however, that after giving effect to any Swing Line Loan, (i) the Total Outstandings shall not exceed Loan Cap, and (ii) the aggregate Outstanding Amount of the Committed Loans of any Lender (other than the Swing Line Lender) at such time, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations at such time, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans at such time shall not exceed such Lender's Commitment, and provided, further, that the Borrowers shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan, and provided further that the Swing Line Lender shall not be obligated to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrowers may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan or UK Base Rate Loan, as applicable. Immediately upon the making of a Swing Line Loan, each Domestic Lender or UK Lender, as applicable, shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage *multiplied by* the amount of such Swing Line Loan. The Swing Line Lender shall have all of the benefits and immunities (A) provided to the Agent in Article IX with respect to any acts taken or omissions suffered by the Swing Line Lender in connection with Swing Line Loans made by it or proposed to be made by it as if the term "Agent" as used in Article IX included the Swing Line Lender with respect to such acts or omissions, and (B) as additionally provided herein with respect to the Swing Line Lender.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the applicable Borrower's irrevocable notice to the Swing Line Lender and the Agent, which may be given electronically. Each such notice must be received by the Swing Line Lender and the Agent not later than 1:00 p.m. Local Time on the requested borrowing date, and shall specify (i) the amount to be borrowed, which in the case of the Domestic Borrower only shall be a minimum of $100,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such electronic notice must be confirmed promptly by delivery to the Swing Line Lender and the Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the applicable Borrower. Promptly after receipt by the Swing Line Lender of any electronic Swing Line Loan Notice, the Swing Line Lender will confirm with the Agent (electronically or in writing) that the Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Agent (electronically or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (electronically or in writing) from the Agent or the Required Lenders prior to 2:00 p.m. Local Time on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the provisos to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender may, not later than 4:00 p.m. Local Time on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrowers either by (i) crediting the account of the applicable Borrower on the books of the Swing Line Lender with the amount of such funds or (ii) wire transferring such funds, in each case in accordance with instructions provided to

(and reasonably acceptable to) the Swing Line Lender by the applicable Borrower; provided, however, that if, on the date of the proposed Swing Line Loan, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrowers as provided above.

(c) Refinancing of Swing Line Loans.

(i) In addition to settlements required under Section 2.14 hereof, the Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of the Borrowers (which hereby irrevocably authorize the Swing Line Lender to so request on their behalf), that each Domestic Lender make a Base Rate Loan or UK Lender make a UK Base Rate Loan, as applicable, in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans or UK Base Rate Loans, but subject to the unutilized portion of the Loan Cap and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish the applicable Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Committed Loan Notice available to the Agent in immediately available funds for the account of the Swing Line Lender at the Agent's Office not later than 1:00 p.m. Local Time on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan or UK Base Rate Loan to the applicable Borrower in such amount. The Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Committed Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Domestic Lenders or UK Lenders, as applicable, fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Committed Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrowers or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default

or an Event of Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrowers to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender, or the Agent on behalf of the Swing Line Lender, receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute such payment to the Agent and the Agent shall distribute to each such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender, or the Agent on behalf of the Swing Line Lender, in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Loan Agreement Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrowers for interest on the Swing Line Loans. Until each Lender funds its Base Rate Loan, UK Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrowers shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 Prepayments.

(a) The Borrowers may, upon irrevocable (except as set forth in the remainder of this paragraph) notice from the applicable Borrower to the Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Agent not later than (A) 5:00 p.m. Local Time four Business Days prior to any date of prepayment of LIBOR Rate Loans denominated in Optional Currencies or Euribor Rate Loans, (B) 5:00 p.m. Local Time three Business Days prior to any date of prepayment of LIBOR Rate Loans and (C) 1:00 p.m. Local Time on the date of prepayment of Base Rate Loans or UK Base Rate Loans; and (ii) any prepayment of LIBOR Rate Loans by the Domestic Borrower shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. For the avoidance of doubt, no such minimum prepayment amount shall be required in the case of prepayments by the UK Borrower. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if LIBOR Rate Loans or Euribor Rate Loans, the Interest Period(s) of such Loans. The Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of

such prepayment. If such notice is given by the applicable Borrower, the applicable Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein (except that any such notice may be conditioned on the receipt of proceeds from any refinancing indebtedness or the consummation of a Change of Control that results in a refinancing and payment in full of the Loan Agreement Obligations). Any prepayment of a LIBOR Rate Loan or Euribor Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.16, each such prepayment shall be applied to the Committed Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) The applicable Borrower may, upon irrevocable notice from such Borrower to the Swing Line Lender (with a copy to the Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Agent not later than 1:00 p.m. Local Time on the date of the prepayment, and (ii) in the case of the Domestic Borrower only, any such prepayment shall be in a minimum principal amount of $100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by such Borrower, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) If for any reason the Total Outstandings at any time exceed the Loan Cap as then in effect, the Borrowers shall promptly prepay the Loans and L/C Borrowings and Cash Collateralize the L/C Obligations (other than L/C Borrowings) in an aggregate amount equal to such excess; provided, however, that the Borrowers shall not be required to Cash Collateralize the L/C Obligations (other than L/C Borrowings) pursuant to this Section 2.05(d) unless after the prepayment in full of the Loans the Total Outstandings exceed the Loan Cap as then in effect.

(d) If for any reason the Domestic Total Outstandings at any time exceed the Domestic Loan Cap as then in effect, the Domestic Borrower shall promptly prepay the Domestic Loans and Domestic L/C Borrowings and Cash Collateralize the Domestic L/C Obligations (other than Domestic L/C Borrowings) in an aggregate amount equal to such excess; provided, however, that the Domestic Borrower shall not be required to Cash Collateralize the Domestic L/C Obligations (other than Domestic L/C Borrowings) pursuant to this Section 2.05(d) unless after the prepayment in full of the Domestic Loans the Domestic Total Outstandings exceed the Domestic Loan Cap as then in effect.

(e) If for any reason the UK Total Outstandings at any time exceed the UK Loan Cap as then in effect, the UK Borrower shall promptly prepay the UK Loans and UK L/C Borrowings and Cash Collateralize the UK L/C Obligations (other than UK L/C Borrowings) in an aggregate amount equal to such excess; provided, however, that the UK Borrower shall not be required to Cash Collateralize the UK L/C Obligations (other than UK L/C Borrowings) pursuant to this Section 2.05(d) unless after the prepayment in full of the UK Loans the UK Total Outstandings exceed the UK Loan Cap as then in effect.

(f) Upon the occurrence and during the continuance of a Cash Dominion Event, the Borrowers shall prepay the Loans and, if an Event of Default has occurred and is continuing, Cash Collateralize the L/C Obligations, in each case to the extent required pursuant to the provisions of Section 6.12 hereof.

(g) In the case of Loans and Letters of Credit denominated in Optional Currencies, the Agent shall with the delivery of each Borrowing Base Certificate, and may, at its discretion, at other times, recalculate the aggregate exposure under such Loans and Letters of Credit denominated in Optional Currencies at any time to account for fluctuations in exchange rates affecting the Optional Currencies in which any such non-U.S. dollar loans and Letters of Credit are denominated. The Borrowers shall promptly make payments in accordance with the provisions of Section 2.05(c) and (e) hereof, to the extent necessary as a result of any such recalculation.

(h) Prepayments made pursuant to Section 2.05(d) and, with respect to Cash Receipts of the Domestic Loan Parties, Section 2.05(c) above, first, shall be applied ratably to the Domestic L/C Borrowings and the Domestic Swing Line Loans, second, shall be applied ratably to the outstanding Domestic Committed Loans, third, after the occurrence and during the continuance of an Event of Default, shall be used to Cash Collateralize the remaining Domestic L/C Obligations; fourth, shall be applied ratably to any other Loan Agreement Obligations that are then due and owing, and, fifth, the amount remaining, if any, after the application of prepayments pursuant to clauses first through fourth above shall be deposited by the Agent in a deposit account of the Domestic Borrower and may be utilized by the Domestic Borrower in the ordinary course of its business to the extent otherwise permitted hereunder. Upon the drawing of any Letter of Credit that has been Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from the Domestic Borrower or any other Domestic Loan Party) to reimburse the Domestic L/C Issuer or the Domestic Lenders, as applicable, and, to the extent not so applied, shall thereafter be applied to satisfy other Loan Agreement Obligations that are then due and owing.

(i) Prepayments made pursuant to Section 2.05(e) and, with respect to Cash Receipts of the UK Loan Parties, Section 2.05(c) above, first, shall be applied ratably to the UK L/C Borrowings and the UK Swing Line Loans, second, shall be applied ratably to the outstanding UK Committed Loans, third, after the occurrence and during the continuance of an Event of Default, shall be used to Cash Collateralize the remaining UK L/C Obligations; and fourth, the amount remaining, if any, after the application of prepayments pursuant to clauses first through third above shall be deposited by the Agent in a deposit account of the UK Borrower and may be utilized by the UK Borrower in the ordinary course of its business to the extent otherwise permitted hereunder. Upon the drawing of any Letter of Credit that has been Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from the UK Borrower or any other UK Loan Party) to reimburse the L/C Issuer or the UK Lenders, as applicable.

2.06 Termination or Reduction of Commitments.

(a) The Domestic Borrower may, upon irrevocable notice from the Domestic Borrower to the Agent, terminate the Domestic Total Commitments, the Domestic Swing Line Sublimit or the Domestic Letter of Credit Sublimit or from time to time permanently reduce in part the Domestic Total Commitments, the Domestic Swing Line Sublimit or the Domestic Letter of Credit Sublimit; provided that (i) any such notice shall be received by the Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction (or such later date as the Agent may agree), (ii) any such partial reduction shall be in an aggregate amount of $5,000,000 or any whole multiple of $1,000,000 in excess thereof and (iii) the Domestic Borrower shall not terminate or reduce (A) the Domestic Total Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Domestic Total Outstandings would exceed the Domestic Total Commitments, (B) the Domestic Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of Domestic L/C Obligations (other than Domestic L/C Borrowings) not fully Cash Collateralized hereunder would exceed the Domestic Letter of Credit Sublimit, or (C) the Domestic Swing Line Sublimit if, after giving effect thereto, and to any concurrent payments hereunder, the Outstanding Amount of Swing Line Loans made to the Domestic Borrower hereunder would exceed the Domestic Swing Line Sublimit.

(b) The UK Borrower may, upon irrevocable notice from the UK Borrower to the Agent, terminate the UK Total Commitments, the UK Swing Line Sublimit or the UK Letter of Credit Sublimit or from time to time permanently reduce in part the UK Total Commitments, the UK Swing Line Sublimit or the UK Letter of Credit Sublimit; provided that (i) any such notice shall be received by the Agent not later than 11:00 a.m. (London time) five Business Days prior to the date of termination or reduction (or such later date as the Agent may agree), (ii) any such partial reduction shall be in an aggregate amount of $2,000,000 or any whole multiple of $500,000 in excess thereof and (iii) the UK Borrower shall not terminate or reduce (A) the UK Total Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the UK Total Outstandings would exceed the UK Total Commitments, (B) the UK Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of UK L/C Obligations (other than UK L/C Borrowings) not fully Cash Collateralized hereunder would exceed the UK Letter of Credit Sublimit, or (C) the UK Swing Line Sublimit if, after giving effect thereto, and to any concurrent payments hereunder, the Outstanding Amount of Swing Line Loans made to the UK Borrower hereunder would exceed the UK Swing Line Sublimit.

(c) If, after giving effect to any reduction of the Domestic Total Commitments, the Domestic Letter of Credit Sublimit or the Domestic Swing Line Sublimit exceeds the amount of the Domestic Total Commitments, such Domestic Letter of Credit Sublimit or Domestic Swing Line Sublimit shall be automatically reduced by the amount of such excess.

(d) If, after giving effect to any reduction of the UK Total Commitments, the UK Letter of Credit Sublimit or the UK Swing Line Sublimit exceeds the amount of the UK Total Commitments, such UK Letter of Credit Sublimit or UK Swing Line Sublimit shall be automatically reduced by the amount of such excess.

(e) The Agent will promptly notify the Domestic Lenders or the UK Lenders, as applicable, of any termination or reduction made pursuant to this Section 2.06. Upon any reduction of the Domestic Total Commitments, the Domestic Commitment of each Domestic Lender shall be reduced by such Domestic Lender's Applicable Percentage of such reduction amount. Upon any reduction of the UK Total Commitments, the UK Commitment of each UK Lender shall be reduced by such UK Lender's Applicable Percentage of such reduction amount.

2.07 Repayment of Obligations.

(a) The Domestic Borrower shall repay to the Domestic Lenders on the Termination Date all Loan Agreement Obligations outstanding on such date (other than contingent indemnification obligations for which claims have not been asserted), and shall cause each Letter of Credit to be returned to the applicable L/C Issuer undrawn or shall Cash Collateralize all L/C Obligations (to the extent not previously Cash Collateralized as required herein).

(b) The UK Borrower shall repay to the UK Lenders on the Termination Date all UK Liabilities under the Loan Documents outstanding on such date (other than contingent indemnification obligations for which claims have not been asserted), and shall cause each Letter of Credit to be returned to the applicable L/C Issuer undrawn or shall Cash Collateralize all L/C Obligations of the UK Borrower (to the extent not previously Cash Collateralized as required herein).

2.08 Interest.

(a) Subject to the provisions of Section 2.08(b) below, (i) each LIBOR Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Adjusted LIBOR Rate for such Interest Period plus the Applicable Margin for LIBOR Rate Loans plus (in the case of a LIBOR Rate Loan of any Lender to the UK Borrower which is lent from a

Lending Office in the United Kingdom or a Participating Member State) the Mandatory Cost; (ii) each Euribor Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Euribor Rate for such Interest Period plus the Applicable Margin for Euribor Rate Loans plus (in the case of a Euribor Rate Loan of any Lender to the UK Borrower which is lent from a Lending Office in the United Kingdom or a Participating Member State) the Mandatory Cost, (iii) each Base Rate Loan made to the Domestic Borrower shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin for Base Rate Loans; (iv) each UK Base Rate Loan made to the UK Borrower shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the UK Base Rate plus the Applicable Margin for UK Base Rate Loans; and (v) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate or UK Base Rate, as applicable, plus the Applicable Margin for Base Rate Loans or UK Base Rate Loans.

(b) If any Event of Default exists, then the Agent may, and upon the request of the Required Lenders shall, notify the Domestic Borrower that all outstanding Loan Agreement Obligations shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate and thereafter (for so long as such Event of Default is continuing) such Loan Agreement Obligations shall bear interest at the Default Rate to the fullest extent permitted by Law. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Except as provided in Section 2.08(b), interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees. In addition to certain fees described in subsections (i) and (j) of Section 2.03:

(a) Commitment Fee. The Domestic Borrower shall pay to the Agent for the account of each Lender in accordance with its Applicable Percentage, a commitment fee equal to the Commitment Fee Percentage *multiplied by* the actual daily amount by which the Aggregate Commitments exceed the Total Outstandings (subject to adjustment as provided in Section 2.16) during the immediately preceding quarter. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the 5th day subsequent to the last day of each April, July, October and January, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period. Solely for purposes of calculating the commitment fees owing pursuant to this Section 2.09(a), Swing Line Loans shall not be included in determining Total Outstandings.

(b) Other Fees. The Borrowers shall pay to the Arranger and the Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees. All computations of interest for Base Rate Loans or UK Base Rate Loans when the Base Rate or UK Base Rate is determined by the Agent's "prime rate" shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed or, in the case of interest in respect of Committed Loans denominated in Optional Currencies as to which market practice differs from the foregoing, in accordance with such market practice as reasonably determined by the Agent. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if

computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by the Agent (the "Loan Account") in the ordinary course of business. In addition, each Lender may record in such Lender's internal records, an appropriate notation evidencing the date and amount of each Loan from such Lender, each payment and prepayment of principal of any such Loan, and each payment of interest, fees and other amounts due in connection with the Loan Agreement Obligations due to such Lender. The accounts or records maintained by the Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Loan Agreement Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Agent in respect of such matters, the accounts and records of the Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Agent, the Borrowers shall execute and deliver to such Lender (through the Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto. Upon receipt of an affidavit of a Lender as to the loss, theft, destruction or mutilation of such Lender's Note and upon cancellation of such Note, the Borrowers will issue, in lieu thereof, a replacement Note in favor of such Lender, in the same principal amount thereof and otherwise of like tenor.

(b) In addition to the accounts and records referred to in Section 2.11(a), each Lender and the Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Agent shall control in the absence of manifest error.

2.12 Payments Generally; Agent's Clawback.

(a) General. All payments to be made by the Borrowers shall be made without deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder shall be made to the Agent, for the account of the respective Lenders to which such payment is owed, at the Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. Local Time on the date specified herein. Except as otherwise expressly provided herein, all payments by the Loan Parties hereunder with respect to principal and interest on Loans denominated in an Optional Currency shall be made to the Agent, for the account of the UK Lenders, at the Agent's Office in such Optional Currency and in immediately available funds not later than the Applicable Time specified by the Agent on the dates specified herein. Without limiting the generality of the foregoing, the Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, a Borrower is prohibited by any Law from making any required payment hereunder in an Optional Currency, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Optional Currency payment amount. The Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like

funds as received by wire transfer to such Lender's Lending Office. All payments received by the Agent (i) after the Applicable Time specified by the Agent in the case of payments in an Optional Currency, or (ii) otherwise after 2:00 p.m. Local Time shall, at the option of the Agent, be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrowers shall come due on a day other than a Business Day, payment shall be made on the next following Business Day (other than with respect to payment of a LIBOR Rate Loan or Euribor Rate Loan), and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Agent. Unless the Agent shall have received notice from a Lender prior to (A) the proposed date of any Borrowing of LIBOR Rate Loans or Euribor Rate Loans (or in the case of any Borrowing of Base Rate Loans or UK Base Rate Loans, prior to 12:00 noon on the date of such Borrowing), or (B) the date that such Lender's participation in a Letter of Credit or Swing Line Loan is required to be funded, that such Lender will not make available to the Agent such Lender's share of such Borrowing or participation, the Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or in the case of a Borrowing of Base Rate Loans or UK Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02), Section 2.03 or Section 2.05, as applicable, and may, in reliance upon such assumption, make available to the Borrowers, the L/C Issuer or the Swing Line Lender, as applicable, a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing or participation available to the Agent, then the applicable Lender and the Borrowers severally agree to pay to the Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrowers to but excluding the date of payment to the Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation plus any administrative processing or similar fees customarily charged by the Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrowers, the interest rate applicable to Base Rate Loans or UK Base Rate Loans. If the Borrowers and such Lender shall pay such interest to the Agent for the same or an overlapping period, the Agent shall promptly remit to the Borrowers the amount of such interest paid by the Borrowers for such period. If such Lender pays its share of the applicable Committed Borrowing or participation to the Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing or participation in such Letter of Credit or Swing Line Loan. Any payment by the Borrowers shall be without prejudice to any claim the Borrowers may have against a Lender that shall have failed to make such payment to the Agent.

(ii) Payments by Borrowers; Presumptions by Agent. Unless the Agent shall have received notice from the Domestic Borrower prior to the time at which any payment is due to the Agent for the account of any of the Lenders or the L/C Issuer hereunder that the Borrowers will not make such payment, the Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in immediately available funds 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 Agent, at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation. A notice of the Agent to any Lender or the Domestic Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrowers by the Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof (subject to the provisions of the last paragraph of Section 4.02 hereof), the Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments hereunder are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment hereunder on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan, to purchase its participation or to make its payment hereunder.

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(f) Currency. Loans shall be funded and payments shall be made in respect of Optional Currencies in the applicable Optional Currency. Letters of Credit denominated in an Optional Currency shall be reimbursed by the applicable Borrower in that Optional Currency. All obligations of the Lenders with respect to Letters of Credit will be immediately due and payable in Dollars, provided that the amount of any amounts denominated in an Optional Currency will be redenominated into Dollars.

2.13 Sharing of Payments by Lenders. If any Credit Party shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of, interest on, or other amounts with respect to, any of the Loan Agreement Obligations resulting in such Credit Party's receiving payment of a proportion of the aggregate amount of such Loan Agreement Obligations greater than its pro rata share thereof as provided herein (including as in contravention of the priorities of payment set forth in Section 8.03), then the Credit Party receiving such greater proportion shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Loan Agreement Obligations (or UK Liabilities, as applicable) of the other Credit Parties, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Credit Parties ratably and in the priorities set forth in Section 8.03, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by the Loan Parties pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than to the Borrowers or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Settlement Amongst Lenders.

(a) The amount of each Lender's Applicable Percentage of outstanding Loans (including, for clarity, outstanding Swing Line Loans), shall be computed weekly (or more frequently in the Agent's discretion) and shall be adjusted upward or downward based on all Loans and repayments of Loans received by the Agent as of 3:00 p.m. Local Time on the first Business Day (such date, the "Settlement Date") following the end of the period specified by the Agent.

(b) The Agent shall deliver to each of the Lenders promptly after a Settlement Date a summary statement of the amount of outstanding Loans for the period and the amount of repayments received for the period. As reflected on the summary statement, (i) the Agent shall transfer to each Lender its Applicable Percentage of repayments, and (ii) each Lender shall transfer to the Agent (as provided below) or the Agent shall transfer to each Lender, such amounts as are necessary to insure that, after giving effect to all such transfers, the amount of Loans made by each Lender shall be equal to such Lender's Applicable Percentage of all Loans outstanding as of such Settlement Date. If the summary statement requires transfers to be made to the Agent by the Lenders and is received prior to 1:00 p.m. Local Time on a Business Day, such transfers shall be made in immediately available funds no later than 3:00 p.m. Local Time that day; and, if received after 1:00 p.m. Local Time, then no later than 3:00 p.m. Local Time on the next Business Day. The obligation of each Lender to transfer such funds is irrevocable, unconditional and without recourse to or warranty by the Agent. If and to the extent any Lender shall not have so made its transfer to the Agent, such Lender agrees to pay to the Agent, forthwith on demand such amount, together with interest thereon, for each day from such date until the date such amount is paid to the Agent, equal to the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation plus any administrative, processing, or similar fees customarily charged by the Agent in connection with the foregoing.

2.15 Increase in Commitments.

(a) Request for Increase. Provided no Event of Default then exists or would arise therefrom, upon notice to the Agent (which shall promptly notify the Lenders), the Borrowers may from time to time, request an increase in the Aggregate Commitments by an amount (for all such requests) not exceeding $100,000,000 (of which $10,000,000 in the aggregate may be allocated to increase the UK Commitments); provided that (i) any such request for an increase shall be in a minimum amount of $10,000,000 (or, in the case of any increase to the UK Commitments, $5,000,000), and (ii) the Borrowers may make a maximum of five (5) such requests. At the time of sending such notice, the Borrowers (in consultation with the Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders unless the Borrowers, in their discretion, specify a longer time period).

(b) Lender Elections to Increase. Each Lender shall notify the Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment. For the avoidance of doubt, no Lender shall have any obligation to increase its Commitment under this Section 2.15.

(c) Notification by Agent; Additional Lenders. The Agent shall notify the Domestic Borrower and each Lender of the Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Agent and the Domestic Borrower (whose approval shall not be unreasonably withheld), to the extent that the existing Lenders decline to increase their Commitments, or decline to increase their Commitments to the amount requested by the

Borrowers, the Domestic Borrower may arrange for other Eligible Assignees to become a Lender hereunder (each such Lender a "New Commitment Lender", and together with each existing Lender that provides and additional commitment pursuant to a request by the Borrowers under this Section 2.15, an "Additional Commitment Lender") and to issue commitments in an amount equal to the amount of the increase in the Aggregate Commitments requested by the Borrowers and not accepted by the existing Lenders, *provided, however,* that without the consent of the Agent, at no time shall the Commitment of any New Commitment Lender be less than $5,000,000.

(d) Effective Date and Allocations. If the Aggregate Commitments are increased in accordance with this Section, the Agent, in consultation with the Borrowers, shall determine the effective date (the "Increase Effective Date") and the final allocation of such increase. The Agent shall promptly notify the Borrowers and the Lenders of the final allocation of such increase and the Increase Effective Date and on the Increase Effective Date (i) the Aggregate Commitments under, and for all purposes of, this Agreement shall be increased by the aggregate amount of such Commitment Increases, and (ii) Schedule 2.01 shall be deemed modified, without further action, to reflect the revised Commitments and Applicable Percentages of the Lenders. Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant by the Agent and the Domestic Borrower, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the additional commitments incurred pursuant to this section, (ii) make such other changes to this Agreement and the other Loan Documents (without the consent of the Required Lenders) and (iii) effect such other amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Agent and the Domestic Borrower, to effect the provisions of this Section, and the Required Lenders hereby expressly authorize the Agent to enter into any such amendment.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, (i) the Domestic Borrower shall deliver to the Agent (a) a certificate of each applicable Borrower dated as of the Increase Effective Date signed by a Responsible Officer of such Borrower certifying and attaching the resolutions adopted by such Borrower approving or consenting to such increase, (b) a certificate of the Domestic Borrower that (1) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects on and as of the Increase Effective Date, except (A) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (B) in the case of any representation and warranty qualified by materiality, in which case they shall be true and correct in all respects, and (C) except that for purposes of this Section 2.15, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01, and (2) before and after giving effect to such increase, no Event of Default exists or would arise therefrom, (ii) the Loan Parties, the Agent, and any Additional Commitment Lender shall have executed and delivered a joinder to the Loan Documents in such form as the Agent shall reasonably require; (iii) the Borrowers shall have paid such fees and other compensation to the Additional Commitment Lenders as the Domestic Borrower and such Additional Commitment Lenders shall agree; (iv) if requested by the Agent, the Borrowers shall deliver an opinion or opinions, in form and substance reasonably satisfactory to the Agent, from counsel to the Borrowers reasonably satisfactory to the Agent and dated such date; (v) the Borrowers and the Additional Commitment Lender shall have delivered such other instruments, documents and agreements as the Agent may reasonably have requested; and (vi) no Event of Default exists. Any Committed Loans outstanding on the Increase Effective Date shall be automatically adjusted to the extent necessary to keep the outstanding Committed Loans ratable with any revised Applicable Percentages arising from any nonratable increase in the Commitments under this Section. Any increase under this Section 2.15 shall be on terms identical to those applicable to the existing Commitments, except with respect to any commitment, arrangement, upfront or similar fees that may be agreed to among the Loan Parties and the Lenders and Additional Commitment Lenders agreeing to participate in such increase.

(f) Conflicting Provisions. This Section shall supersede any provisions in Sections 2.13 or 10.01 to the contrary.

2.16 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 10.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 10.08 shall be applied at such time or times as may be determined by the Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the L/C Issuer or Swing Line Lender hereunder; third, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender (after giving effect to Section 2.16(a)(iv)); fourth, as the applicable Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; fifth, if so determined by the Agent and the applicable Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement (after giving effect to Section 2.16(a)(iv)); sixth, to the payment of any amounts owing to the Non-Defaulting Lenders, the L/C Issuer or the Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata

in accordance with the Commitments hereunder without giving effect to Section 2.16(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee payable under Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.03(g).

(C) With respect to any fee payable under Section 2.09(a) or any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrowers shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Line Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the L/C Issuer and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Borrowers shall have otherwise notified the Agent at such time, the Borrowers shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Outstanding Amount of Loan Agreement Obligations of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrowers shall, without prejudice to any right or remedy available to them hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lenders' Fronting Exposure (provided that such prepayment shall be applied to reduce such Defaulting Lender's participation in such Swing Line Loans, and shall not reduce the participation of any Non-Defaulting Lender in such Swing Line Loans) and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.03(g).

(b) Defaulting Lender Cure. If the applicable Borrower, the Agent, the Swing Line Lender and the L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Committed Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.16(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.17 Extensions of Loans.

(a) Extension of Commitments. The Borrowers may at any time and from time to time request that all or a portion of the Commitments of a given Type (each, an "Existing Revolver Tranche") be amended to extend the Maturity Date with respect to all or a portion of any principal amount of such Commitments (any such Commitments which have been so amended, "Extended Commitments") and to provide for other terms consistent with this Section 2.17; provided that there shall be no more than three (3) Types of Commitments outstanding at any time. In order to establish any Extended Commitments, the Borrowers shall provide a notice to the Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Revolver Tranche) (each, an "Extension Request") setting forth the proposed terms (which shall be determined in consultation with the Agent) of the Extended Commitments to be established, which shall (x) be identical as offered to each Lender under such Existing Revolver Tranche (including as to the proposed interest rates and fees payable) and offered pro rata to each Lender under such Existing Revolver Tranche and (y) be identical to the Commitments under the Existing Revolver Tranche from which such Extended Commitments are to be amended, except that: (i) the Maturity Date of the Extended Commitments shall be later than the Maturity Date of the Commitments of such Existing Revolver Tranche, (ii) the Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the Extension Amendment (immediately prior to the establishment of such Extended Commitments); (iii) the Extension Amendment may provide for different fees and interest rates with respect to the Extended Commitments; and (iv) all borrowings under the Commitments and repayments thereunder shall be made on a pro rata basis (except for (I) payments of interest and fees at different rates on Extended Commitments (and related outstandings) in accordance with clause (iii) and (II) repayments required upon the termination date of the non-extending Commitments); provided further, that (A) the conditions precedent to a Borrowing set forth in Section 4.02 shall be satisfied as of the date of such Extension Amendment, (B) in no event shall the final maturity date of any Extended Commitments of a given Extension Series at the time of establishment thereof be earlier than the then Latest Maturity Date of any other Revolving Commitments hereunder, (C) any such Extended Commitments (and the Liens securing the same) shall be permitted by the terms of the Intercreditor Agreement (to the extent then in effect) and (D) all documentation in respect of the

such Extension Amendment shall be consistent with the foregoing. Any Extended Commitments created pursuant to any Extension Request shall be designated a series (each, an "Extension Series") of Extended Commitments for all purposes of this Agreement; provided that any Extended Commitments may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Extension Series. Each Extension Series of Extended Commitments incurred under this Section 2.17 shall be in an aggregate principal amount equal to not less than $75,000,000.

(b) Extension Request. The Domestic Borrower shall provide the applicable Extension Request at least five (5) Business Days (or such shorter period as may be agreed by the Agent) prior to the date on which Lenders under the Existing Revolver Tranche are requested to respond, and shall agree to such other procedures, if any, as may be established by the Agent, acting reasonably, to accomplish the purposes of this Section 2.17. No Lender shall have any obligation to agree to provide any Extended Commitment pursuant to any Extension Request. Any Lender (each, an "Extending Lender") wishing to have all or a portion of its Commitments under the Existing Revolver Tranche subject to such Extension Request amended into Extended Commitments shall notify the Agent (each, an "Extension Election") on or prior to the date specified in such Extension Request of the amount of its Commitments under the Existing Revolver Tranche which it has elected to request be amended into Extended Commitments (subject to any minimum denomination requirements imposed by the Agent). In the event that the aggregate principal amount of Commitments under the Existing Revolver Tranche in respect of which applicable Lenders shall have accepted the relevant Extension Request exceeds the amount of Commitments requested to be extended pursuant to the Extension Request, Commitments subject to Extension Elections shall be accepted ratably in accordance with the amount of Commitments offered to be subject to extension.

(c) New Revolving Commitment Lenders. Following any Extension Request made by the Borrowers in accordance with Sections 2.17(a) and 2.17(b), if the Lenders shall have declined to agree during the period specified in Section 2.17(b) above to provide Extended Commitments in an aggregate principal amount equal to the amount requested by the Borrowers in such Extension Request, the Borrowers may request that existing Lenders and/or banks, financial institutions or other institutional lenders or investors other than the Lenders which qualify as Eligible Assignees (each such Lender or other Person, the "New Commitment Extending Lenders"), provide an Extended Commitment hereunder (each such Extended Commitment provided by a New Commitment Extending Lender pursuant to this sentence, a "New Extended Commitment"); provided that such Extended Commitments of such New Commitment Extending Lenders (i) shall be in an aggregate principal amount for all such New Commitment Extending Lenders not to exceed the aggregate principal amount of Extended Commitments so declined to be provided by the existing Lenders and (ii) shall be on the terms specified in the applicable Extension Request (and any Extended Commitments provided by existing Lenders in respect thereof); provided further that, as a condition to the effectiveness of any Extended Commitment of any New Commitment Extending Lender, the Agent, the L/C Issuer and the Swing Line Lender shall have consented (such consent not to be unreasonably withheld) to each New Commitment Extending Lender if such consent would be required under Section 10.06(b) for an assignment of Commitments to such Person. Upon effectiveness of the Extension Amendment to which each such New Commitment Extending Lender is a party, (a) the Commitments of all existing Lenders of each Type specified in the Extension Amendment in accordance with this Section 2.17 will be permanently reduced pro rata by an aggregate amount equal to the aggregate principal amount of the Extended Commitments of such New Commitment Extending Lenders and (b) the Commitment of each such New Commitment Extending Lender will become effective. The Extended Commitments of New Commitment Extending Lenders

will be incorporated as Commitments hereunder in the same manner in which Extended Commitments of existing Lenders are incorporated hereunder pursuant to this Section 2.17, and for the avoidance of doubt, all Borrowings and repayments of Loans from and after the effectiveness of such Extension Amendment shall be made pro rata across all Types of Commitments including the Commitments of such New Commitment Extending Lenders (based on the outstanding principal amounts of the respective Types of Commitments) except for (x) payments of interest and fees at different rates for each Type of Commitments and (y) repayments required on the Maturity Date for any particular Type of Commitments. Upon the effectiveness of each New Extended Commitment pursuant to this Section 2.17(c), (a) each Lender of all applicable existing Types of Commitments immediately prior to such effectiveness will automatically and without further act be deemed to have assigned to each New Commitment Extending Lender, and each such New Commitment Extending Lender will automatically and without further act be deemed to have assumed, a portion of such Lender's participations hereunder in outstanding Letters of Credit and Swing Line Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the outstanding (i) participations hereunder in Letters of Credit and (ii) participations hereunder in Swing Line Loans held by each Lender of each Type of Commitments (including each such New Commitment Extending Lender) will equal the percentage of the aggregate Commitments of all Types of Lenders represented by such Lender's Commitment and (b) if, on the date of such effectiveness, there are any Loans outstanding, such Loans shall on or prior to the effectiveness of such New Extended Commitment be prepaid from the proceeds of Loans outstanding after giving effect to such New Extended Commitments, which prepayment shall be accompanied by accrued interest on the Loans being prepaid and any costs incurred by any Lender in accordance with Section 3.04. The Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

(d) Extension Amendment. Extended Commitments and New Extended Commitments shall be established pursuant to an amendment (each, an "Extension Amendment") to this Agreement among the Borrowers, the Agent and each Extending Lender and each New Commitment Extending Lender, if any, providing an Extended Commitment or a New Extended Commitment, as applicable, thereunder, which shall be consistent with the provisions set forth in Sections 2.17(a), (b) and (c) above (but which shall not require the consent of any other Lender). As a condition precedent to the effectiveness of any Extension Amendment, (i) the Domestic Borrower shall deliver to the Agent (a) a certificate of the applicable Borrower dated as of the effective date of such Extension Amendment signed by a Responsible Officer of such Borrower certifying and attaching the resolutions adopted by such Borrower approving or consenting to such extension, (b) a certificate of the Domestic Borrower that (1) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects on and as of such effective date, except (A) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (B) in the case of any representation and warranty qualified by materiality, in which case they shall be true and correct in all respects, and (C) except that for purposes of this Section 2.17, the representations and warranties contained in subsections (a) and (b) of Section 5.07 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a), (b) and (c), respectively, of Section 6.01, and (2) before and after giving effect to such increase, no Event of Default exists or would arise therefrom, (ii) the Borrowers shall have paid such fees and other compensation to the Extending Lenders as the Domestic Borrower and such Extending Lenders shall agree; (iii) if requested by the Agent, the Borrowers shall deliver an opinion or opinions, in form and substance reasonably satisfactory to the Agent, from counsel to the Borrowers reasonably satisfactory to the Agent and dated such

date; (iv) the Loan Parties and the Extending Lenders shall have delivered such other instruments, documents and agreements as the Agent may reasonably have requested (including, without limitation, reaffirmation agreements and/or such amendments to the Collateral Documents as may be reasonably requested by the Agent in order to ensure that the Extended Commitments or the New Extended Commitments, as the case may be, are provided with the benefit of the applicable Loan Documents); and (v) no Default or Event of Default exists. The Agent shall promptly notify each Lender as to the effectiveness of each Extension Amendment. Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to an Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Extended Commitments or the New Extended Commitments, as the case may be, incurred pursuant thereto, (ii) make such other changes to this Agreement and the other Loan Documents (without the consent of the Required Lenders) and (iii) effect such other amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Agent and the Domestic Borrower, to effect the provisions of this Section, and the Required Lenders hereby expressly authorize the Agent to enter into any such Extension Amendment.

(e) No conversion of Loans pursuant to any Extension in accordance with this Section 2.17 shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

ARTICLE III
TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) 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 Laws. If any applicable Laws (as determined in the good faith discretion of the Agent) require the deduction or withholding of any Tax from any such payment by the Agent or a Loan Party, then the Agent or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party or the Agent shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrowers. Without limitation or duplication of the provisions of subsection (a) above, the Borrowers shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) In respect of the Domestic Loans, the Domestic Loan Parties shall, and each Domestic Loan Party does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof 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 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and 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 Domestic Borrower by a Lender or the L/C Issuer (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error.

(ii) Each Lender and the L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) the Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that any Loan Party has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (y) the Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participant Register and (z) the Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender or the L/C Issuer, in each case, that are payable or paid by the Agent or a Loan Party 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 Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Agent under this clause (ii).

(d) Evidence of Payments. Upon request by the Domestic Borrower or the Agent, as the case may be, after any payment of Taxes by any Borrower or by the Agent to a Governmental Authority as provided in this Section 3.01, the Domestic Borrower shall deliver to the Agent or the Agent shall deliver to the Domestic Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Domestic Borrower or the Agent, as the case may be.

(e) Status of Recipients; Tax Documentation.

(i) Any Recipient 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 Domestic Borrower and the Agent, at the time or times reasonably requested by the Domestic Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Domestic Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Recipient, if reasonably requested by the Domestic Borrower or the Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Domestic Borrower or the Agent as will enable the Domestic Borrower or the Agent to determine whether or not such Recipient 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 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Recipient's reasonable judgment such completion, execution or submission would subject such Recipient to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Recipient.

(ii) Without limiting the generality of the foregoing, in the event that the Domestic Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Domestic Borrower and the 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 the Domestic Borrower or the 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 the Domestic Borrower and the 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 the Domestic Borrower or the Agent), whichever of the following is applicable:

(I) 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 a 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;

(II) executed originals of IRS Form W-8ECI;

(III) (x) a certificate substantially in the form of Exhibit G-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 the 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

(IV) to the extent that the 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 G-2 or Exhibit G-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 G-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 the Domestic Borrower and the 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 the Domestic Borrower or the 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 the Domestic Borrower or the 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 the Domestic Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Domestic Borrower or the 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 the Domestic Borrower or the Agent as may be necessary for the Domestic Borrower and the 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.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Domestic Borrower and the Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. If any Recipient 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 by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant

Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) UK Loan Parties Excluded. Notwithstanding anything in this Section 3.01 to the contrary, for the avoidance of doubt, the UK Loan Parties shall be excluded from the provisions of this Section 3.01 and instead shall be governed with respect to tax matters by Section 1.04.

(h) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Loan Agreement Obligations.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund LIBOR Rate Loans or Euribor Rate Loans, or to determine or charge interest rates based upon the LIBOR Rate or the Euribor Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Domestic Borrower through the Agent, (i) any obligation of such Lender to make or continue LIBOR Rate Loans or Euribor Rate Loans or to Convert Base Rate Loans or UK Base Rate Loans to LIBOR Rate Loans or Euribor Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans, the interest rate on which is determined by reference to the LIBOR Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Agent without reference to the LIBOR Rate component of the Base Rate, in each case, until such Lender notifies the Agent and the Domestic Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrowers shall, upon demand from such Lender (with a copy to the Agent), prepay or, if applicable, Convert all LIBOR Rate Loans or Euribor Rate Loans of such Lender to Base Rate Loans or UK Base Rate Loans, as applicable (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Agent without reference to the LIBOR Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBOR Rate Loans or Euribor Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBOR Rate Loans or Euribor Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the LIBOR, the Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the LIBOR Rate component thereof until the Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the LIBOR Rate. Upon any such prepayment or Conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or Converted.

3.03 Inability to Determine Rates. If the Required Lenders determine that for any reason in connection with any request for a LIBOR Rate Loan or Euribor Rate Loans or a Conversion to or continuation thereof that (a) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and Interest Period of such LIBOR Rate Loan, (b) adequate and reasonable means do not exist for determining the LIBOR Rate or Euribor Rate Loans for any requested Interest Period with respect to a proposed LIBOR Rate Loan or Euribor Rate Loan , or (c) the LIBOR Rate or Euribor Rate, as applicable,for any requested Interest Period with respect to a proposed LIBOR Rate Loan or Euribor Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Agent will promptly so notify the applicable Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain LIBOR Rate Loans or Euribor Rate Loans shall be suspended, and (y) in the event of a determination described in the preceding sentence with respect to the LIBOR Rate component of the Base Rate, the utilization of the LIBOR Rate component in determining the Base Rate shall be suspended, in each case until the until the Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the applicable Borrower may revoke any pending request for a Borrowing of, Conversion to or continuation of LIBOR Rate Loans or Euribor Rate Loans or, failing that, will be deemed to have Converted such request into a request for a Committed Borrowing of Base Rate Loans or UK Base Rate Loans, as applicable,in the amount specified therein.

3.04 Increased Costs; Reserves on LIBOR Rate Loans and Euribor Rate Loans.

(a) Increased Costs Generally. If any Change in Law occurring after the date that such Lender or L/C Issuer first became a Lender or L/C Issuer, as applicable, shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e) or otherwise reflected in the LIBOR Rate and (B) the requirements of the Bank of England and/or the Financial Conduct Authority and/or the Prudential Regulation Authority and/or the European Central Bank reflected in the Mandatory Cost, other than as set forth below) or the L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Excluded Taxes, (C) Other Taxes, (D) any Tax Deduction required by Law to be made to a UK Loan Party and (E) any Taxes compensated for under Section 1.04(c)(i) through (iv) or which would have been compensated for under Sections 1.04(c)(i) to (iv) but are not so compensated solely because any of the exclusions in Section 1.04(b)(iv) apply) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(iii) result in the failure of the Mandatory Cost, as calculated hereunder, to represent the cost to any Lender of complying with the requirements of the Bank of England and/or the Financial Conduct Authority and/or the Prudential Regulation Authority and/or the European Central Bank in relation to its making, funding or maintaining LIBOR Rate Loans or Euribor Rate Loans; or

(iv) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or LIBOR Rate Loans or Euribor Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any LIBOR Rate Loan or Euribor Rate Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate

in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrowers will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law occurring after the date that such Lender or L/C Issuer first became a Lender or L/C Issuer, as applicable, affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital or liquidity of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the applicable Borrower shall include a written statement setting forth in reasonable detail the basis for calculating such amount or amounts and be conclusive absent manifest error. The Borrowers shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the Borrowers shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the applicable Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on LIBOR Rate Loans and Euribor Rate Loans. The Borrowers shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each LIBOR Rate Loan or Euribor Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the applicable Borrower shall have received at least 10 days' prior notice (with a copy to the Agent) of such additional interest from such Lender, together with a written statement setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this Section 3.04(e). If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

3.05 Compensation for Losses. Upon demand of any Lender (with a copy to the Agent), which demand shall include a written statement, setting forth in reasonable detail the basis for calculating amounts owed to such Lender pursuant to this Section 3.05, from time to time, the Borrowers shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense actually incurred, without duplication of any amounts to which a Lender is otherwise entitled pursuant to the other provisions of this Article III, by it as a result of:

(a) any continuation, Conversion, payment or prepayment of any Loan other than a Base Rate Loan or UK Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrowers (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or Convert any Loan other than a Base Rate Loan or UK Base Rate Loan on the date or in the amount notified by the applicable Borrower;

(c) any failure by the Borrowers to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in an Optional Currency on its scheduled due date or any payment thereof in a different currency; or

(d) any assignment of a LIBOR Rate Loan or Euribor Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the applicable Borrower pursuant to Section 10.13;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained (but excluding any loss of anticipated profits). The Borrowers shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrowers to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each LIBOR Rate Loan or Euribor Rate Loan made by it at the LIBOR Rate or Euribor Rate for such Loan by a matching deposit or other borrowing in the London interbank market for a comparable amount and for a comparable period, whether or not such LIBOR Rate Loan or Euribor Rate Loan was in fact so funded.

3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender or L/C Issuer requests compensation under Section 3.04, or requires the Borrowers to pay any additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender or L/C Issuer 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 judgment of such Lender or L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or L/C Issuer to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or L/C Issuer. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender or L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, has invoked the provisions of Section 3.02, or if the Borrowers are required to pay any additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 3.06(a) that eliminates such increased compensation or other additional amounts, the Borrowers may replace such Lender in accordance with Section 10.13.

3.07 Survival. All of the Borrowers' obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Loan Agreement Obligations hereunder, and resignation of the Agent.

ARTICLE IV
CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Credit Extension. The obligation of the L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent:

(a) The Agent's receipt of the following, each of which shall be originals, telecopies or other electronic image scan transmission (e.g., "pdf" or "tif" via e-mail) (followed promptly by originals) unless otherwise specified, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date):

(i) counterparts of this Agreement each properly executed by a Responsible Officer of the signing Loan Party and the Lenders in such number as the Agent may request;

(ii) a Note executed by the Borrowers in favor of each Lender requesting a Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Agent may require evidencing (A) the authority of each Loan Party to enter into this Agreement and the other Loan Documents to which such Loan Party is a party or is to become a party and (B) the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to become a party and each in form and substance reasonably satisfactory to the Agent;

(iv) copies of each Loan Party's Organization Documents and such other documents and certifications as the Agent may reasonably request as to good standing in its jurisdiction of organization;

(v) a favorable opinion of each of (i) Wachtell, Lipton, Rosen & Katz, (ii) Norton Rose Fulbright LLP, local UK counsel to the Agent, (iii) Richards, Layton & Finger, P.A., local counsel to certain Loan Parties organized in Delaware, (iv) Foley & Lardner, LLP, local counsel to the Loan Party organized in Wisconsin, and (v) general counsel to the Loan Parties, addressed to the Agent and each Lender, as to such matters concerning the Loan Parties and the Loan Documents as the Agent may reasonably request, in form and substance reasonably satisfactory to the Agent;

(vi) a certificate of a Responsible Officer of each Borrower certifying (A) that the conditions specified in Sections 4.01 and 4.02 have been satisfied, (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (C) to the Solvency of the Loan Parties, on a Consolidated basis, as of the Closing Date after giving effect to the transactions contemplated hereby, (D) to the knowledge of such Responsible Officer, that all consents, licenses or approvals required in connection with the execution, delivery and performance by the Loan Parties of the Loan Documents to which they are party, if any, have been obtained and are in full force and effect; and (E) that true, correct and complete executed copies of each Separation Agreement have been furnished to the Agent, which Separation Agreements are in full force and effect;

(vii) evidence reasonably satisfactory to the Agent that all insurance required to be maintained pursuant to the Loan Documents and all endorsements in favor of the Agent required under the Loan Documents have been obtained and are in effect;

(viii) (i) a release from the agent under the SHC Credit Agreement reasonably satisfactory in form and substance to the Agent evidencing that the Loan Parties liable in respect of the SHC Credit Agreement immediately prior to the Separation have been or concurrently with the Closing Date are being released as Guarantors under the SHC Credit Agreement and the other "Loan Documents" (as defined in the SHC Credit Agreement), and all Liens securing obligations of the Loan Parties under the SHC Credit Agreement have been or concurrently with the Closing Date are being released, and (ii) to the extent reasonably requested by the Agent, evidence that all Liens securing obligations of the Loan Parties under the Existing Second Lien Notes (as defined in the SHC Credit Agreement) have been or concurrently with the Closing Date are being released;

(ix) the Security Documents (other than Mortgages to be delivered post-closing) and all other Loan Documents (to the extent to be executed on the Closing Date), each duly executed by the applicable Loan Parties;

(x) (A) an appraisal (based on net liquidation value) by a third party appraiser acceptable to the Agent of all Inventory of the Loan Parties, the results of which are satisfactory to the Agent, and (B) a written report regarding the results of commercial finance examinations of the Loan Parties, which shall be reasonably satisfactory to the Agent;

(xi) results of searches or other evidence reasonably satisfactory to the Agent (in each case dated as of a date reasonably satisfactory to the Agent) indicating the absence of Liens on the assets of the Loan Parties, except for Liens permitted by Section 7.01 and Liens for which termination statements and releases, satisfactions and discharges of any mortgages, in each case satisfactory to the Agent, are being tendered concurrently with such extension of credit or other arrangements satisfactory to the Agent for the delivery of such termination statements have been made;

(xii) (A) all documents and instruments (including Uniform Commercial Code financing statements) reasonably requested by the Agent to be filed, registered or recorded to create or perfect the Liens intended to be created under the Loan Documents shall have been so filed, registered or recorded to the satisfaction of the Agent and (B) the Credit Card Notifications and Blocked Account Agreements to the extent required pursuant to Section 6.12 hereof shall have been obtained;

(xiii) the Sears Tri-Party Agreement, fully executed by the Agent, the applicable Loan Parties, SHC and certain of its Subsidiaries;

(xiv) the Intercreditor Agreement, fully executed by the Agent and the Term Agent and acknowledged by the applicable Loan Parties; and

(xv) the Agent shall have received such other assurances, certificates, documents, consents or opinions as the Agent reasonably may require.

(b) After giving effect to the initial Credit Extensions hereunder, Availability shall be not less than $150,000,000.

(c) The Agent shall have received a Borrowing Base Certificate dated the Closing Date, relating to the month ended on February 28, 2014, and executed by a Responsible Officer of each Borrower.

(d) The Separation shall have occurred, or shall occur substantially simultaneously with the occurrence of the Closing Date.

(e) The Agent shall have received and be satisfied with (i) a Borrowing Base Availability analysis prepared on a monthly basis for the first twelve months after the Closing Date, and (ii) a detailed forecast prepared on a monthly basis for the first twelve months after the Closing Date and on an annual basis thereafter through the Maturity Date, which shall include Consolidated income statement, balance sheet, and statement of cash flow, in each case prepared in conformity with GAAP and consistent with the Loan Parties' then current practices.

(f) The Domestic Borrower shall have entered into or simultaneously herewith shall enter into the Term Facility and shall have received proceeds therefrom in the sum of $515,000,000.

(g) All fees required to be paid to the Agent or the Arranger on or before the Closing Date shall have been paid in full, and all fees required to be paid to the Lenders on or before the Closing Date shall have been paid in full.

(h) The Borrowers shall have paid all fees, charges and disbursements of counsel to the Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the Closing Date (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrowers and the Agent).

(i) The Agent and the Lenders shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act and the Money Laundering Regulations 2007 (UK), Proceeds of Crime Act 2002 (UK) and Terrorism Act 2000 (UK).

Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a Conversion of Committed Loans to the other Type, or a continuation of LIBOR Rate Loans or Euribor Rate Loans) and of each L/C Issuer to issue each Letter of Credit is subject to the following conditions precedent:

(a) The representations and warranties of each Loan Party contained in Article V or in any other Loan Document, shall be true and correct in all material respects on and as of the date of such Credit Extension, except (i) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, (ii) in the case of any representation and warranty qualified by materiality, in which case they shall be true and correct in all respects and (iii) for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01.

(b) No Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Agent and, if applicable, the L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

(d) After giving effect to the Credit Extension requested to be made on any such date and the use of proceeds thereof, Domestic Availability or UK Availability, as applicable, shall not be less than zero.

(e) In the case of a Credit Extension to be denominated in an Optional Currency, there shall not have occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Agent, the Required Lenders (in the case of any Loans to be denominated in an Optional Currency) or the L/C Issuer (in the case of any Letter of Credit to be denominated in an Optional Currency) would make it impracticable for such Credit Extension to be denominated in the relevant Optional Currency.

(f) In the case of any Credit Extension the proceeds of which will be used to fund a Restricted Payment, the Domestic Borrower and its Restricted Subsidiaries, taken as a whole on a Consolidated basis, shall be Solvent.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a Conversion of Committed Loans to the other Type or a continuation of LIBOR Rate Loans or Euribor Rate Loans) submitted by any Borrower shall be deemed to be a representation and warranty by the Borrowers that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension. The conditions set forth in this Section 4.02 are for the sole benefit of the Agent, the L/C Issuer and the Lenders, but until the Required Lenders otherwise direct the Agent to cease making Loans and issuing Letters of Credit, the Lenders will fund their Applicable Percentage of all Loans and

L/C Advances and participate in all Swing Line Loans and Letters of Credit whenever made or issued, which are requested by any Borrower and which, notwithstanding the failure of the Loan Parties to comply with the provisions of this Article IV, agreed to by the Agent, provided, however, the making of any such Loans or the issuance of any Letters of Credit shall not be deemed a modification or waiver by the Agent, the L/C Issuer or any Lender of the provisions of this Article IV on any future occasion or a waiver of any rights or the Agent, the L/C Issuer or any Lender as a result of any such failure to comply.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

To induce the Agent, the L/C Issuer and the Lenders to enter into this Agreement and to make Loans and to issue Letters of Credit hereunder, the Domestic Borrower and the UK Borrower, on behalf of each Loan Party, represent and warrant to the Agent, the L/C Issuer and the Lenders that:

5.01 Existence, Qualification and Power.

(a) Each Loan Party (i) is a corporation, limited liability company, partnership or limited partnership, duly incorporated, organized or formed, validly existing and, where applicable, in good standing under the Laws of the jurisdiction of its incorporation, organization or formation, (ii) has all requisite power and authority and all requisite governmental licenses, permits, authorizations, consents and approvals to (1) own or lease its assets and carry on its business and (2) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (iii) is duly qualified and is licensed and, where applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (iii), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. The Perfection Certificate sets forth, as of the Closing Date, each Loan Party's name as it appears in official filings in its state of incorporation or organization, its state of incorporation or organization, organization type, organization number, if any, issued by its state of incorporation or organization, and if applicable, its federal employer identification number.

(b) Under the law of each UK Loan Party's jurisdiction of incorporation it is not necessary that any Security Document be filed, recorded on enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to any Security Document or the transactions contemplated by any Security Document, except (a) registration of particulars of each Security Document executed by a UK Loan Party at the Companies Registration Office in England and Wales in accordance with Part 25 (Company Charges) of the Companies Act 2006 or any regulations relating to the registration of charges made under, or applying the provisions of, the Companies Act 2006 and payment of associated fees; and (b) registration of each Security Document executed by a UK Loan Party at the Land Registry or Land Charges Registry in England and Wales and payment of associated fees, and which registrations, filings and fees will be made and paid promptly after the date of each UK Security Document.

5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is or is to be a party, has been duly authorized by all necessary corporate or other organizational action, and does not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) except where such conflict would not reasonably be expected to have a Material Adverse Effect, conflict with or result in any breach, termination, or contravention of, or constitute a default under (i) any Material Contract or any Material

Indebtedness to which such Person is a party or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; (c) result in or require the creation of any Lien upon any asset of any Loan Party (other than Liens in favor of the Agent under the Security Documents and Liens permitted by Section 7.01); or (d) except where such violation would not reasonably be expected to have a Material Adverse Effect, violate any Law.

5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except for (a) the perfection or maintenance of the Liens created under the Security Documents, (b) such as have been obtained or made and are in full force and effect or (c) or as referenced in Section 5.02 above for the registration of particulars of each Security Document executed by a UK Loan Party.

5.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, 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.

5.05 Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and (ii) fairly present the financial condition of the Domestic Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b) The unaudited Consolidated balance sheet of the Domestic Borrower and its Subsidiaries dated November 2, 2013, and the related Consolidated statements of income or operations, Shareholders' Equity and cash flows for the Fiscal Quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the Domestic Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(d) To the knowledge of the Loan Parties, no Internal Control Event has occurred and is continuing that could reasonably be expected to materially impair the calculation of the Combined Borrowing Base.

(e) The Consolidated forecasted balance sheet and statements of income and cash flows of the Domestic Borrower and its Subsidiaries delivered pursuant to Section 6.01(d) were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in light of the conditions existing at the time of delivery of such forecasts.

5.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of its Restricted Subsidiaries or against any of its properties or revenues that either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.07 Reserved.

5.08 Ownership of Property; Liens.

(a) Each of the Loan Parties has good record and marketable title in fee simple to or valid leasehold interests in, all Real Estate necessary or used in the ordinary conduct of its business, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of the Loan Parties has good and marketable title to, valid leasehold interests in, or valid licenses to use all personal property and assets used in the conduct of its business except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) The Perfection Certificate sets forth the address of all Real Estate (excluding Leases) that is owned by the Loan Parties and indicates each piece of Real Estate constituting a Mortgaged Property. The Perfection Certificate sets forth the address of all Leases of the Loan Parties, together with the name of each lessor and its contact information with respect to each such Lease as of the Closing Date. As of the Closing Date, each of such Leases is in full force and effect and the Loan Parties are not in default of the terms thereof except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.09 Environmental Compliance.

(a) No Loan Party (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, except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: none of the properties currently or formerly owned or operated by any Loan Party is listed or proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list or is adjacent to any such property; there are no and never have been any underground or above-ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any property currently owned or operated by any Loan Party or, to the best of the knowledge of the Loan Parties, on any property formerly owned or operated by any Loan Party; there is no asbestos or asbestos-containing material on any property currently owned or operated by any Loan Party; and Hazardous Materials have not been released, discharged or disposed of on any property currently or formerly owned or operated by any Loan Party.

(c) Except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, no Loan Party is undertaking, and no Loan Party has completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the

order of any Governmental Authority or the requirements of any Environmental Law. All Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or formerly owned or operated by any Loan Party have been disposed of in a manner not reasonably expected to result in a Material Adverse Effect.

5.10 Insurance. The properties of the Loan Parties are insured in accordance with Section 6.07 hereof with financially sound and reputable insurance companies which are not Affiliates of the Loan Parties, in such amounts (after giving effect to any self-insurance compatible with the following standards), with such deductibles and covering such risks (including, without limitation, worker's compensation, commercial general liability, insurance on real and personal property and directors and officers liability insurance) as are reasonably determined by the Domestic Borrower and customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Loan Parties operate. The Perfection Certificate sets forth a description of all insurance maintained by or on behalf of the Loan Parties as of the Closing Date. As of the Closing Date, each insurance policy listed in the Perfection Certificate is in full force and effect and all premiums in respect thereof that are due and payable have been paid.

5.11 Taxes. The Loan Parties have filed all Federal, state and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings being diligently conducted, for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Loan Party that would, if made, have a Material Adverse Effect. As of the Closing Date, no Loan Party or any Subsidiary thereof is a party to any tax sharing agreement other than in connection with the Separation Agreements.

5.12 ERISA Compliance.

(a) Except as would not reasonably be expected to have a Material Adverse Effect, (i) each Plan and, to the knowledge of the Loan Parties, any Multiemployer Plan is in compliance with the applicable provisions of ERISA, the Code and other Federal or state laws, and (ii) each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of the Loan Parties, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan and, to the knowledge of the Loan Parties, any Multiemployer Plan that would reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or would reasonably be expected to result in a Material Adverse Effect.

(c) Except as would not reasonably be expected to have a Material Adverse Effect, (i) no ERISA Event has occurred, and neither the Domestic Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that would reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan or Multiemployer Plan; (ii) the Domestic Borrower and each ERISA Affiliate meet all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has

been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 80% or higher; (iv) neither the Domestic Borrower nor any ERISA Affiliate has incurred any unsatisfied liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither the Domestic Borrower nor any ERISA Affiliate has engaged in a transaction described in Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that would reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) With respect to any Pension Plan under the laws of any foreign jurisdiction, none of the following events or conditions exists and is continuing that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect: (a) substantial non-compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders; (b) failure to be maintained, where required, in good standing with applicable regulatory authorities; (c) any obligation of the Domestic Borrower or its Restricted Subsidiaries in connection with the termination or partial termination of, or withdrawal from, any such foreign plan; (d) any Lien on the property of the Domestic Borrower or its Restricted Subsidiaries in favor of a Governmental Authority as a result of any action or inaction regarding such a foreign plan; (e) for each such foreign plan which is a funded or insured plan, failure to be funded or insured on an ongoing basis to the extent required by applicable non-U.S. law (using actuarial methods and assumptions which are consistent with the valuations last filed with the applicable Governmental Authorities); (f) any facts that, to the knowledge of the Domestic Borrower or any of its Restricted Subsidiaries, exist that would reasonably be expected to give rise to a dispute and any pending or threatened disputes that, to the knowledge of the Domestic Borrower or any of its Restricted Subsidiaries, would reasonably be expected to result in a material liability to the Domestic Borrower or any of its Restricted Subsidiaries concerning the assets of any such foreign plan (other than individual claims for the payment of benefits); and (g) failure to make all contributions in a timely manner to the extent required by applicable non-U.S. law.

(e) No UK Loan Party is or has at any time been (a) an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pensions Schemes Act 1993); or (b)"connected" with or an "associate" (as those terms are used in sections 38 and 43 of the Pensions Act 2004) of such an employer.

(f) No UK Loan Party has been issued with a Financial Support Direction or Contribution Notice in respect of any pension scheme.

5.13 Subsidiaries; Equity Interests. As of the Closing Date, the Loan Parties have no Subsidiaries other than those disclosed in the Perfection Certificate, which sets forth the legal name, jurisdiction of incorporation or formation and authorized Equity Interests of each such Subsidiary. All of the outstanding Equity Interests in the Loan Parties (other than the Domestic Borrower) and such Subsidiaries have been validly issued, are fully paid and non-assessable (to the extent such terms are applicable in the relevant jurisdiction) and, as of the Closing Date, are owned by the Persons specified and in the amounts specified in the Perfection Certificate free and clear of all Liens other than Liens permitted by Section 7.01. Except as set forth in the Perfection Certificate, there are no outstanding rights to purchase any Equity Interests in any Subsidiary as of the Closing Date. As of the Closing Date, the Loan Parties have no equity investments in any other corporation or entity other than those specifically disclosed in the Perfection Certificate. The copies of the Organization Documents of each Loan Party and each amendment thereto provided pursuant to Section 4.01 are true and correct copies of each such document as of the Closing Date, each of which was valid and in full force and effect as of the Closing Date.

5.14 Margin Regulations; Investment Company Act.

(a) No Loan Party is engaged or will be engaged, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. None of the proceeds of the Credit Extensions shall be used directly or indirectly for the purpose of purchasing or carrying any margin stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry any margin stock or for any other purpose that might cause any of the Credit Extensions to be considered a "purpose credit" within the meaning of Regulations T, U, or X issued by the FRB.

(b) None of the Loan Parties or any Restricted Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

5.15 Disclosure. The reports, financial statements, certificates and other written information (other than as set forth below and other than information of a general economic or industry nature) furnished by or on behalf of any Loan Party to the Agent or any Lender in connection with the Transactions and the negotiation of this Agreement or delivered hereunder or under any other Loan Document, 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, and pro forma financial information, the Domestic Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time; it being understood that such financial information as it relates to future events is not to be viewed as fact and that such projections may vary from actual results and that such variances may be material.

5.16 Compliance with Laws. Each of the Loan Parties is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

5.17 Intellectual Property; Licenses, Etc. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, the Loan Parties own, or possess the right to use, all of the Intellectual Property, licenses, permits and other authorizations that are reasonably necessary for the operation of their respective businesses, without, to the knowledge of the Loan Parties, conflict with the rights of any other Person or infringement upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Loan Parties, threatened, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.18 Labor Matters.

Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, (i) there are no strikes, lockouts, slowdowns or other labor disputes against any Loan Party pending or, to the knowledge of any Loan Party, threatened; (ii) the hours worked by and payments made to employees of the Loan Parties comply with the Fair Labor Standards Act (where applicable) and any other applicable federal, state, local or foreign Law dealing with such matters; (iii) no Loan Party has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state Law; and (iv) all payments due from any Loan Party, or for which any claim may be made

against any Loan Party, on account of wages and employee health and welfare insurance and other benefits, have been paid or properly accrued in accordance with GAAP as a liability on the books of such Loan Party. Except as set forth on Schedule 5.18, as of the Closing Date, no Loan Party is a party to or bound by any collective bargaining agreement, other than in the United Kingdom where the UK Borrower is obligated to discuss matters with a Works Council which is an information and consultation body. As of the Closing Date, there are no representation proceedings pending or, to any Loan Party's knowledge, threatened to be filed with the National Labor Relations Board, and no labor organization or group of employees of any Loan Party has made a pending demand for recognition. There are no complaints, unfair labor practice charges, grievances, arbitrations, unfair employment practices charges or any other claims or complaints against any Loan Party pending or, to the knowledge of any Loan Party, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment of any employee of any Loan Party which would individually or in the aggregate reasonably be expected to result in a Material Adverse Effect. The consummation of the transactions contemplated by the Loan Documents will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Loan Party is bound.

5.19 Security Documents.

(a) The Guaranty and Security Agreement creates in favor of the Agent, for the benefit of the Credit Parties referred to therein, a legal, valid, continuing and enforceable security interest in the Collateral (as defined in the Guaranty and Security Agreement), subject to applicable bankruptcy, insolvency, reorganization, 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. Upon the making of the filings contemplated in the Guaranty and Security Agreement and/or the obtaining of "control" (as defined in the UCC) of the Collateral under the Guaranty and Security Agreement, the Agent will have a perfected Lien on, and security interest in, to and under all right, title and interest of the Loan Parties thereunder in all Collateral that may be perfected under the UCC (in effect on the date this representation is made) by filing, recording or registering a financing statement or analogous document (including without limitation the proceeds of such Collateral subject to the limitations relating to such proceeds in the UCC) or by obtaining control, in each case prior and superior in right to any other Person (other than Permitted Encumbrances which by operation of Law or the Intercreditor Agreement or any customary intercreditor agreement would have priority to the Liens securing the Obligations).

(b) Each Mortgage creates, or when executed will create in favor of the Agent, for the benefit of the Credit Parties referred to therein, a legal, valid, continuing and enforceable security interest in the applicable Mortgaged Property subject to applicable bankruptcy, insolvency, reorganization, 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. Upon the recording of each Mortgage, the Agent will have a perfected Lien on, and security interest in, to and under all right, title and interest of the Loan Parties thereunder in the applicable Mortgaged Property, in each case prior and superior in right to any other Person (other than Permitted Encumbrances which by operation of Law, the Intercreditor Agreement or any customary intercreditor agreement would have priority to the Liens securing the Obligations).

(c) The UK Security Documents have or will have the ranking in priority which it is expressed to have in the relevant UK Security Document and it is not subject to any prior ranking or pari passu ranking Collateral, save for the UK rent deposit charge dated July 7, 1999 registered against the UK Borrower in favor of Brittania Life Limited at the Companies Registration Office in England and Wales in respect to certain leasehold interests of the UK Borrower.

5.20 Solvency.

As of the Closing Date, after giving effect to the Transactions, the Domestic Borrower and its Restricted Subsidiaries, taken as a whole on a Consolidated basis, are Solvent.

5.21 Deposit Accounts; Credit Card Arrangements.

(a) The Perfection Certificate sets forth a list of all DDAs maintained by the Loan Parties as of the Closing Date, which Schedule includes, with respect to each DDA (i) the name and address of the depository; (ii) the account number(s) maintained with such depository; (iii) a contact person at such depository, and (iv) the identification of each Blocked Account Bank.

(b) The Perfection Certificate sets forth a list describing all arrangements as of the Closing Date to which any Loan Party is a party with respect to the processing and/or payment to such Loan Party of the proceeds of any credit card charges and debit card charges for sales made by such Loan Party.

5.22 Brokers. No Loan Party or Affiliate thereof has any obligation to any Person in respect of any finder's or brokerage fees in connection with the entry into this Agreement, other than as set forth in the Fee Letter.

5.23 Customer and Trade Relations. There exists no actual or, to the knowledge of any Loan Party, threatened, termination or cancellation of, or any adverse modification or change in the business relationship of any Loan Party with any supplier that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.24 Material Contracts. The Loan Parties have delivered to the Agent true, correct and complete copies of the Material Contracts, as in effect on the Closing Date. As of the Closing Date, the Loan Parties are not in breach or in default in any material respect of or under any Material Contract and have not received any notice of material default under, or of the intention of any other party thereto to terminate, any Material Contract. Following the Closing Date, except as would not reasonably be expected to result in a Material Adverse Effect, the Loan Parties are not in breach or in default in any material respect of or under any Material Contract and have not received any notice of material default under, or of the intention of any other party thereto to terminate, any Material Contract.

5.25 Casualty. Since the date of the Audited Financial Statements, the businesses and properties of the Loan Parties and their Restricted Subsidiaries, considered as a whole, have not been affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty event (whether or not covered by insurance) that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.26 Separation.

(a) The Loan Parties have delivered to the Agent a complete and correct copy of each Separation Agreement, including all schedules and exhibits thereto, as of the Closing Date. Such Separation Agreements sets forth the entire agreement and understanding of the parties thereto relating to the subject matter thereof, and there are no other agreements, arrangements or understandings, written or

oral, relating to the matters covered thereby, in each case as of the Closing Date. The execution, delivery and performance of each such Separation Agreement has been duly authorized by all necessary action on the part of each Loan Party party thereto. No authorization or approval or other action by, and no notice to filing with or license from, any Governmental Authority is required for the consummation of the transactions contemplated by the Separation Agreements other than such as have been obtained on or prior to the Closing Date. The Separation Agreements are, as of the Closing Date, the legal, valid and binding obligation of each Loan Party party thereto and, to the best knowledge of any Loan Party, the other parties thereto, enforceable against such parties in accordance with their terms.

(b) Contemporaneously with the Closing Date, all aspects of the Separation have been effected in all material respects in accordance with terms of the Separation Agreements and applicable Law. All consents and approvals of, and filings and registrations with, and all other actions in respect of, all Government Authorities required in order to consummate the Separation have been obtained, given, filed or taken and are in full force and effect contemporaneously with the Closing Date.

5.27 Ranking

The UK Borrower's payment obligations under the Loan Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

ARTICLE VI
AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Loan Agreement Obligation hereunder shall remain unpaid or unsatisfied (other than contingent indemnification claims for which a claim has not been asserted), or any Letter of Credit shall remain outstanding (unless Cash Collateralized), the Domestic Borrower shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02, and 6.03) cause each of its Restricted Subsidiaries to:

6.01 Financial Statements. Deliver to the Agent, in form and detail reasonably satisfactory to the Agent:

(a) as soon as available, but in any event within 95 days after the end of each Fiscal Year of the Domestic Borrower (commencing with the Fiscal Year ended January 31, 2014), a Consolidated balance sheet of the Domestic Borrower and its Subsidiaries as at the end of such Fiscal Year, and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by a report and opinion of a Registered Public Accounting Firm of nationally recognized standing reasonably acceptable to the Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit;

(b) as soon as available, but in any event within 50 days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Domestic Borrower (commencing with the Fiscal Quarter ended May 2, 2014), a Consolidated balance sheet of the Domestic Borrower and its Subsidiaries as at the end of such Fiscal Quarter, and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Quarter and for the portion of the Domestic Borrower's Fiscal Year then ended, setting forth in each case in

comparative form the figures for (A) the corresponding Fiscal Quarter of the previous Fiscal Year and (B) the corresponding portion of the previous Fiscal Year, all in reasonable detail, such Consolidated statements to be certified by a Responsible Officer of the Domestic Borrower as fairly presenting the financial condition, results of operations, Shareholders' Equity and cash flows of the Domestic Borrower and its Subsidiaries as of the end of such Fiscal Quarter in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes;

(c) as soon as available, but in any event within 30 days after the end of each fiscal month (commencing with the fiscal month ended April 4, 2014), a Consolidated balance sheet of the Domestic Borrower and its Subsidiaries as at the end of such month, and the related Consolidated statements of income or operations, Shareholders' Equity and cash flows for such month, and for the portion of the Domestic Borrower's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) the corresponding month of the previous Fiscal Year and (B) the corresponding portion of the previous Fiscal Year, all in reasonable detail, such Consolidated statements to be certified by a Responsible Officer of the Domestic Borrower as, to its knowledge, fairly presenting the financial condition, results of operations, Shareholders' Equity and cash flows of the Domestic Borrower and its Subsidiaries as of the end of such month in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes;

(d) as soon as available, but in any event no more than 60 days after the end of each Fiscal Year of the Domestic Borrower (commencing with the Fiscal Year beginning February 1, 2015), forecasts prepared by management of the Domestic Borrower, in form reasonably satisfactory to the Agent, consisting of a projected balance sheet, income statement, cash flows and Domestic Availability and UK Availability, as applicable, on a monthly basis for the immediately following Fiscal Year (including the Fiscal Year in which the Maturity Date occurs);

(e) simultaneously with the delivery of each set of Consolidated financial statements pursuant to Section 6.01(a) and (b) above, the related consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such Consolidated financial statements.

6.02 Certificates; Other Information. Deliver to the Agent:

(a) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b), and, solely to the extent a Covenant Compliance Event is continuing, Section 6.01(c), (i) a duly completed Compliance Certificate signed by a Responsible Officer of each Borrower, and in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, a statement of reconciliation conforming such financial statements to GAAP and (ii) to the extent applicable, related consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements, in reasonable detail (it being understood that full financial statements for any applicable Unrestricted Subsidiaries shall not be required);

(b) within ten (10) Business Days after the end of each fiscal month, a Borrowing Base Certificate showing the Combined Borrowing Base as of the close of business as of the last day of the immediately preceding month, each Borrowing Base Certificate to be certified as complete and correct by a Responsible Officer of each Borrower; provided that at any time that an Accelerated Borrowing Base Delivery Event has occurred and is continuing, such Borrowing Base Certificate shall be delivered on Friday of each week (or, if Friday is not a Business Day, on

the next succeeding Business Day), as of the close of business on the immediately preceding Saturday (it being understood that any weekly Borrowing Base Certificate shall constitute the results of rolled forward information regarding Eligible Inventory and other items, as applicable);

(c) promptly upon receipt, copies of any report submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by its Registered Public Accounting Firm in connection with any Internal Control Event or any other event that would reasonably be expected, individually or in the aggregate with other events, to result in a Material Adverse Effect;

(d) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of the Loan Parties, and copies of all annual, regular, periodic and special reports and registration statements which any Loan Party may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934 or with any national securities exchange;

(e) the financial and collateral reports described on Schedule 6.02 hereto, at the times set forth in such Schedule;

(f) promptly upon renewal thereof, certificates evidencing insurance renewals as required under Section 6.07 hereof;

(g) (i) promptly after the Agent's request therefor, copies of all documents evidencing Material Indebtedness, (ii) promptly after receipt thereof by any Loan Party, copies of all notices (other than notices delivered in the ordinary course) received from SHC and its Subsidiaries in respect of the Material Contracts, and (iii) prompt notice of any transaction or series of transactions which are part of a common plan whereby 25% or more of the number of LE Shops (as defined in the Separation Agreement referenced in clause (b) of the definition thereof) operated by the Loan Parties under the Separation Agreements referenced in clauses (c) and (j) of the definition thereof immediately prior to such closings are closed; and

(h) promptly, such additional information regarding the business affairs, financial condition or operations of any Loan Party or any Restricted Subsidiary, or compliance with the terms of the Loan Documents, as the Agent (on its own behalf or on behalf of any Lender) may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01 or Section 6.02 may be delivered by electronic mail or by posting to a website and, if so delivered by posting to a website, shall be deemed to have been delivered on the date (i) on which the applicable Borrower posts such documents, or provides a link thereto on the Borrowers' website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Borrowers' behalf on an Internet or intranet website, if any, to which each Lender and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent and including, without limitation, the website of the SEC). The Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Loan Parties with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Loan Parties hereby acknowledge that (a) the Agent and/or the Arranger will make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on Debt

Domain, IntraLinks, Syndtrak or another similar electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Loan Parties or their securities) (each, a "Public Lender"). The Loan Parties hereby agree that so long as any Loan Party is the issuer of any outstanding debt or equity securities that are registered or issued pursuant to a private offering or is actively contemplating issuing any such securities they will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Loan Parties shall be deemed to have authorized the Agent, the Arranger, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Loan Parties or their securities for purposes of the Securities Laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor"; and (z) the Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

6.03 Notices Promptly notify the Agent upon obtaining knowledge:

(a) of the occurrence of any Default or Event of Default;

(b) of any matter that has resulted or would reasonably be expected to result in a Material Adverse Effect,

(c) of any breach or non-performance of, or any default under, a Material Contract or with respect to Material Indebtedness (including, without limitation, the Term Facility) of any Loan Party or any Restricted Subsidiary thereof;

(d) of receipt by any Loan Party or any Restricted Subsidiary thereof of a notice or other correspondence received from any Governmental Authority (including, without limitation, the SEC (or comparable agency in any applicable non-U.S. jurisdiction)) concerning any proceeding with, or investigation or possible investigation or other inquiry by such Governmental Authority regarding financial or other operational results of any Loan Party or any Restricted Subsidiary thereof or any other matter which, if adversely determined, could reasonably expected to have a Material Adverse Effect;

(e) of any dispute, litigation, investigation, proceeding or suspension between any Loan Party or any Restricted Subsidiary thereof and any Governmental Authority; or the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Restricted Subsidiary thereof, including pursuant to any applicable Environmental Laws, in each case which would be reasonably expected to result in a Material Adverse Effect;

(f) of the occurrence of any ERISA Event;

(g) of any material change in accounting policies or financial reporting practices by any Loan Party or any Restricted Subsidiary thereof;

(h) of any change in the Domestic Borrower's senior executive officers (which notice may be accomplished by the filing of a Form 8-K in connection with such change);

(i) of the discharge by the Domestic Borrower of its present Registered Public Accounting Firm or any withdrawal or resignation by such Registered Public Accounting Firm (which notice may be accomplished by the filing of a Form 8-K in connection with such discharge, withdrawal or resignation);

(j) of the filing of any Lien for unpaid Taxes against any Loan Party in excess of $5,000,000;

(k) of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any interest in a material portion of the Collateral under power of eminent domain or by condemnation or similar proceeding or if any material portion of the Collateral is damaged or destroyed; and

(l) of any failure by any Loan Party to pay rent when due at any of the Loan Parties' distribution centers or warehouses.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Domestic Borrower setting forth details of the occurrence referred to therein and stating what action the Borrowers have taken and propose to take with respect thereto.

6.04 Payment of Obligations. Pay and discharge before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property (ii) all payments required to be made to any Pension Plan, and (iii) all lawful claims that, if unpaid, might by law become a Lien upon its property; provided that neither the Domestic Borrower, the UK Borrower nor any of their Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim (x) that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors or (y) if such non-payments, either individually or in the aggregate, would not be reasonably expected to have a Material Adverse Effect.

6.05 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization or formation except in a transaction permitted by Section 7.04 or 7.05; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its Intellectual Property, except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

6.06 Maintenance of Properties Except, in each case, where the failure to do so would not reasonably be expected to have a Material Adverse Effect: (a) maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; and (b) make all necessary repairs thereto and renewals and replacements thereof.

6.07 Maintenance of Insurance

(a) Maintain or cause to be maintained with financially sound and reputable insurance companies and not Affiliates of the Loan Parties, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business and operating in the same or similar locations or as is required by Law, of such types and in such amounts (after giving effect to any self-insurance compatible with the following standards) as are customarily carried under similar circumstances by such other Persons.

(b) Maintain for themselves and their Restricted Subsidiaries, a Directors and Officers insurance policy, and, in respect of the Domestic Loan Parties, a "Blanket Crime" policy or in respect of any other Restricted Subsidiary an equivalent policy in the relevant jurisdiction, in each case with responsible companies in such amounts as are customarily carried by business entities engaged in similar businesses similarly situated, and will upon request by the Agent furnish the Agent certificates evidencing renewal of each such policy.

(c) Cause fire and extended coverage policies maintained with respect to any ABL Priority Collateral to be endorsed or otherwise amended to include (i) a lenders' loss payable clause (regarding personal property), in form and substance reasonably satisfactory to the Agent, which endorsements or amendments shall provide that the insurer shall pay all proceeds otherwise payable to the Loan Parties under the policies directly to the Agent and (ii) a provision to the effect that none of the Loan Parties, Credit Parties or any other Person shall be a co-insurer.

(d) Cause commercial general liability policies to be endorsed to name the Agent as an additional insured.

(e) Cause business interruption policies, if any, to name the Agent as a loss payee and to be endorsed or amended to include (i) a provision that, from and after the Closing Date, the insurer shall pay all proceeds otherwise payable to the Loan Parties under the policies directly to the Agent, and (ii) a provision to the effect that none of the Loan Parties, the Agent, the Agent or any other party shall be a co-insurer.

(f) Cause each such policy referred to in this Section 6.07 to also provide that it shall not be canceled, modified or non-renewed (i) by reason of nonpayment of premium except upon not less than ten (10) days' prior written notice thereof by the insurer to the Agent (giving the Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason except upon not less than thirty (30) days' prior written notice thereof by the insurer to the Agent.

(g) Deliver to the Agent, prior to the cancellation or non-renewal of any such policy of insurance, evidence of a renewal or replacement policy, including an insurance binder) therefor, together with evidence satisfactory to the Agent of payment of the premium therefor.

(h) If any portion of any Mortgaged Property is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), (i) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (ii) deliver to the Agent evidence of such compliance in form and substance reasonably acceptable to the Agent.

6.08 Compliance with Laws. Comply in all material respects with the requirements of all Laws (including all Environmental Laws) and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been set aside and maintained by the Loan Parties in accordance with GAAP; and (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records; Accountants.

(a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Loan Parties or such Restricted Subsidiary, as the case may be; and (ii) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Loan Parties or such Restricted Subsidiary, as the case may be.

(b) at all times retain a Registered Public Accounting Firm and, on request of the Agent, instruct such Registered Public Accounting Firm to cooperate with, and be available to, the Agent or its representatives to discuss the Loan Parties' financial performance, financial condition, operating results, controls, and such other matters, within the scope of the retention of such Registered Public Accounting Firm, as may be raised by the Agent.

6.10 Inspection Rights.

(a) Permit representatives and independent contractors of the Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, the insurance policies maintained by or on behalf of the Loan Parties and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and Registered Public Accounting Firm, at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Domestic Borrower; provided, however, that when a Default or an Event of Default exists the Agent (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Loan Parties at any time during normal business hours and without advance notice.

(b) Upon the request of the Agent after reasonable prior notice, permit the Agent or professionals (including investment bankers, consultants, accountants, and lawyers) retained by the Agent to conduct commercial finance examinations and other evaluations, including, without limitation, of (i) the Borrowers' practices in the computation of the Combined Borrowing Base (ii) the assets included in the Combined Borrowing Base and related financial information such as, but not limited to, sales, gross margins, payables, accruals and reserves, and (iii) the Loan Parties' business plan, forecasts and cash flows. The Loan Parties shall pay the reasonable fees and expenses of the Agent and such professionals for one (1) commercial finance examination during each twelve month period, provided that if Availability is less than the greater of 25% of the Loan Cap or $37,500,000, the Loan Parties shall pay the reasonable fees and expenses of the Agent and such professionals for up to two (2) commercial finance examinations in any twelve month period. Notwithstanding the foregoing, the Agent may cause additional commercial finance examinations to be undertaken (i) as it in its discretion deems necessary or appropriate, at the Credit Parties' expense or, (ii) if a Default or Event of Default shall have occurred and be continuing, at the expense of the Loan Parties.

(c) Upon the request of the Agent after reasonable prior notice, permit the Agent or professionals (including appraisers) retained by the Agent to conduct appraisals of the ABL Priority Collateral, including, without limitation, the assets included in the Combined Borrowing Base. The Loan Parties shall pay the reasonable fees and expenses of the Agent and such professionals for one (1) appraisal during each twelve month period, *provided* that if Availability is less than the greater of 25% of the Loan Cap or $37,500,000, the Loan Parties shall pay the reasonable fees and expenses of the Agent and such professionals for up to two (2) appraisals in any twelve month period. Notwithstanding the foregoing, the Agent may cause additional appraisals to be undertaken (i) as it in its discretion deems necessary or appropriate, at the Credit Parties' expense or, (ii) if a Default or Event of Default shall have occurred and be continuing, at the expense of the Loan Parties.

6.11 Additional Loan Parties. Promptly notify the Agent at the time that any Person becomes a Subsidiary or any Person that is an Unrestricted Subsidiary becomes a Restricted Subsidiary, and cause any such Person that is a wholly-owned Domestic Subsidiary of the Domestic Borrower or that is a wholly-owned UK Subsidiary of the UK Borrower in each case that is a Restricted Subsidiary to (a) promptly thereafter (and in any event within fifteen (15) days of such Person becoming a Subsidiary or a Restricted Subsidiary, as the case may be, or such later date as the Agent may agree), (i) become a Loan Party (including, if acceptable to the Agent, an additional borrower) by executing and delivering to the Agent a Joinder Agreement or such other documents as the Agent shall reasonably deem appropriate for such purpose, (ii) grant a Lien to the Agent on such Person's assets of the same type that constitute Collateral (of Domestic Loan Parties of UK Loan Parties, as applicable) to secure the applicable portion of the Obligations (excluding any Material Real Estate) and take such actions as may be required under the Security Documents to perfect such Lien, and (iii) deliver to the Agent documents of the types referred to in clauses (iii) and (iv) of Section 4.01(a); (b) in the case of Domestic Subsidiaries, promptly thereafter (and in any event within ninety (90) days of such Person becoming a Subsidiary or a Restricted Subsidiary, as the case may be, or such later date as the Agent may agree) grant a Lien on the Agent on such Person's Material Real Estate to secure the Obligations and take such actions as may be required under the Security Documents to perfect such Lien; and (c) if reasonably requested by the Agent, deliver customary opinions of counsel to such Person in connection with the foregoing clauses (a) and (b) in each case in form, content and scope reasonably satisfactory to the Agent; provided that, for the avoidance of doubt, in no event shall any Subsidiary that is not a Domestic Subsidiary be required to guarantee or provide Collateral to secure any Obligations other than the UK Liabilities. In no event shall compliance with this Section 6.11 waive or be deemed a waiver or consent to any transaction giving rise to the need to comply with this Section 6.11 if such transaction was not otherwise expressly permitted by this Agreement or permit the inclusion of any acquired assets in the computation of the Combined Borrowing Base until such time as the Agent has conducted its diligence with respect thereto.

6.12 Cash Management.

(a) On or prior to the date which is sixty (60) days following the Closing Date (as such time period may be extended by the Agent in its sole discretion), (i) deliver to the Agent copies of notifications in the form of Exhibit H hereto (each, a "Credit Card Notification"), or otherwise reasonably satisfactory in form and substance to the Agent which have been executed by the applicable Loan Parties and delivered to such Loan Party's Credit Card Issuers and Credit Card Processors listed in the Perfection Certificate, (ii) open the UK Collection Account (as defined below) and (iii) enter into a Blocked Account Agreement with each Blocked Account Bank set forth on Schedule 6.12.

(b) ACH or wire transfer no less frequently than daily, or, so long as no Cash Dominion Event has occurred and is continuing, as to the DDAs identified as "Inlet Accounts" on the Perfection Certificate, monthly (provided that the Loan Parties shall not maintain an amount greater than $1,000,000 in the aggregate with respect to such Inlet Accounts at any time outstanding), and as to additional DDAs that are not Blocked Accounts, weekly (provided that the Loan Parties shall not maintain an amount greater than $50,000 in the aggregate at any time in such additional DDAs that are not Blocked Accounts) (and in each case, whether or not there are then any outstanding Loan Agreement Obligations) to a Blocked Account all amounts on deposit in each DDA (other than, so long as the Term Facility is in effect, Term Loan Priority Accounts (as defined in the Intercreditor Agreement)) (net of any minimum balance as may be required to be kept in the subject DDA by the depository institution at which such DDA is maintained) and all payments received from all Credit Card Issuers and Credit Card Processors and from SHC and its Subsidiaries pursuant to the Separation Agreements.

(c) After the occurrence and during the continuance of a Cash Dominion Event, subject to the Intercreditor Agreement with respect to Term Loan Priority Accounts (as defined therein) cause the ACH or wire transfer to the collection account maintained by the Agent at Bank of America or with another financial institution acceptable to the Agent in its sole discretion (the "Domestic Collection Account") (in the case of any Domestic Loan Party) or maintained by the Agent at Bank of America (the "UK Collection Account") (in the case of any UK Loan Party), no less frequently than daily (and whether or not there are then any outstanding Loan Agreement Obligations), all cash receipts and collections from all sources, including, without limitation, the following:

(i) all available cash receipts from the sale of Inventory (including without limitation, proceeds of credit card charges) and other assets (whether or not constituting Collateral);

(ii) all proceeds of collections of Accounts;

(iii) all net proceeds received by a Loan Party from any Person or from any source or on account of any Disposition of ABL Priority Collateral;

(iv) the then contents of each DDA (other than, so long as the Term Facility is in effect, Term Loan Priority Accounts) (net of any minimum balance, not to exceed $2,500.00, as may be required to be kept in the subject DDA by the depository institution at which such DDA is maintained); and

(v) the then entire ledger balance of each Blocked Account (net of any minimum balance, not to exceed $50,000.00, as may be required to be kept in the subject Blocked Account by the Blocked Account Bank);

All funds in each DDA and each Blocked Account shall be conclusively presumed to be Collateral and proceeds of Collateral and the Agent and the Lenders shall have no duty to inquire as to the source of the amounts on deposit in any DDA or Blocked Account.

(d) Each Collection Account and each UK Blocked Account shall at all times during the continuance of a Cash Dominion Event be under the sole dominion and control of the Agent. The Loan Parties hereby acknowledge and agree that (i) during the continuance of a Cash Dominion Event, the Loan Parties have no right of withdrawal from the Collection Accounts or the UK Blocked Accounts, (ii) the funds on deposit in the Domestic Collection Account shall at all times be collateral security for all of the Obligations, (iii) the funds on deposit in the UK Collection Account shall at all times be collateral security for all of the UK Liabilities, and (iv) during the continuance of a Cash Dominion Event, (A) unless the Loan Agreement Obligations have been accelerated pursuant to Section 8.02 hereof, the funds on deposit in the Collection Account shall be applied to the Loan Agreement Obligations as provided in Section 2.05(g) and (h) hereof, and (B) if the Loan Agreement Obligations have been accelerated pursuant to Section 8.02 hereof, the funds on deposit in the Collection Accounts shall be applied to the Obligations as provided in Section 8.03 hereof. In the event that, notwithstanding the provisions of this Section 6.12, any Loan Party receives or otherwise has dominion and control of any such cash receipts or collections while a Cash Dominion Event exists, such receipts and collections shall be held in trust by such Loan Party for the Agent, shall not be commingled with any of such Loan Party's other funds or deposited in any account of such Loan Party and shall, not later than the Business Day after receipt thereof, be deposited into the Collection Account or dealt with in such other fashion as such Loan Party may be instructed by the Agent.

(e) Upon entering into any agreements with any new Credit Card Issuer or Credit Card Processor, the Loan Parties shall deliver to the Agent a Credit Card Notification as set forth in Section 6.12(a) hereof.

(f) The Agent agrees that (1) it shall not direct any Credit Card Issuer or Credit Card Processor to transfer any proceeds pursuant to any Credit Card Notification unless a Cash Dominion Event has occurred and is continuing and (2) if any Loan Party shall so request, unless a Cash Dominion Event has occurred and is continuing, the Agent shall countersign any notification, request, order or direction from such Loan Party to any Credit Card Issuer or Credit Card Processor directing payments from such Credit Card Issuer or Credit Card Processor to be made to a new or different DDA, provided such DDA is a Blocked Account.

(g) Upon the request of the Agent, cause bank statements and/or other reports to be delivered to the Agent not less often than monthly, accurately setting forth all amounts deposited in each Blocked Account to ensure the proper transfer of funds as set forth above.

6.13 Information Regarding the Collateral.

Furnish to the Agent at least five (5) days prior written notice of any change in: (i) any Loan Party's name; (ii) the location of any Loan Party's chief executive office, registered office, its principal place of business, any office in which it maintains books or records relating to ABL Priority Collateral (including the establishment of any such new office); (iii) any Loan Party's organizational structure or jurisdiction of incorporation or formation; or (iv) any Loan Party's Federal Taxpayer Identification Number or organizational identification number assigned to it by its state of organization or incorporation.

6.14 Physical Inventories.

(a) Cause one physical inventory to be undertaken, at the expense of the Loan Parties, in each Fiscal Year and periodic cycle counts, in each case consistent with past practices, conducted by such inventory takers as are reasonably satisfactory to the Agent and following such methodology as is consistent with past practice or as otherwise may be reasonably satisfactory to the Agent. The Agent, at the expense of the Loan Parties, may participate in and/or observe each scheduled physical count of Inventory which is undertaken on behalf of any Loan Party. The Domestic Borrower, within 45 days following the completion of such inventory, shall provide the Agent with a reconciliation of the results of such inventory (as well as of any other physical inventory or cycle counts undertaken by a Loan Party) and shall post such results to the Loan Parties' stock ledgers and general ledgers, as applicable.

(b) Permit the Agent, in its discretion, if any Default or Event of Default exists, to cause additional such inventories to be taken as the Agent reasonably requests (each, at the expense of the Loan Parties).

6.15 Designation of Subsidiaries.

The board of directors of the Domestic Borrower may at any time designate any Restricted Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that (i) immediately before and after such designation, no Default shall have occurred and be continuing, (ii) immediately after giving effect to such designation, the Payment Conditions shall have been satisfied (and, as a condition precedent to the effectiveness of any such designation, the Domestic Borrower shall deliver to the Administrative Agent a certificate setting forth in

reasonable detail the calculations demonstrating satisfaction thereof), (iii) no Borrower may be designated as an Unrestricted Subsidiary, (iv) no Subsidiary may be designated as an Unrestricted Subsidiary if, after such designation, it would be a "Restricted Subsidiary" for the purpose of the Term Facility or any other Indebtedness of any Loan Party that contemplates "unrestricted" subsidiaries, (v) no Unrestricted Subsidiary shall own any Equity Interests in the Loan Parties or their Restricted Subsidiaries, (vi) no Unrestricted Subsidiary shall hold any Indebtedness of, or any Lien on any property of, the Loan Parties and their Restricted Subsidiaries, (vii) the holder of any Indebtedness of any Unrestricted Subsidiary shall not have any recourse to the Loan Parties and their Restricted Subsidiaries with respect to such Indebtedness, (vii) no Unrestricted Subsidiary shall be a party to any transaction or arrangement with the Loan Parties and their Restricted Subsidiaries that would not be permitted by Section 7.09, and (viii) none of the Borrowers or any of their Restricted Subsidiaries shall have any obligation to subscribe for additional Equity Interests of any Unrestricted Subsidiary or to preserve or maintain the financial condition of any Unrestricted Subsidiary,. The designation of any Subsidiary as an Unrestricted Subsidiary shall constitute an Investment by the Domestic Borrower and its Restricted Subsidiaries therein at the date of designation in an amount equal to the fair market value as determined by the Domestic Borrower in good faith of the Domestic Borrower's or Restricted Subsidiary's (as applicable) Investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence at the time of designation of any Indebtedness or Liens of such Subsidiary existing at such time and a return on any Investment by the Domestic Borrower and its Restricted Subsidiaries in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value as determined by the Domestic Borrower in good faith at the date of such designation of the Domestic Borrower's or its Restricted Subsidiary's (as applicable) Investment in such Subsidiary.

6.16 Further Assurances.

(a) Take the actions specified in Schedule 6.16 as promptly as reasonably practicable, and in any event within the periods after the Closing Date specified in Schedule 6.16. The provisions of Schedule 6.16 shall be deemed incorporated by reference herein as fully as if set forth herein in their entirety.

(b) Execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), that may be required under any Law, or which the Agent may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of the Loan Parties; provided, notwithstanding any other provision hereof or in any Loan Document, the Loan Parties shall not be required to take any action with respect to Mortgages or Material Real Estate, including without limitation in respect of title insurance, surveys and other matters, to the extent the same is not required in respect of the Term Facility or any refinancing thereof.

(c) If any material assets of the type which constitute Collateral under the Security Documents (including, without limitation, Material Real Estate) are acquired by any Loan Party after the Closing Date (other than assets constituting Collateral under the Security Documents that become subject to the perfected Lien under the Security Documents upon acquisition thereof), notify the Agent thereof, and the Loan Parties will cause such assets to be subjected to a Lien securing the Obligations and will take such actions as shall be necessary or shall be reasonably requested by the Agent to grant and perfect such Liens, including actions described in paragraph (a) of this Section 6.16, all at the expense of the Loan Parties. In no event shall compliance with this Section 6.16(b) waive or be deemed a waiver or consent to any transaction giving rise to the need to comply with this Section 6.16(b) if such transaction was not otherwise expressly permitted by this Agreement or constitute or be deemed to constitute consent to the inclusion of any acquired assets in the computation of the Combined Borrowing Base.

(d) Upon the reasonable request of the Agent, use commercially reasonable efforts to cause each of its customs brokers, freight forwarders, consolidators and/or carriers to deliver an agreement to the Agent covering such matters and in such form as the Agent may reasonably require.

6.17 Compliance with Terms of Leaseholds.

Except as otherwise expressly permitted hereunder, and except where the failure to do so, either individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect (a) make all payments and otherwise perform all obligations in respect of all Leases to which any Loan Party or any of its Subsidiaries is a party, to the extent necessary to keep such Leases in full force and effect (b) not allow such Leases to lapse or be terminated or any rights to renew such Leases to be forfeited or cancelled except in the ordinary course of business, consistent with past practices, (c) notify the Agent of any default by any party with respect to such Leases and cooperate with the Agent in all respects to cure any such default, and (d) cause each of its Subsidiaries to do the foregoing.

6.18 Material Contracts. Except, in any case, where the failure to do so, either individually or in the aggregate, could not be reasonably likely to have a Material Adverse Effect, perform and observe all the terms and provisions of each Material Contract to be performed or observed by it to the extent required to maintain each such Material Contract in full force and effect and enforce each such Material Contract in accordance with its terms.

6.19 UK "Know your customer" checks.

(a) If (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement; (ii) any change in the status of a UK Loan Party after the date of this Agreement; or (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer, obliges the Agent or any Lender (or, in the case of clause (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each UK Loan Party shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Loan Documents.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Loan Documents.

6.20 UK Pension Plans

(a) Each UK Loan Party shall to the extent applicable ensure that all pension schemes operated by or maintained for the benefit of the UK Loan Parties and/or any of their employees are fully funded based on the statutory funding objective under sections 221 and 222 of the Pensions Act 2004 and that no action or omission is taken by any company in relation to such a pension scheme which has or is reasonably likely to have a Material Adverse Effect (including the termination or commencement of winding-up proceedings of any such pension scheme or in the case of any multi-employee defined benefit schemes any English company ceasing to employ any member of such a pension scheme).

(b) Each UK Loan Party shall ensure that no UK Loan Party is or has been at any time an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993) or "connected" with or an "associate" of (as those terms are defined in sections 38 or 43 of the Pensions Act 2004) such an employer.

(c) Each UK Loan Party shall deliver to the Agent to the extent applicable: (i) the usual scheme report and accounts at such times as the same is prepared in order to comply with the then current statutory or auditing requirements (as applicable either to the trustees of any relevant defined benefit schemes or to the UK Loan Party); and (ii) at any other time if the Agent reasonably believes that any relevant statutory or auditing requirements are not being complied with, actuarial reports in relation to all pension schemes mentioned in (a) above.

(d) Each UK Loan Party shall promptly notify the Agent of any material change in the rate of contributions to any pension scheme mentioned in (a) above paid or recommended to be paid by the scheme actuary or required (by law or otherwise).

6.21 Centre of Main Interests.

Each UK Loan Party shall maintain its centre of main interests in England and Wales for the purposes of the Insolvency Regulation.

ARTICLE VII
NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Loan Agreement Obligation hereunder shall remain unpaid or unsatisfied (other than contingent indemnification claims for which a claim has not been asserted), or any Letter of Credit shall remain outstanding (unless Cash Collateralized), Domestic Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, directly or indirectly:

7.01 Liens Create, incur, assume or suffer to exist any Lien upon any ABL Priority Collateral, whether now owned or hereafter acquired, other than Permitted Encumbrances.

7.02 Investments Make any Investments, except Permitted Investments.

7.03 Indebtedness.

Create, incur, assume, guarantee, suffer to exist or otherwise become or remain liable with respect to, any Indebtedness, except Permitted Indebtedness.

7.04 Fundamental Changes. Merge, dissolve, liquidate or consolidate with or into another Person, except that:

(a) any Subsidiary which is not a Loan Party may merge or consolidate with (i) a Loan Party, provided that the Loan Party shall be the continuing or surviving Person or the non-Loan Party surviving such merger shall execute such documentation as the Agent may reasonably request to confirm its assumption of the obligations of such Loan Party under the Loan Documents, or (ii) any one or more other Restricted Subsidiaries which are not Loan Parties, provided that when any Restricted Subsidiary is merging with another Subsidiary, the continuing or surviving Person shall be a Restricted Subsidiary;

(b) any Loan Party may merge into or consolidate with another Loan Party, provided that in any merger involving a Borrower, a Borrower shall be the continuing or surviving Person;

(c) in connection with a Permitted Acquisition, any Subsidiary of a Loan Party may merge with or into or consolidate with any other Person or permit any other Person to merge with or into or consolidate with it; provided that (i) the Person surviving such merger shall be a wholly-owned Subsidiary of a Loan Party and such Person shall become a Loan Party to the extent required in accordance with the provisions of Section 6.11 hereof, and (ii) in the case of any such merger to which any Loan Party is a party, such Loan Party is the surviving Person or the Person surviving such merger shall execute such documentation as the Agent may reasonably request to confirm its assumption of the obligations of such Loan Party under the Loan Documents;

(d) any Restricted Subsidiary may liquidate or dissolve into its parent entity to the extent the Domestic Borrower reasonably determines that the continued existence of such Subsidiary is no longer in the best interests of the Domestic Borrower and its Restricted Subsidiaries; and

(e) so long as no Default or Event of Default shall have occurred and be continuing prior to or immediately after giving effect thereto, in connection with a Permitted Disposition of a Restricted Subsidiary, such Subsidiary may merge or consolidate into any Person that is not a Subsidiary.

7.05 Dispositions Make any Disposition, except Permitted Dispositions.

7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except the following:

(a) each Restricted Subsidiary of a Loan Party may make Restricted Payments to the holder of its Equity Interests, provided that any such Restricted Payment to a Person that is not a Loan Party shall not exceed such Person's ratable share of the Restricted Payments so made;

(b) the Loan Parties and each Restricted Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock or other Equity Interests of such Person, other than Disqualified Stock;

(c) the Domestic Borrower may make the Closing Date Dividend solely from the proceeds of the Term Facility;

(d) the Domestic Borrower or any Restricted Subsidiary may pay (or make Restricted Payments to allow any direct or indirect parent thereof to pay) for the repurchase, retirement or other acquisition or retirement for value of Equity Interests of it or any direct or indirect parent thereof held by any future, present or former employee, director, manager, officer or consultant (or any Affiliates, spouses, former spouses, other immediate family members, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) of the Domestic Borrower (or any direct or indirect parent of the Domestic Borrower) or any of its Subsidiaries pursuant to any employee, management, director or manager equity plan, employee, management, director or manager stock option plan or any other employee, management, director or manager benefit plan or any agreement (including any stock subscription or shareholder agreement) with any employee, director, manager, officer or consultant of the Domestic Borrower or any Subsidiary; provided that such payments do not exceed $2,000,000 in any calendar year, provided that any unused portion of the preceding basket for any calendar year may be carried forward to succeeding calendar years, so long as the aggregate amount of all Restricted Payments made pursuant to this Section 7.06(d) in any calendar year (after giving effect to such carry forward) shall not exceed $5,000,000; provided further that cancellation of Indebtedness owing to the Domestic Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries from members of management of the Domestic Borrower, any of the Domestic Borrower's direct or indirect parent companies or any of the Domestic Borrower's Restricted Subsidiaries in connection with a repurchase of Equity Interests of any of the Domestic Borrower's direct or indirect parent companies will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of this Agreement;

(e) the redemption, repurchase, retirement or other acquisition of any Equity Interests of the Domestic Borrower in exchange for, or out of the proceeds of the substantially concurrent issuance or sale (other than to a Restricted Subsidiary or to an employee stock ownership plan) of Equity Interests of the Domestic Borrower (other than Disqualified Stock);

(f) repurchases of Equity Interests deemed to occur (i) upon exercise of stock options, stock appreciation rights or warrants if such Equity Interests represent a portion of the exercise price of such options, stock appreciation rights or warrants or (ii) for purposes of satisfying any required tax withholding obligation upon the exercise or vesting of a grant or award that was granted or awarded to an employee or director;

(g) the repurchase, redemption or other acquisition for value of Equity Interests of the Domestic Borrower deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Domestic Borrower or its Subsidiaries, in each case, permitted under this Agreement;

(h) so long as clauses (a)(i) and (ii) of the Restricted Payment Conditions are satisfied, other Restricted Payments, in cash or in kind, not to exceed $25,000,000 in the aggregate; and

(i) if the Restricted Payment Conditions are satisfied, the Domestic Borrower may make other Restricted Payments, including (i) the purchase, redemption or otherwise acquisition of Equity Interests issued by it and (ii) declaration of dividends to its stockholders in cash or in kind.

7.07 Prepayments of Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof, or, as applicable, the time of any otherwise applicable mandatory

payment thereof in accordance with the terms thereof (including as a result of the Permitted Disposition of any collateral therefor) (it being understood that payments of regularly scheduled principal and interest and mandatory prepayments of principal and interest shall be permitted), in any manner any Indebtedness for borrowed money, except (a) so long as no Change of Control would result therefrom, the conversion (or exchange) of any Indebtedness to, or the payment of any Indebtedness from the proceeds of the issuance of, Equity Interests, (b) voluntary prepayments, repurchases, redemptions or defeasances of Permitted Indebtedness in an amount equal to $10,000,000 per year so long as no Event of Default has occurred or would result therefrom, or in greater amounts provided the Payment Conditions are then satisfied, (c) payment or prepayment of Indebtedness owed to (x) the Domestic Borrower or any Restricted Subsidiary that is a Loan Party or (y) any other Restricted Subsidiary so long as in the case of this clause (y) either (1) such payment or prepayment is of Indebtedness having a term not in excess of sixty (60) days, (2) such payment is made by a Restricted Subsidiary that is not a Loan Party or (3) after giving effect to such payment or prepayment, clauses (a) and (b)(x)(i) of the Payment Conditions will be satisfied, (d) prepayment of Permitted Indebtedness of the type set forth in clause (c) of the definition thereof, (e) prepayment of Permitted Indebtedness of the type set forth in clause (g) of the definition thereof, so long as such prepayment is made within ninety (90) days following the date of the consummation of the applicable Permitted Acquisition, and (e) Permitted Refinancings of any such Indebtedness; provided that any payments or prepayments of Subordinated Debt hereunder shall be made in accordance with the subordination terms applicable thereto.

7.08 Change in Nature of Business. Engage in any line of business substantially different from the business conducted by the Loan Parties and their Restricted Subsidiaries on the Closing Date or any business substantially related or incidental thereto.

7.09 Transactions with Affiliates. Enter into, renew, extend or be a party to any transaction of any kind with any Affiliate of any Loan Party, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Loan Parties or such Restricted Subsidiary as would be obtainable by the Loan Parties or such Restricted Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate, provided that the foregoing restriction shall not apply to (a) transactions between or among the Loan Parties, (b) transactions described in the Separation Agreements, (c) transactions described in the Domestic Borrower's Form 10 under the Section titled "Certain Relationships and Related Party Transactions", (d) advances for commissions, travel and other similar purposes in the ordinary course of business to directors, officers and employees, (e) the payment of reasonable fees and out-of-pocket costs to directors, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of the Domestic Borrower or any of its Restricted Subsidiaries, (f) the provision of ordinary course administrative services to the Subsidiaries that are not Loan Parties, (g) Restricted Payments otherwise permitted under this Agreement, (h) as long as no Change of Control results therefrom, any issuances of securities of the Domestic Borrower (other than Disqualified Stock) or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans (in each case in respect of Equity Interests in the Domestic Borrower) of the Domestic Borrower or any of its Restricted Subsidiaries, (i) the existence of, or the performance by the Loan Parties or any Restricted Subsidiary, of the obligations under the terms of any agreement to which it is a party as of the Closing Date, as set forth on Schedule 7.09, and (j) any transaction or series of related transactions involving one or more payments by the Domestic Borrower or its Restricted Subsidiaries of less than $1,000,000 in the aggregate.

7.10 Burdensome Agreements. Enter into or permit to exist any Contractual Obligation (other than this Agreement, any other Loan Document or the Term Credit Agreement) that (a) limits the ability (i) of any Restricted Subsidiary to make Restricted Payments or other distributions to any Loan Party or to otherwise transfer property to or invest in a Loan Party, (ii) of any Restricted Subsidiary which

is a wholly owned Domestic Subsidiary to Guarantee the Obligations in accordance with the terms hereof or (iii) of the Loan Parties or any Restricted Subsidiary which is a wholly owned Domestic Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person in favor of the Agent except for encumbrances and restrictions under Contractual Obligations existing under or by reason of (i) this Agreement, the Term Facility and the other Loan Documents and the documents governing the Other Liabilities; (ii) any restrictions with respect to a Borrower or Restricted Subsidiary imposed pursuant to (A) an agreement that has been entered into in connection with the disposition of all or any portion of the equity interests or assets of such Borrower or Restricted Subsidiary or (B) contracts for the sale of assets that impose restrictions solely on the assets to be sold; (iii) the provisions contained in any Permitted Indebtedness (and in any refinancing of such indebtedness so long as no more restrictive than those contained in the respective Indebtedness so refinanced); (iv) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of any Borrower or a Restricted Subsidiary of any Borrower entered into in the ordinary course of business and customary provisions contained in other leases, sub-leases, licenses or sub-licenses and other agreements, in each case, entered into in the ordinary course of business; (v) customary provisions restricting assignment of any contract entered into by any Borrower or any Restricted Subsidiary of any Borrower in the ordinary course of business; (vi) any agreement or instrument of a Person acquired as permitted hereunder, which restriction is not applicable to any Person or the properties or assets of any Person, other than the Person or the properties or assets of the Person acquired pursuant to the respective acquisition and so long as the respective encumbrances or restrictions were not created (or made more restrictive) in connection with or in anticipation of the respective acquisition; (vii) customary provisions restricting the assignment of licensing agreements, management agreements or franchise agreements entered into by any Borrower or any of its Subsidiaries in the ordinary course of business; (viii) restrictions on the transfer of assets securing purchase money obligations and capitalized lease obligations which are permitted hereunder; (ix) customary net worth provisions contained in real property leases entered into by Subsidiaries of any Borrower, so long as the applicable Borrower has determined in good faith that such net worth provisions could not reasonably be expected to impair the ability of the Borrowers and their Restricted Subsidiaries to meet their ongoing obligations, (x) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and (xi) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating solely to such joint venture.

7.11 Use of Proceeds. Use the proceeds of any Credit Extension, whether immediately, incidentally or ultimately, (a) to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund Indebtedness originally incurred for such purpose, (b) to make the Closing Date Dividend, or (c) for any purposes other than (i) the acquisition of working capital assets in the ordinary course of business, (ii) to finance Capital Expenditures of the Loan Parties, and (iii) for general corporate purposes (including, for the avoidance of doubt, to finance Permitted Acquisitions), in each case to the extent permitted under Law and the Loan Documents.

7.12 Amendment of Organization Documents and Material Indebtedness.

Amend, modify or waive any of a Loan Party's rights under (a) its Organization Documents in a manner materially adverse to the Agent and the Lenders, or (b) any Material Indebtedness if such amendment, modification or waiver would be in violation of any intercreditor agreement among the Agent and the holder of such Material Indebtedness (including, without limitation, the Intercreditor Agreement).

7.13 Fiscal Year; Accounting Policies.

(a) Change the Fiscal Year of any Loan Party, except as required by GAAP or to coincide with the calendar year; provided, however, that the Domestic Borrower may, upon written notice to the Agent, change its Fiscal Year to any other fiscal year reasonably acceptable to the Agent, in which case the Domestic Borrower and the Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary to reflect such change in Fiscal Year.

(b) Change the accounting policies or reporting practices of the Loan Parties relating to calculation of the Combined Borrowing Base except upon thirty (30) days prior notice to the Agent, upon which Agent may impose Reserves relating thereto as determined in its Permitted Discretion.

7.14 Financial Covenant.

Consolidated Fixed Charge Coverage Ratio. During the continuance of a Covenant Compliance Event, permit the Consolidated Fixed Charge Coverage Ratio, calculated on a trailing twelve month basis, to be less than 1.0:1.0, commencing with the month ending immediately preceding the date on which a Covenant Compliance Event first occurred.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrowers or any other Loan Party fails to pay (i) when and as required to be paid, any amount of principal of, any Loan or any L/C Obligation, or deposit any funds as Cash Collateral in respect of L/C Obligations, or (ii) within three (3) days after the same is due, any amount of interest due on any Loan or any L/C Obligation, or any fee due hereunder, or any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. (i) Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Sections 6.01, (other than clauses (a) and (b) thereof) 6.02(b), 6.03(a), 6.05, 6.07 (with respect to property of the type included in the Combined Borrowing Base), 6.10, 6.12 or Article VII; or

(c) Other Defaults. Any Loan Party fails to perform or observe (i) any term, covenant or agreement contained in any of Sections 6.03(b), (j) or (k) and such failure continues for 15 days, or (ii) any other covenant or agreement (not specified in subsection (a), (b) or (c)(i) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days; or

(d) Representations and Warranties. Any representation, warranty, or certification made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith (including, without limitation, any Borrowing Base Certificate) shall be incorrect in any material respect when made or deemed made (or, in the case of any representation and warranty qualified by materiality, in any respect when made or deemed made); or

(e) Cross-Default. Any Loan Party (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Indebtedness, or (B) fails to observe or perform any other agreement or condition relating to any such Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Material Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), become payable or cash collateral in respect thereof to be demanded prior to its stated maturity; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any Restricted Subsidiary thereof (except to the extent the aggregate assets or revenue of all Restricted Subsidiaries who are not Loan Parties subject to such event is not in excess of 5% of the Domestic Borrower's consolidated total revenue or consolidated total assets) institutes or consents to the institution of any Insolvency Proceedings or proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or a proceeding shall be commenced or a petition filed, without the application or consent of such Person, seeking or requesting the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed and the appointment continues undischarged, undismissed or unstayed for 60 calendar days or an order or decree approving or ordering any of the foregoing shall be entered; or any Insolvency Proceedings or proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Judgments. There is entered against any Loan Party or any Restricted Subsidiary thereof (except to the extent the aggregate assets or revenue of all Restricted Subsidiaries who are not Loan Parties subject to such event is not in excess of 5% of the Domestic Borrower's consolidated total revenue or consolidated total assets) one or more judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding $35,000,000 (to the extent not covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), and (i) enforcement proceedings are commenced by any creditor upon such judgment or order, or (ii) there is a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect; or

(h) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which would reasonably be expected to result in a Material Adverse Effect, or (ii) a Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan which would reasonably be expected to result in a Material Adverse Effect; or

(i) UK Pension Plan. The Pensions Regulator issues a Financial Support Direction or a Contribution Notice to any UK Loan Party; or

(j) Invalidity of Loan Documents. (i) Any material provision of any Loan Document, at any time after its execution and delivery and for any reason, ceases to be in full force and effect; or any Loan Party or any Affiliate contests in any manner the validity or enforceability of any material provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any material provision of any Loan Document, or purports to revoke, terminate or rescind any material provision of any Loan Document or seeks to avoid, limit or otherwise adversely affect any Lien purported to be created under any Security Document; or (ii) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party or any other Person not to be, a valid and perfected Lien on any portion of the Collateral with an aggregate fair market value exceeding $15,000,000, with the priority required by the applicable Security Document; or

(k) Change of Control. There occurs any Change of Control; or

(l) Cessation of Business. Except as otherwise expressly permitted hereunder, the Loan Parties, taken as a whole, shall suspend the operation of substantially all of their business in the ordinary course or liquidate all or substantially all of their assets, or employ an agent or other third party to conduct a program of closings, liquidations or "Going-Out-Of-Business" sales of substantially all of their business; or

(m) Material Contracts. Any Material Contract is terminated prior to its stated term if such termination would reasonably be expected to result in a Material Adverse Effect; or

(n) Guaranty. The termination or attempted termination of any guaranty set forth in the Guaranty and Security Agreement or any Joinder Agreement except as expressly permitted hereunder or under any other Loan Document.

8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Agent may, or, at the request of the Required Lenders shall, take any or all of the following actions:

(a) declare the Commitments of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such Commitments and obligations shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other Loan Agreement Obligations to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Loan Parties;

(c) require that the Loan Parties Cash Collateralize the L/C Obligations; and

(d) whether or not the maturity of the Loan Agreement Obligations shall have been accelerated pursuant hereto, proceed to protect, enforce and exercise all rights and remedies of the Agent under this Agreement, any of the other Loan Documents or Law, including, but not limited to, by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement and the other Loan Documents or any instrument pursuant to which the Loan Agreement Obligations are evidenced, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Agent;

provided, however, that upon the occurrence of any Default or Event of Default with respect to any Loan Party or any Subsidiary thereof under Section 8.01(f), the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans, all interest accrued thereon and all other Loan Agreement Obligations shall automatically become due and payable, and the obligation of the Loan Parties to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Agent or any Lender.

No remedy herein is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of Law.

8.03 Application of Funds.

(a) After the exercise of remedies provided for in Section 8.02 (or after the Obligations have automatically become immediately due and payable and the Domestic L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received from or on account of the Domestic Loan Parties (including, without limitation, any Collateral furnished by any of them) on account of the Obligations shall, subject to the provisions of Section 2.16, be applied by the Agent in the following order:

First, to payment of that portion of the Loan Agreement Obligations (other than UK Liabilities) constituting fees, indemnities, Credit Party Expenses and other amounts (including fees, charges and disbursements of counsel to the Agent and amounts payable under Article III) payable to the Agent;

Second, to payment of that portion of the Loan Agreement Obligations constituting indemnities (including indemnities due under Section 10.03 hereof), Credit Party Expenses, and other amounts (other than principal, interest and fees and other than UK Liabilities) payable to the Lenders and the L/C Issuer (including Credit Party Expenses to the respective Lenders and the L/C Issuer and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to the extent not previously reimbursed by the Domestic Lenders, to payment to the Agent of that portion of the Loan Agreement Obligations constituting principal and accrued and unpaid interest on any Permitted Overadvances made to or for the benefit of the Domestic Loan Parties;

Fourth, to the extent that Domestic Swing Line Loans have not been refinanced by a Domestic Committed Loan, payment to the Domestic Swing Line Lender of that portion of the Loan Agreement Obligations constituting principal and accrued and unpaid interest on the Domestic Swing Line Loans;

Fifth, to payment of that portion of the Loan Agreement Obligations constituting accrued and unpaid interest on the Domestic Committed Loans, Domestic L/C Borrowings and other Loan Agreement Obligations (other than UK Liabilities), and fees (including Domestic Letter of Credit Fees), ratably among the Domestic Lenders and the Domestic L/C Issuer in proportion to the respective amounts described in this clause Fifth payable to them;

Sixth, to payment of that portion of the Loan Agreement Obligations constituting unpaid principal of the Domestic Committed Loans and Domestic L/C Borrowings, ratably among the

Domestic Lenders and the Domestic L/C Issuer in proportion to the respective amounts described in this clause Sixth held by them;

Seventh, to the Agent for the account of the Domestic L/C Issuer, to Cash Collateralize that portion of Domestic L/C Obligations comprised of the aggregate undrawn amount of Domestic Letters of Credit;

Eighth, to payment of all other Loan Agreement Obligations (including without limitation the cash collateralization of unliquidated indemnification obligations, but excluding any Other Domestic Liabilities and any UK Liabilities), ratably among the Domestic Credit Parties in proportion to the respective amounts described in this clause Eighth held by them;

Ninth, to payment of that portion of the Other Domestic Liabilities arising from Cash Management Services, ratably among the Domestic Credit Parties in proportion to the respective amounts described in this clause Ninth held by them;

Tenth, to payment of all Other Domestic Liabilities arising from Bank Products, ratably among the Domestic Credit Parties in proportion to the respective amounts described in this clause Tenth held by them;

Eleventh, to the Agent to be held for the benefit of the UK Lenders as cash collateral to payment of that portion of the UK Liabilities (excluding the Other UK Liabilities) constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Agent in connection therewith and amounts payable under Article III) payable to the Agent, in its capacity as such;

Twelfth, to the Agent to be held for the benefit of the UK Lenders as cash collateral to payment of that portion of the UK Liabilities (excluding the Other UK Liabilities) constituting indemnities, expenses, and other amounts (other than principal, interest and fees) payable to the UK Lenders (including fees, charges and disbursements of counsel to the respective Lenders and amounts payable under Article III);

Thirteenth, to the Agent to be held by the Agent, for the benefit of the UK Lenders as cash collateral to payment of that portion of the UK Liabilities constituting accrued and unpaid interest on the UK Committed Loans, UK L/C Borrowings and other UK Liabilities, and fees (including UK Letter of Credit Fees);

Fourteenth, to the Agent to be held by the Agent, for the benefit of the UK Lenders and the L/C Issuer for the UK Borrower as cash collateral to payment of that portion of the UK Liabilities constituting unpaid principal of the UK Committed Loans and UK L/C Borrowings, and to the Agent for the account of the L/C Issuer for the UK Borrower, to Cash Collateralize that portion of the UK L/C Obligations comprised of the aggregate undrawn amount of UK Letters of Credit;

Fifteenth, to the Agent to be held by the Agent, for the benefit of the UK Lenders as cash collateral for the payment of all other UK Liabilities (including without limitation the cash collateralization of unliquidated indemnification obligations for which a claim has been made as provided in Section 10.04, but excluding any Other UK Liabilities);

Sixteenth, to the Agent to be held by the Agent, for the benefit of the UK Lenders to be held as cash collateral for the payment of that portion of the UK Liabilities arising from Cash Management Services;

Seventeenth, to the Agent to be held by the Agent, for the benefit of the UK Lenders to be held as cash collateral for the payment of all other UK Liabilities arising from Bank Products; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Loan Parties or as otherwise required by Law.

Subject to Section 2.03(c), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Seventh or Fourteenth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Excluded Swap Obligations with respect to any Domestic Loan Party shall not be paid with amounts received from such Guarantor, but appropriate adjustments shall be made with respect to payments from other Domestic Loan Parties to preserve the allocation to the Obligations otherwise set forth above in this Section.

Any amounts received by the Agent pursuant to clauses Eleventh through Seventeenth of this Section 8.03(a) shall be held as cash collateral for the UK Liabilities until the earlier of (i) the Substantial Liquidation of the Collateral granted by the UK Loan Parties, or (ii) such date that the Agent shall otherwise determine. Any amounts received pursuant to clauses Eleventh through Seventeenth of Section 8.03(a) shall, subject to the provisions of Section 9.17, be applied to the UK Liabilities in such order and manner as the Agent may reasonably determine.

(b) After the exercise of remedies provided for in Section 8.02 (or after the UK Committed Loans have automatically become immediately due and payable and the UK L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received from any UK Loan Party, from the liquidation of any Collateral of any UK Loan Party, or on account of the UK Liabilities, shall be applied by the Agent against the UK Liabilities in the following order:

First, to payment of that portion of the UK Liabilities (excluding the Other UK Liabilities) constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Agent and amounts payable under Article III) payable to the Agent, in its capacity as such;

Second, to payment of that portion of the UK Liabilities (excluding the Other UK Liabilities) constituting indemnities, expenses, and other amounts (other than principal, interest and fees) payable to the UK Lenders (including fees, charges and disbursements of counsel to the respective UK Lenders and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to payment of that portion of the UK Liabilities constituting accrued and unpaid interest on the UK Loans and other UK Liabilities and fees ratably among the UK Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the UK Liabilities constituting unpaid principal of the UK Loans and UK L/C Borrowings, and to the Agent for the account of the L/C Issuer, to Cash Collateralize that portion of UK L/C Obligations comprised of the aggregate undrawn amount of UK Letters of Credit, ratably among the UK Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to payment of all other UK Liabilities (excluding the Other UK Liabilities but including without limitation the cash collateralization of unliquidated indemnification obligations as provided in Section 10.04), ratably among the Credit Parties in proportion to the respective amounts described in this clause Fifth held by them;

Sixth, to payment of that portion of the UK Liabilities arising from Cash Management Services to the extent secured under the Security Documents, ratably among the Credit Parties in proportion to the respective amounts described in this clause Sixth held by them;

Seventh, to payment of all other UK Liabilities arising from Bank Products to the extent secured under the Security Documents, ratably among the Credit Parties in proportion to the respective amounts described in this clause Seventh held by them; and

Last, the balance, if any, after all of the UK Liabilities have been indefeasibly paid in full, to the UK Loan Parties or as otherwise required by Law.

Subject to Section 2.03(c), amounts used to Cash Collateralize the aggregate undrawn amount of UK Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such UK Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all UK Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other UK Liabilities, if any, in the order set forth above.

ARTICLE IX
THE AGENT

9.01 Appointment and Authority.

Each of the Lenders (in its capacity as a Lender), the Swing Line Lender and the L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the administrative agent and collateral agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof (including, without limitation, acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations), together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent and the other Credit Parties, and no Loan Party or any Subsidiary thereof shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.02 Appointment of the Agent as security trustee under the UK Security Documents

For the purposes of any Liens or Collateral created under the UK Security Documents, the following additional provisions shall apply, in addition to the provisions set out elsewhere in this ARTICLE IX or otherwise hereunder.

(a) The Credit Parties appoint the Agent to hold the security interests constituted by the UK Security Documents on trust for the Credit Parties on the terms of such UK Security Documents and the Agent accepts that appointment.

(b) The Agent, its subsidiaries and associated companies may each retain for its own account and benefit any fee, remuneration and profits paid to it in connection with (i) its activities under the UK Security Documents; and (ii) its engagement in any kind of banking or other business with any Credit Party.

(c) Nothing in this Agreement constitutes the Agent as a trustee or fiduciary of, nor shall the Agent have any duty or responsibility to, any Credit Party.

(d) The Agent shall have no duties or obligations to any other Person except for those which are expressly specified in the Loan Documents or mandatorily required by Law.

(e) The Agent may appoint one or more Delegates on such terms (which may include the power to sub-delegate) and subject to such conditions as it thinks fit, to exercise and perform all or any of the duties, rights, powers and discretions vested in it by any of the UK Security Documents and shall not be obliged to supervise any Delegate or be responsible to any person for any loss incurred by reason of any act, omission, misconduct or default on the part of any Delegate.

(f) The Agent may (whether for the purpose of complying with any Law or regulation of any overseas jurisdiction, or for any other reason) appoint (and subsequently remove) any person to act jointly with the Agent either as a separate trustee or as a co-trustee on such terms and subject to such conditions as the Agent thinks fit and with such of the duties, rights, powers and discretions vested in the Agent by any UK Security Document as may be conferred by the instrument of appointment of that person.

(g) The Agent shall notify the Credit Parties of the appointment of each Appointee (other than a Delegate).

(h) The Agent may pay reasonable remuneration to any Delegate or Appointee, together with any costs and expenses (including legal fees) reasonably incurred by the Delegate or Appointee in connection with its appointment. All such remuneration, costs and expenses shall be treated, for the purposes of this Agreement and any Fee Letter, as paid or incurred by the Agent.

(i) Each Delegate and each Appointee shall have every benefit, right, power and discretion and the benefit of every exculpation (together "Rights") of the Agent (in its capacity as security trustee) under the UK Security Documents, and each reference to the Agent (where the context requires that such reference is to the Agent in its capacity as security trustee) in the provisions of such UK Security Documents which confer Rights shall be deemed to include a reference to each Delegate and each Appointee.

(j) Each Credit Party confirms its approval of the UK Security Documents and authorizes and instructs the Agent: (i) to execute and deliver the UK Security Documents; (ii) to

exercise the rights, powers and discretions given to the Agent (in its capacity as security trustee) under or in connection with the UK Security Documents together with any other incidental rights, powers and discretions; and (iii) to give any authorizations and confirmations to be given by the Agent (in its capacity as security trustee) on behalf of the Credit Parties under the UK Security Documents.

(k) The Agent may accept without inquiry the title (if any) which any person may have to the Collateral.

(l) Each other Credit Party confirms that it does not wish to be registered as a joint proprietor of any security interest constituted by a UK Security Document and accordingly authorizes: (a) the Agent to hold such security interest in its sole name (or in the name of any Delegate) as trustee for the Credit Parties; and (b) the Land Registry (or other relevant registry) to register the Agent (or any Delegate or Appointee) as a sole proprietor of such security interest.

(m) Except to the extent that a UK Security Document otherwise requires, any moneys which the Agent receives under or pursuant to UK Security Document may be: (a) invested in any investments which the Agent selects and which are authorized by applicable law; or (b) placed on deposit at any bank or institution (including the Agent) on terms that the Agent thinks fit, in each case in the name or under the control of the Agent, and the Agent shall hold those moneys, together with any accrued income (net of any applicable Tax) to the order of the Lenders, and shall pay them to the Lenders on demand.

(n) On a disposal of any of the Collateral charged pursuant to a UK Security Document which is permitted under the Loan Documents, the Agent shall (at the reasonable cost of the Credit Parties) execute any release of the UK Security Documents or other claim over that Collateral and issue any certificates of non-crystallisation of floating charges that may be required or take any other action that the Agent considers desirable.

(o) The Agent shall not be liable for: (i) any defect in or failure of the title (if any) which any person may have to any assets over which security is intended to be created by any UK Security Document; any loss resulting from the investment or deposit at any bank of moneys which it invests or deposits in a manner permitted by the UK Security Documents unless that loss arises directly from its own gross negligence or willful misconduct; (ii) the exercise of, or the failure to exercise, any right, power or discretion given to it by or in connection with any Loan Document or any other agreement, arrangement or document entered into, or executed in anticipation of, under or in connection with, any Loan Document; or any shortfall which arises on enforcing the UK Security Document.

(p) The Agent shall not be obligated to (i) obtain any authorization or environmental permit in respect of any of the Collateral or any of the UK Security Documents; (ii) hold in its own possession any UK Security Document, title deed or other document relating to the Collateral or the UK Security Documents; (iii) perfect, protect, register, make any filing or give any notice in respect of any UK Security Documents (or the order of ranking of any UK Security Document), unless that failure arises directly from its own gross negligence or willful misconduct; or (iv) require any further assurances in relation to any UK Security Document.

(q) In respect of the UK Security Documents, the Agent shall not be obligated to (i) insure, or require any other person to insure, the Collateral; or (ii) make any enquiry or conduct any investigation into the legality, validity, effectiveness, adequacy or enforceability of any insurance existing over the Collateral.

(r) In respect of the UK Security Documents, the Agent shall not have any obligation or duty to any person for any loss suffered as a result of: (i) the lack or inadequacy of any insurance; or (ii) the failure of the Agent to notify the insurers of any material fact relating to the risk assumed by them, or of any other information of any kind, unless Required Lenders have requested it to do so in writing and the Agent has failed to do so within fourteen (14) days after receipt of that request.

(s) Every appointment of a successor Agent under the UK Security Documents shall be by deed.

(t) Section 1 of the Trustee Act 2000 (UK) shall not apply to the duty of the Agent in relation to the trusts constituted by this Agreement.

(u) In the case of any conflict between the provisions of this Agreement and those of the Trustee Act 1925 (UK) or the Trustee Act 2000 (UK), the provisions of this Agreement shall prevail to the extent allowed by law, and shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000 (UK).

(v) The perpetuity period under the rule against perpetuities if applicable to this Agreement and the UK Security Documents shall be 80 years from the date of this Agreement.

9.03 Rights as a Lender. The Person serving as the 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 Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Loan Parties or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

9.04 Exculpatory Provisions. The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Applicable Lenders, provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Loan Parties or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity.

The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Applicable Lenders (as the Agent shall believe in good faith shall be necessary under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a final and non-appealable judgment of a court of competent jurisdiction.

The Agent shall not be deemed to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Agent by a Loan Party, a Lender or the L/C Issuer. In the event that the Agent obtains such actual knowledge or receives such a notice, the Agent shall give prompt notice thereof to the L/C Issuer and the Lenders. Upon the occurrence of a Default or an Event of Default, the Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Applicable Lenders. Unless and until the Agent shall have received such direction, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to any such Default or Event of Default as it shall deem advisable in the best interest of the Credit Parties. In no event shall the Agent be required to comply with any such directions to the extent that the Agent believes that its compliance with such directions would be unlawful.

The 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 this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

9.05 Reliance by Agent.

The 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 (including, but not limited to, any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally, electronically or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Agent shall have received written notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Agent may consult with legal counsel (who may be counsel for any Loan Party), 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.

9.06 Delegation of Duties. The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the 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 the Agent. The Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.07 Resignation of Agent. The Agent may at any time give written notice of its resignation to the Lenders, the L/C Issuer and the Domestic Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Domestic Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders and the L/C Issuer, appoint a successor Agent meeting the qualifications set forth above; provided that if the Agent shall notify the Domestic Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Collateral held by the Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Domestic Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring 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 the retiring Agent was acting as Agent hereunder.

9.08 Non-Reliance on Agent and Other Lenders. Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information 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 other Loan Document or any related agreement or any document furnished hereunder or thereunder. Except as provided in Section 9.12, the Agent shall not have any duty or responsibility to provide any Credit Party with any other credit or other information concerning the affairs, financial condition or business of any Loan Party that may come into the possession of the Agent.

9.09 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers, Syndication Agent or Documentation Agent listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity as the Agent, a Lender or the L/C Issuer hereunder.

9.10 Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Loan Parties) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer, the Agent and the other Credit Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer, the Agent, such Credit Parties and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer the Agent and such Credit Parties under Sections 2.03(i), 2.03(j), 2.09 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Agent and to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Credit Party any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Credit Party or to authorize the Agent to vote in respect of the claim of any Credit Party in any such proceeding.

9.11 Collateral and Guaranty Matters. The Credit Parties irrevocably authorize the Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Loan Agreement Obligations (other than contingent indemnification obligations for which no claim has been asserted), and/or the expiration, termination or Cash Collateralization of all Letters of Credit, (ii) with respect to the UK Loan Parties, upon termination of the UK Commitments and payment in full of all UK Liabilities (other than contingent indemnification obligations for which no claim has been asserted), and/or the expiration, termination or Cash Collateralization of all Letters of Credit issued for the account of any UK Loan Party, (iii) that is sold or otherwise disposed of or to be sold or otherwise disposed of (to a Person that is not a Loan Party) as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, or (iv) if approved, authorized or ratified in writing by the Applicable Lenders in accordance with Section 10.01;

(b) to subordinate, make senior or make pari passu any Lien on any Other Property granted to or held by the Agent under any Loan Document to or with the Lien of any other Person on such property, as contemplated by clauses (q) or (r) of the definition of Permitted Encumbrances and to enter into the intercreditor agreements contemplated under clause (r) of the definition of Permitted Encumbrances or otherwise under this Agreement; and

(c) to release any Guarantor from its obligations under the Loan Documents if such Person ceases to be a Restricted Subsidiary or becomes an Unrestricted Subsidiary as a result of a transaction permitted hereunder and to release any Loan Party from its obligations under the Loan Documents in the event that such Loan Party shall dispose of all or substantially all of its assets and shall cease to own any Collateral in a transaction permitted hereunder.

Upon request by the Agent at any time, the Applicable Lenders will confirm in writing the Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty and Security Agreement pursuant to this Section 9.10 and its authority to give the releases set forth in Section 10.21. The Agent agrees upon the request of the Domestic Borrower or the UK Borrower and at the Domestic Borrower's expense to negotiate in good faith and enter into any Intercreditor Agreement or customary intercreditor agreement permitted under this Agreement in connection with the incurrence by the Domestic Borrower or any Restricted Subsidiary of the applicable secured Indebtedness. Without limitation of the foregoing, the Agent agrees to enter into any customary intercreditor agreement required to subordinate liens on assets (other than ABL Priority Collateral) of the UK Loan Parties to secure any Indebtedness secured by Liens on the assets of the UK Loan Parties permitted hereunder.

9.12 Notice of Transfer.

The Agent may deem and treat a Lender party to this Agreement as the owner of such Lender's portion of the Loan Agreement Obligations for all purposes, unless and until, and except to the extent, an Assignment and Acceptance shall have become effective as set forth in Section 10.06.

9.13 Reports and Financial Statements.

By signing this Agreement, each Lender:

(a) agrees to furnish the Agent after the occurrence and during the continuance of a Cash Dominion Event (and thereafter at such frequency as the Agent may reasonably request) with a summary of all Other Liabilities due or to become due to such Lender. In connection with any distributions to be made hereunder, the Agent shall be entitled to assume that no amounts are due to any Lender on account of Other Liabilities unless the Agent has received written notice thereof from such Lender and if such notice is received, the Agent shall be entitled to assume that the only amounts due to such Lender on account of Other Liabilities is the amount set forth in such notice;

(b) is deemed to have requested that the Agent furnish, and the Agent agrees to furnish, such Lender, promptly after they become available, copies of all Borrowing Base Certificates and financial statements required to be delivered by the Borrowers hereunder;

(c) is deemed to have requested that the Agent furnish, and the Agent agrees to furnish, such Lender, promptly after they become available, copies of all commercial finance examinations and appraisals of the Collateral received by the Agent (collectively, the "Reports");

(d) expressly agrees and acknowledges that the Agent makes no representation or warranty as to the accuracy of the Borrowing Base Certificates, financial statements or Reports, and shall not be liable for any information contained in any Borrowing Base Certificate, financial statement or Report;

(e) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that the Agent or any other party performing any audit or examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel;

(f) agrees to keep all Borrowing Base Certificates, financial statements and Reports confidential in accordance with the provisions of Section 10.07 hereof; and

(g) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold the Agent and any such other Person preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any Credit Extensions that the indemnifying Lender has made or may make to the Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a Loan or Loans; and (ii) to pay and protect, and indemnify, defend, and hold the Agent and any such other Person preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including attorney costs) incurred by the Agent and any such other Person preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

9.14 Agency for Perfection.

Each Credit Party hereby appoints each other Credit Party as agent for the purpose of perfecting Liens for the benefit of the Credit Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable Law can be perfected only by possession or control. Should any Credit Party (other than the Agent) obtain possession or control of any such Collateral, such Credit Party shall notify the Agent thereof, and, promptly upon the Agent's request therefor shall deliver such Collateral to the Agent or otherwise deal with such Collateral in accordance with the Agent's instructions.

9.15 Indemnification of Agent. Without limiting the obligations of Loan Parties hereunder, to the extent that the Loan Parties for any reason fails to indefeasibly pay any amount required under Section 10.04 to be paid by them to the Agent (or any sub-agent thereof), the Lenders shall indemnify the Agent, any sub-agent thereof, the L/C Issuer and any Related Party, as the case may be ratably according to their Applicable Percentages, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent, any sub-agent thereof, the L/C Issuer and their Related Parties in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted to be taken by the Agent, any sub-agent thereof, the L/C Issuer and their Related Parties in connection therewith; provided, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's, any sub-agent's, the L/C Issuer's and their Related Parties' gross negligence or willful misconduct as determined by a final and nonappealable judgment of a court of competent jurisdiction.

9.16 Relation among Lenders. 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 Agent) authorized to act for, any other Lender.

9.17 Risk Participation.

(a) Upon the earlier of Substantial Liquidation or the Determination Date, if all UK Liabilities have not been repaid in full (other than the Other UK Liabilities), then the other Lenders shall purchase from the UK Lenders (on the date of Substantial Liquidation or the Determination Date, as applicable) such portion of the UK Liabilities (other than the Other UK Liabilities) so that each Lender shall, after giving effect to any such purchases, hold its Liquidation Percentage of all outstanding UK Liabilities and all other Obligations.

(b) All purchases of Obligations under this Section 9.17 shall be at par, for cash, with no premium, discount or reduction.

(c) No Lender shall be responsible for any default of any other Lender in respect of any other Lender's obligations under this Section 9.17, nor shall the obligations of any Lender hereunder be increased as a result of such default of any other Lender. Each Lender shall be obligated to the extent provided herein regardless of the failure of any other Lender to fulfill its obligations hereunder.

(d) Each Lender shall execute such instruments, documents and agreements and do such other actions as may be necessary or proper in order to carry out more fully the provisions and purposes of this Section 9.17 and the purchase of Obligations or the UK Liabilities, as applicable, as provided herein.

(e) The obligations of each Lender under this Section 9.17 are irrevocable and unconditional and shall not be subject to any qualification or exception whatsoever including, without limitation, lack of validity or enforceability of this Agreement or any of the Loan Documents or the existence of any claim, setoff, defense or other right which any Loan Party may have at any time against any of the Lenders.

(f) No fees required to be paid on any assignment pursuant to Section 10.06 of this Agreement shall be payable in connection with any assignment under this Section 9.17.

ARTICLE X
MISCELLANEOUS

10.01 Amendments, Etc. (a) No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders or by the Agent, with the consent of the Required Lenders, and the Borrowers or the applicable Loan Party, as the case may be, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(i) increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(ii) as to any Lender, postpone any date fixed by this Agreement or any other Loan Document for (i) any scheduled payment (including on the Maturity Date) of principal, interest, fees or other amounts due hereunder or under any of the other Loan Documents without the written consent of such Lender, or (ii) any scheduled or mandatory reduction or termination of the Aggregate Commitments hereunder or under any other Loan Document, without the written consent of such Lender;

(iii) as to any Lender, reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing held by such Lender, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document to or for the account of such Lender, without the written consent of such Lender; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrowers to pay interest or Letter of Credit Fees at the Default Rate;

(iv) as to any Lender, change Section 2.13 or Section 8.03 in a manner that would alter the priorities set forth therein or the pro rata sharing of payments required thereby without the written consent of such Lender;

(v) change any provision of this Section 10.01 or the definition of "Required Lenders", or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(vi) except as expressly permitted hereunder or under any other Loan Document, release or limit the liability of any Borrower, or release all or substantially all of the value of the Guarantees of the Obligations by the Guarantors without the written consent of each Lender;

(vii) except for Permitted Dispositions or as provided in Section 9.10, release all or substantially all of the Collateral from the Liens of the Security Documents without the written consent of each Lender;

(viii) change the definition of the term "Domestic Borrowing Base", "UK Borrowing Base" or, in either case, any component definition thereof if, as a result thereof, the amounts available to be borrowed by the Domestic Borrower or UK Borrower would be increased without the written consent of each Lender, provided that the foregoing shall not limit the discretion of the Agent to change, establish or eliminate any Reserves;

(ix) modify the definition of Permitted Overadvance so as to increase the amount thereof or, except as otherwise provided in such definition, the time period for which a Permitted Overadvance may remain outstanding without the written consent of each Lender; and

(x) except as expressly permitted herein or in any other Loan Document, subordinate the Loan Agreement Obligations to any other Indebtedness, without the written consent of each Lender;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Lenders required above, affect the rights or duties of any Agent under this Agreement or any other Loan Document; and (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a

writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

(b) Notwithstanding anything to the contrary in this Agreement or any other Loan Document, (x) no provider or holder of any Bank Products or Cash Management Services shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as the provider or holder of such agreements or products or the Other Liabilities owing thereunder, nor shall the consent of any such provider or holder be required (other than in their capacities as Lenders, to the extent applicable) for any matter hereunder or under any of the other Loan Documents, including as to any matter relating to the Collateral or the release of Collateral or any Loan Party, and (y) any Loan Document may be amended and waived with the consent of the Agent at the request of the Borrowers without the need to obtain the consent of any other Lender if such amendment or waiver is delivered in order (i) to comply with local Law or advice of local counsel, (ii) to cure ambiguities or defects or (iii) to cause any Loan Document to be consistent with this Agreement and the other Loan Documents.

(c) If any Lender does not consent (a "Non-Consenting Lender") to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender or each affected Lender, as applicable, and that has been approved by the Required Lenders, the Borrowers may replace such Non-Consenting Lender in accordance with Section 10.13; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrowers to be made pursuant to this paragraph).

(d) Notwithstanding any provision herein to the contrary, this Agreement may be amended with the written consent of the Required Lenders, the Agent and the Borrowers (i) to add one or more additional revolving credit or term loan facilities to this Agreement, and to permit the extensions of credit and all related obligations and liabilities arising in connection therewith from time to time outstanding to share (on a basis subordinated to the existing facilities hereunder) in the benefits of this Agreement and the other Loan Documents with the obligations and liabilities from time to time outstanding in respect of the existing facilities hereunder, and (ii) in connection with the foregoing, to permit, as deemed appropriate by the Agent and approved by the Lenders, the Lenders providing such additional credit facilities to participate in any required vote or action required to be approved by the Required Lenders or by any other number, percentage or class of Lenders hereunder.

(e) Notwithstanding and in addition to the foregoing, the Agent may, with the consent of Borrowers only, amend, modify or supplement any Loan Document to cure any ambiguity, omission, defect or inconsistency therein, so long as such amendment, modification or supplement does not adversely affect the rights of any Credit Party.

10.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given electronically (and except as provided in subsection (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 telecopier or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given electronically shall be made to the applicable electronic mail address, as follows:

(i) if to a Loan Party, the Agent, the L/C Issuer or the Swing Line Lender, to the address, telecopier number or electronic mail address specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, telecopier number or electronic mail address specified in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. Each of the Agent and the Borrowers 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.

Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Loan Party,

any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Loan Parties' or the Agent's transmission of Borrower Materials through the Internet.

(d) Change of Address, Etc. Each of the Loan Parties, the Agent, the L/C Issuer and the Swing Line Lender may change its address, telecopier or electronic mail address for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or electronic mail address for notices and other communications hereunder by notice to the Borrowers, the Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Agent from time to time to ensure that the Agent has on record (i) an effective address, contact name, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrowers or their securities for purposes of the Securities Laws.

(e) Reliance by Agent, L/C Issuer and Lenders. The Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including electronic Committed Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of the Loan Parties even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Loan Parties. All electronic notices to and other electronic and telephonic communications with the Agent may be recorded by the Agent, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies. No failure by any Credit Party to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided herein and in the other Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. 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 or Event of Default, regardless of whether any Credit Party may have had notice or knowledge of such Default or Event of Default at the time.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at Law in connection with such enforcement shall be instituted and maintained exclusively by, the Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan

Documents, or (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.13); and provided, further, that if at any time there is no Person acting as Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b) and (c) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

10.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrowers shall pay all Credit Party Expenses.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Agent (and any sub-agent thereof), the L/C Issuer, the Lenders, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless (on an after tax basis) from, any and all losses, claims, causes of action, damages, liabilities, settlement payments, costs, and related expenses (including the reasonable fees, charges and out-of-pocket disbursements of one counsel for all Indemnitees and, if necessary, one firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all indemnified persons (and, in the case of an actual or perceived conflict of interest, where the Indemnitee affected by such conflict informs the Domestic Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Indemnitee)), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer 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 or the actions of any other Person seeking to enforce the rights of a Borrower, beneficiary, transferee, or assignee of Letter of Credit proceeds), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Loan Party or any of its Subsidiaries, (iv) any claims of, or amounts paid by any Indemnitee to, a Blocked Account Bank or other Person in connection with or arising under a control agreement entered into in connection with this Agreement with any Indemnitee hereunder, or (v) 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 any Borrower or any other Loan Party or any of the Loan Parties' directors, shareholders or creditors, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; 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 non-appealable judgment to have resulted from (1) the gross negligence, bad faith, or willful misconduct of such Indemnitee, or (2) in respect of disputes solely among Indemnitees that do not result from an act or omission of a Loan Party. Without limiting the provisions of Section 3.01(c), this Section 10.4(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Law, the Loan Parties shall not assert, and hereby waive, any claim against any Indemnitee, 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, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof.

(d) Payments. All amounts due under this Section shall be payable on demand therefor.

(e) Limitation of Liability. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 10.02(e) shall survive the resignation of any Agent, the L/C Issuer or the Swing Line Lender, the assignment of any Commitment or Loan by any Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Loan Agreement Obligations.

10.05 Payments Set Aside. To the extent that any payment by or on behalf of the Loan Parties is made to any Credit Party, or any Credit Party exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Credit Party in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Agent upon demand its Applicable Percentage (without duplication) of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Loan Agreement Obligations and the termination of this Agreement.

10.06 Successors and Assigns.

(a) Successors and Assigns Generally. 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, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder or under any other Loan Document without the prior written consent of the Agent and each Lender (unless otherwise permitted pursuant to this Agreement), and, subject to Section 10.07, no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 10.06(b), (ii) by way of participation in accordance with the provisions of subsection Section 10.06(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.06(f) (and any other attempted assignment or transfer by any party hereto shall be null and void). 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, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Credit Parties) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans (including for purposes of this Section 10.06(b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A)of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans and participations in the L/C Obligations and Swing Line Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the 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 Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 unless each of the Agent and, so long as no Default or Event of Default has occurred and is continuing, the Borrowers otherwise consent (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Proportionate Amounts. 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 with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrowers (such consent not to be unreasonably withheld or delayed) shall be required unless (1) a Default or Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund with respect to such Lender; provided that, to the extent the consent of the Borrowers is required, it shall be reasonable for the Borrowers to withhold consent based on the nature of the proposed assignee's business; and provided further that, to the extent the consent of the Borrowers is required, the Borrowers shall be deemed to have consented to such assignment if the Borrowers have been given ten (10) Business Days' prior notice of such assignment and have not objected to such assignment within such period; and

(B) the consent of the Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Commitment if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500, provided, however, that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it shall not be a Lender, shall deliver to the Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Loan Parties or any of the Loan Parties' Subsidiaries or Affiliates (including any Permitted Holder), (B) to any Defaulting Lender or any of its Subsidiaries or Affiliates, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person. Unless otherwise agreed by the Agent, no Person may be a UK Lender unless it (or any of its Affiliates) also has a Domestic Commitment.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or sub-participations, or other compensating actions, including funding, with the consent of the Borrowers and the Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement 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 of Sections 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrowers (at their expense) shall execute and deliver Notes to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection 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 Section 10.06(d).

(c) Register. The Agent, acting solely for this purpose as an agent of the Borrowers (and such agency being solely for tax purposes), shall maintain at the Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for

the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations 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 Loan Parties, the Agent and the Lenders may 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 Borrowers and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. (i) Any Lender may at any time, without the consent of, or notice to, the Loan Parties or the Agent, sell participations to any Person (other than a Defaulting Lender, a natural person or the Loan Parties or any of the Loan Parties' Affiliates or Subsidiaries (including any Permitted Holder)) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Loan Parties, the Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any Participant shall agree in writing to comply with all confidentiality obligations set forth in Section 10.07 as if such Participant was a Lender hereunder.

(ii) 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, waiver or other modification described in clauses (i) through (iv) of the first proviso to Section 10.01 that affects such Participant. Subject to subsection (e) of this Section, the Loan Parties agree that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.06(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender.

(iii) 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 Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrowers' prior written consent. A Participant that would be a Foreign

Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Borrowers are notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Loan Parties, to comply with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Resignation as L/C Issuer or Swing Line Lender after Assignment or Resignation. Any resignation or assignment by Bank of America as Agent under this Agreement shall also constitute its resignation as L/C Issuer and Swing Line Lender. Upon the appointment by the Domestic Borrower of a successor L/C Issuer or Swing Line Lender hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (b) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements reasonably satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

10.07 Treatment of Certain Information; Confidentiality. Each of the Credit Parties agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates, Approved Funds, and to its and its Affiliates' and Approved Funds' respective partners, directors, officers, employees, agents, funding sources, attorneys, advisors and representatives (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 purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Laws or regulations or by any subpoena or similar legal process; provided that any Person that discloses any Information pursuant to this clause (c) shall notify the Borrowers in advance of such disclosure (if permitted by Law) or shall provide the Borrowers with prompt written notice of such disclosure, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any 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 (including any electronic agreement contained in any Platform) 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 Contract relating to any Loan Party and its obligations, (g) with the consent of the Borrowers 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 any Credit Party or any of their respective Affiliates on a non-confidential basis from a source other than the Loan Parties not known by such source to be in breach of any duty of confidentiality with respect to such Information.

For purposes of this Section, "Information" means all information received from the Loan Parties or any Subsidiary thereof relating to the Loan Parties or any Subsidiary thereof or their respective businesses, other than any such information that is available to any Credit Party on a non-confidential basis prior to disclosure by the Loan Parties or any Subsidiary thereof. 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.

Each of the Credit Parties acknowledges that (a) the Information may include material non-public information concerning the Loan Parties or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with Law, including Federal and state securities Laws.

10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing or if any Lender shall have been served with a trustee process or similar attachment relating to property of a Loan Party, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Agent or the Required Lenders, 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, in whatever currency) or other property at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Borrowers or any other Loan Party against any and all of the Loan Agreement Obligations now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer, regardless of the adequacy of the Collateral, and irrespective of whether or not such Lender or the L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrowers or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender or the L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 2.16 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agent and the other Credit Parties, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Borrowers and the Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by Law (the "Maximum Rate"). If the Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans and other Obligations (other than Other Liabilities not then due and owing) or, if it exceeds such unpaid principal, refunded to the Borrowers. In determining whether the interest contracted for, charged, or received by the Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents 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 Agent and when the Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

10.11 Survival. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Credit Parties, regardless of any investigation made by any Credit Party or on their behalf and notwithstanding that any Credit Party may have had notice or knowledge of any Default or Event of Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Loan Agreement Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding. Further, the provisions of Sections 3.01, 3.04, 3.05 and 10.04 and Article IX shall survive and remain in full force and effect regardless of the repayment of the Loan Agreement Obligations, the expiration of the Letters of Credit or the termination of the Commitments or the termination of this Agreement or any provision hereof.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.13 Replacement of Lenders. If the Borrowers are entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender (if permitted by Law) and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06; provided that the consent of the assigned Lender shall not be required in connection with any such assignment and delegation), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrowers shall have paid to the Agent the assignment fee specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) 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);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

10.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO (OTHER THAN AS SET FORTH IN THE UK SECURITY DOCUMENTS), IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE LOAN PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION 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 IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY CREDIT PARTY 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) WAIVER OF VENUE. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY

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 LOAN 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) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

10.15 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY 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 OR 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 PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON 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 AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby, the Loan Parties each acknowledge and agree that: (i) the credit facility provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Loan Parties, on the one hand, and the Credit Parties, on the other hand, and each of the Loan Parties is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, each Credit Party is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Loan Parties or any of their respective Affiliates, stockholders, creditors or employees or any other Person; (iii) none of the Credit Parties has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Loan Parties with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether any of the Credit Parties has advised or is currently advising any Loan Party or any of its Affiliates on other matters) and none of the Credit Parties has any obligation to any Loan Party or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (iv) the Credit Parties and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and none of the Credit Parties has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) the Credit Parties have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each of the Loan Parties hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against each of the Credit Parties with respect to any breach or alleged breach of agency or fiduciary duty.

10.17 USA PATRIOT Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Agent, as applicable, to identify each Loan Party in accordance with the Act. Each Loan Party is in compliance, in all material respects, with the Act. No part of the proceeds of the Loans will be used by the Loan Parties, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended. The Loan Parties shall, promptly following a request by the Agent or any Lender, provide all documentation and other information that the Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act and the Money Laundering Regulations 2007 (UK), Proceeds of Crime Act 2002 (UK) and Terrorism Act 2000 (UK).

10.18 Foreign Asset Control Regulations. Neither of the advance of the Loans nor the use of the proceeds of any thereof will violate the Trading With the Enemy Act (50 U.S.C. § 1 et seq., as amended) (the "Trading With the Enemy Act") or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) (the "Foreign Assets Control Regulations") or any enabling legislation or executive order relating thereto (which for the avoidance of doubt shall include, but shall not be limited to (a) Executive Order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Executive Order") and (b) the Act. Furthermore, none of the Borrowers or their Affiliates (a) 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 (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person" or in any manner violative of any such order. No Loan Party is in violation of the Money Laundering Regulations 2007 (UK), the Proceeds of Crime Act 2002 (UK) or the Terrorism Act 2000 (UK).

10.19 Time of the Essence. Time is of the essence of the Loan Documents.

10.20 Press Releases.

(a) Each Credit Party executing this Agreement agrees that neither it nor its Affiliates will in the future issue any press releases or other public disclosure using the name of the Agent or its Affiliates or referring to this Agreement or the other Loan Documents without at least two (2) Business Days' prior notice to the Agent and without the prior written consent of the Agent unless (and only to the extent that) such Credit Party or Affiliate is required to do so under Law and then, in any event, such Credit Party or Affiliate will consult with the Agent before issuing such press release or other public disclosure.

(b) Each Loan Party consents to the publication by the Agent or any Lender of advertising material relating to the financing transactions contemplated by this Agreement using any Loan Party's name, product photographs, logo or trademark. The Agent or such Lender shall provide a draft reasonably in advance of any advertising material to the Borrowers prior to the publication thereof. The Agent reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

10.21 Releases.

(a) Any Lien on any property granted to or held by the Agent under any Loan Document shall terminate upon termination of the Aggregate Commitments and payment in full of all Obligations (other than (A) contingent indemnification obligations for which claims have not been asserted and (B) unless the Obligations have been accelerated as a result of the occurrence of any Event of Default or the Loan Parties are liquidating substantially all of their assets, subject to the first proviso hereto, Obligations in respect of Bank Products and Cash Management Services) and the expiration, termination or Cash Collateralization (or issuance of a supporting letter of credit satisfactory to the L/C Issuers and the Agent) of all Letters of Credit; provided, however, that in connection with the termination of this Aggregate Commitments and satisfaction of the Loan Agreement Obligations as set forth above, the Agent may require such indemnities or, in the case of the succeeding clause (y) only, collateral security as it shall reasonably deem necessary or appropriate to protect the Credit Parties against (x) loss on account of credits previously applied to the Obligations that may subsequently be reversed or revoked, and (y) any Obligations that may then exist or thereafter arise with respect to Bank Products and Cash Management Services to the extent not provided for thereunder; provided, further, that any such Liens granted pursuant to the Loan Documents shall be reinstated if at any time payment, or any part thereof, of any Loan Agreement Obligation is rescinded or must otherwise be restored by any Credit Party upon the bankruptcy or reorganization of any Loan Party. At the request and sole expense of any Loan Party following any such termination, the Agent shall deliver to such Loan Party any Collateral held by the Agent under any Loan Document, and execute and deliver to such Loan Party such documents as such Loan Party shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Loan Party to a Person that is not a Loan Party in a transaction permitted by this Agreement, then such Collateral shall be released from the Liens created by the Loan Documents without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to such Loan Party or its transferee, as the case may be, and the Agent, at the request and sole expense of such Loan Party, shall execute and deliver to such Loan Party all releases or other documents reasonably necessary or desirable to evidence the release of the Liens created by the Loan Documents on such Collateral. At the request and sole expense of the Borrowers, the Agent shall release any Loan Party from its obligations under the Loan Documents, including the Guaranty and Security Agreement, and shall execute and deliver to the Loan Parties all releases or other documentation reasonably necessary or desirable to evidence such release, in the event that all the equity interest of such Loan Party shall be sold, transferred or otherwise disposed of to a Person that is not a Loan Party, or such Loan Party shall otherwise cease to be a Subsidiary or shall be designated an Unrestricted Subsidiary, in a transaction permitted by this Agreement.

10.22 No Strict Construction.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

10.23 Attachments.

The exhibits, schedules and annexes attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail.

10.24 Electronic Execution of Assignments and Certain Other Documents.

The words "execute," "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

10.25 Intercreditor Agreement.

The Loan Parties, the Agent, the Lenders and the other Credit Parties acknowledge that the exercise of certain of the Agent's rights and remedies hereunder may be subject to, and restricted by, the provisions of the Intercreditor Agreement. Except as specified herein, nothing contained in the Intercreditor Agreement shall be deemed to modify any of the provisions of this Agreement and the other Loan Documents, which, as among the Loan Parties, the Agent, the Lenders and the other Credit Parties shall remain in full force and effect.

10.26 Obligations and Collateral of the UK Loan Parties.

Notwithstanding anything contained herein or in the other Loan Documents, the UK Loan Parties shall not be liable or jointly and severally liable for any Obligations (other than the UK Liabilities) of the Domestic Borrower or any Domestic Loan Party (collectively, the "Domestic Obligations"), and none of the Collateral pledged by the UK Loan Parties shall secure any Domestic Obligations. In addition, any insurance proceeds from any Collateral pledged by the UK Loan Parties shall not be available to pay any Domestic Obligations.

10.27 Judgment Currency.

If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any other Loan Document, it becomes necessary to convert into a particular currency (the "Judgment Currency") any amount due under this Agreement or under any other Loan Document in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "rate of exchange" means the rate at which the Agent is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with its normal practice for the applicable currency conversion in the wholesale market. In the event that there is a change in the rate of exchange prevailing there is a change in the rate of exchange prevailing between the conversion date and the date of actual payment of the amount due, the Loan Parties will pay such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of

Currency Due which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the conversion date. If the amount of the Currency Due which the applicable Agent is so able to purchase is less than the amount of the Currency Due originally due to it, the applicable Loan Party shall indemnify and save the Agents, the L/C Issuer and the Lenders harmless from and against all loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Loan Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Agent from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any other Loan Document or under any judgment or order.

10.28 Keepwell.

Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty and Security Agreement or the grant of a security interest under the Loan Documents, in each case, by any Specified Loan Party becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under the Facility Guaranty voidable under applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Aggregate Commitments have been terminated and the Obligations have been indefeasibly paid and performed in full. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the date first above written.

LANDS' END, INC., as Domestic Borrower

By: /s/ Michael Rosera
Name: Michael Rosera
Title: Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer

LANDS' END EUROPE LIMITED, as UK Borrower

By: /s/ Michael Rosera
Name: Michael Rosera
Title: Treasurer

BANK OF AMERICA, N.A., as Agent, L/C Issuer, Swing Line Lender and as a Lender

By: /s/ Christine M. Scott
Name: Christine M. Scott
Title: Senior Vice President and Director

[OTHER LENDERS]

Schedule 1.01

Guarantors

Guarantors of All Obligations

Lands' End Direct Merchants, Inc.
Lands' End International, Inc.
LEGC, LLC
Lands' End Media Company
Lands' End Japan, Inc.

Guarantors of UK Obligations

Lands' End, Inc.
Lands' End Direct Merchants, Inc.
Lands' End International, Inc.
LEGC, LLC
Lands' End Media Company
Lands' End Japan, Inc.

Schedule 1.02

Existing Letters of Credit

L/C Issuer	Account Party	Expiry Date	Letter of Credit Amount	Beneficiary	Letter of Credit Number
Bank of America, N.A.	Lands' End, Inc.	April 9, 2014	$ 60,381.70	Legend Swimwear Factory Limited	64574478
Bank of America, N.A.	Lands' End, Inc.	April 15, 2014	$ 40,034.41	Legend Swimwear Factory Limited	67574480
Bank of America, N.A.	Lands' End, Inc.	April 29, 2014	$ 39,323.35	Legend Swimwear Factory Limited	67574482
Bank of America, N.A.	Lands' End, Inc.	n/a	$ 30,261.56	Legend Swimwear Factory Limited	67574484
Bank of America, N.A.	Lands' End, Inc.	May 20, 2014	$ 1,091,680.44	Legend Swimwear Factory Limited	67574485
Bank of America, N.A.	Lands' End, Inc.	May 14, 2014	$ 170,639.89	Legend Swimwear Factory Limited	67574488
Bank of America, N.A.	Lands' End, Inc.	n/a	$ 239,930.39	Legend Swimwear Factory Limited	67574490
Bank of America, N.A.	Lands' End, Inc.	May 27, 2014	$ 19,735.64	Legend Swimwear Factory Limited	67574492
Bank of America, N.A.	Lands' End, Inc.	May 27, 2014	$ 2,112,696.62	Legend Swimwear Factory Limited	67574493
Bank of America, N.A.	Lands' End, Inc.	May 20, 2014	$ 3,015.79	Legend Swimwear Factory Limited	67574497
Bank of America, N.A.	Lands' End, Inc.	June 5, 2014	$ 14,126.74	Legend Swimwear Factory Limited	67574498
Bank of America, N.A.	Lands' End, Inc.	June 12, 2014	$ 6,017.47	Legend Swimwear Factory Limited	67574500
Bank of America, N.A.	Lands' End, Inc.	February 2, 2015	$ 2,900,000.00	Sentry Insurance A Mutual Company	68005894
Bank of America, N.A.	Lands' End, Inc.	July 30, 2014	$ 4,025,000.00[1]	Aspen American Insurance Company	68097915

[1] To be amended on or about the Closing Date to increase amount to $8,000,000/

Schedule 1.03

Mandatory Cost

1. The Mandatory Cost (to the extent applicable) 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 Conduct Authority and/or the Prudential Regulation 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 Agent shall calculate, as a percentage rate, a rate (the "Additional Cost Rate") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Lenders' Additional Cost 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 Additional Cost Rate for any Lender lending from a Lending Office in a Participating Member State will be the percentage notified by that Lender to the Agent. This percentage will be certified by such Lender in its notice to the Agent to be its reasonable determination of the cost (expressed as a percentage of such Lender's participation in all Loans made from such Lending Office) of complying with the minimum reserve requirements of the European Central Bank in respect of Loans made from that Lending Office.

4. The Additional Cost Rate for any Lender lending from a Lending Office in the United Kingdom will be calculated by the Agent as follows:

   (a) in relation to any Loan in Sterling:

$$\frac{AB+C(B-D)+E \times 0.01}{100-(A+C)}$$ per cent per annum

(b) in relation to any Loan in any currency other than Sterling:

$$\frac{E \times 0.01}{300} \quad \text{per cent per annum}$$

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 Margin, the Mandatory Cost and in the case of interest charged at the Default Rate, without counting any increase in interest rate effected by the charging of the Default Rate) payable for the relevant Interest Period of such 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 Agent on interest bearing Special Deposits.

"E" is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by three leading banks in the London interbank market appointed by the Agent (the "Reference Banks") and expressed in pounds 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) "Fees Rules" means the rules on periodic fees contained in the Financial Conduct Authority Fees Manual and the Prudential Regulation 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;

(c) "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);

(d) "Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (*i.e.* 5% 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 Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Conduct Authority or the Prudential Regulation Authority, supply to the Agent, the rate of charge payable by such Reference Bank to the Financial Conduct Authority or the Prudential Regulation Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Conduct Authority or Prudential Regulation Authority (calculated for this purpose by such Reference Bank as being the average of the Fee Tariffs applicable to such Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of such Reference Bank.

8. Each Lender shall supply any information required by the Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information in writing on or prior to the date on which it becomes a Lender:

(a) the jurisdiction of the Lending Office out of which it is making available its participation in the relevant Loan; and

(b) any other information that the Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Agent in writing 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 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 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 lending office in the same jurisdiction as its Lending Office.

10. The Agent 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 Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost 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 Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all parties.

13. The Agent may from time to time, after consultation with the Borrowers and the Lenders, determine and notify to all parties any amendments which are required to be made to this Schedule 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 Conduct Authority, the Prudential Regulation 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.

Schedule 1.05

Account Debtors

Alaska Airlines, Inc.
AT&T Services, Inc.
Avis Budget Car Rental, LLC
JPMorgan Chase Bank, National Association
Southwest Airlines Co.
Verizon Sourcing LLC

Schedule 2.01

Lenders and Commitments

Lender	Domestic Commitment	Applicable Percentage with respect to Domestic Commitments	UK Commitment	Applicable Percentage with respect to UK Commitments	Commitment	Applicable Percentage
Bank of America, N.A.	$ 50,000,000[1]	28.571428%	$30,000,000	100.000000%	$ 50,000,000[1]	28.571428%
General Electric Capital Corporation	$ 40,000,000	22.857143%	$ 0	0%	$ 40,000,000	22.857143%
BMO Harris Bank N.A.	$ 40,000,000	22.857143%	$ 0	0%	$ 40,000,000	22.857143%
RBS Citizens Business Capital, a division of RBS Asset Finance, Inc.	$ 22,500,000	12.857143%	$ 0	0%	$ 22,500,000	12.857143%
Fifth Third Bank	$ 22,500,000	12.857143%	$ 0	0%	$ 22,500,000	12.857143%
TOTAL	**$175,000,000**	**100.000000%**	**$30,000,000**	**100.000000%**	**$175,000,000**	**100.000000%**

Note 1: The aggregate Commitments of Bank of America, N.A. total $50,000,000. Any usage by the UK Borrower of the UK Commitment of Bank of America, N.A. will reduce dollar for dollar the amounts available to be borrowed under the Domestic Commitment of Bank of America, N.A. Similarly, any amounts borrowed by the Domestic Borrower from the Domestic Commitment of Bank of America, N.A. in excess of $20,000,000 will reduce dollar for dollar the amounts available to be borrowed under the UK Commitment of Bank of America, N.A.

Schedule 5.18

Collective Bargaining Agreements

None.

Schedule 6.02

Financial and Collateral Reporting

[see attached]

Schedule 6.12

Blocked Account Banks

1. BMO Harris Bank, N.A.
2. Wells Fargo Bank, National Association
3. Bank of America, N.A.
4. Santander Bank

Schedule 6.16

Post-Closing Actions

1. On or before June 3, 2014 (or such later date as the Agent may agree in its sole discretion), the Loan Parties shall use commercially reasonable efforts to cause to be delivered to the Agent a Customs Broker/Carrier Agreement with each of the Loan Parties' freight forwarders, customs brokers and carriers identified in the Perfection Certificate (including, without limitation, MIQ Logistics, OOCL and Expeditors International), each of which Customs Broker/Carrier Agreements shall be in form and substance reasonably satisfactory to the Agent and duly executed by the parties thereto. Notwithstanding anything to the contrary contained herein, the Agent hereby acknowledges and agrees that all in-transit Inventory shipped from a foreign location that otherwise meets the eligibility criteria set forth in the Credit Agreement shall be deemed to be "Eligible In-Transit Inventory" until the expiration of the time period set forth herein; provided, however, in the event that the Loan Parties are unable to deliver a Customs Broker/Carrier Agreement from each of their freight forwarders, customs brokers and carriers within the time period set forth herein, the Agent may exclude such Inventory from the Domestic Borrowing Base or the UK Borrowing Base, as applicable, or establish such Reserves relating to such Inventory (to the extent that any such Inventory is included in the Domestic Borrowing Base or the UK Borrowing Base, as applicable) as the Agent may determine in its Permitted Discretion.

2. Within ninety (90) days after the Closing Date (or such later date as the Agent may agree in its sole discretion), to the extent required to be delivered to the Term Agent, the Agent shall have received each of the following documents with respect to each Mortgaged Property:

   (i) **Mortgages.** One or more counterparts of fee Mortgages, duly executed and acknowledged by the holder of such fee interest in such Mortgaged Property, in favor of the Agent for its benefit and the benefit of the Credit Parties, in proper form for recording in the land records in the jurisdiction in which such Mortgaged Property is located (the "Land Records"), in form and substance satisfactory to the Agent and sufficient to create a valid and enforceable first priority mortgage lien on such Mortgaged Property in favor of the Agent for its benefit and the benefit of the Credit Parties, securing the Obligations, subject only to Permitted Encumbrances, together with evidence that a counterpart of such Mortgage has been delivered to the Title Company (as hereinafter defined) for recording in the Land Records;

   (ii) **Title Insurance.** A lender's policy of title insurance (or commitment to issue such a policy having the effect of a policy of title insurance) issued by a nationally recognized title insurance company reasonably acceptable to the Agent (the "Title Company") insuring (or committing to insure) the lien of the applicable Mortgage as valid and enforceable first priority mortgage lien on the Mortgaged Property described therein (each, a "Title Policy") which insures the Agent that such Mortgage creates a valid and enforceable first priority mortgage lien on such Mortgaged Property, in an amount not less than the fair market value of such Mortgaged Property as reasonably determined, in good faith, by the Borrower and reasonably acceptable to the Agent (it being agreed that in lieu of any current appraisal, a current real property tax assessment may be used for such purpose), free and clear of all defects and encumbrances except Permitted Encumbrances, together with such endorsements (or in the case of zoning, zoning reports from a nationally recognized provider) as the Agent reasonably requests (or where such

endorsements are not available, opinions of special counsel, architects or other professionals reasonably acceptable to the Agent), including, without limitation, to the extent available at commercially reasonably rates, a "tie-in" or "cluster" endorsement, if available under applicable law (i.e., policies which insure against losses regardless of location or allocated value of the insured property up to a stated maximum coverage amount), endorsements on matters relating to usury, first loss, last dollar, zoning, contiguity, future advances, doing business, non-imputation, public road access, survey, variable rate, environmental lien, subdivision, separate tax lot revolving credit, so-called comprehensive coverage over covenants and restrictions and for any and all other matters that the Agent may request. Such Title Policy shall not include an exception for mechanics' liens, and shall provide for affirmative insurance and such reinsurance (including direct access agreements) as the Agent may reasonably request;

(iii) **Consents**. With respect to each Mortgaged Property, such consents, approvals, amendments, supplements, estoppels, tenant subordination agreements or other instruments as the Agent shall reasonably request; provided, that this clause (iii) shall be deemed satisfied if the Borrower shall have used commercially reasonable efforts to obtain any such consents, approvals, amendments, supplements, estoppels, tenant subordination agreements or other instruments from any Person other than a Subsidiary of the Borrower, notwithstanding that such Person may not have delivered any such consents, approvals, amendments, supplements, estoppels, tenant subordination agreements or other instruments;

(v) **Survey.** A survey of each Mortgaged Property, which, for the avoidance of doubt, can be an existing survey accompanied by an officer's certificate stating that there have been no material changes to such Mortgaged Property since the date of the survey, so long as such new survey or existing survey with certificate of no material change is in such form as shall (x) be required by the Title Company to issue the so-called comprehensive and other survey-related endorsements and to remove the standard survey exceptions from the Title Policy with respect to such Mortgaged Property and (y) comply with the minimum detail requirements of the American Land Title Association and as shall be reasonably requested by the Agent, which survey shall locate all improvements, public streets and recorded easements affecting such Mortgaged Property;

(vi) **Fixture Filings.** Proper fixture filings under the Uniform Commercial Code on Form UCC-1 for filing under the Uniform Commercial Code in the appropriate jurisdiction in which the Mortgaged Properties are located, necessary desirable to perfect the security interests in fixtures purported to be created by the Mortgages in favor of the Agent for its benefit and the benefit of the Credit Parties; provided, however, that to the extent local counsel opines that any Mortgage would constitute a valid and effective fixture filing in the jurisdiction in which the applicable Mortgaged Property is located, in form and substance satisfactory to the Agent, a fixture filing on Form UCC-1 shall not be required with respect to such Mortgaged Property;

(vii) **Counsel Opinions.** Opinions addressed to the Agent for its benefit and for the benefit of the Credit Parties of (i) local counsel in each jurisdiction where the Mortgaged Property is located (A) with respect to the enforceability and perfection of the Mortgage and (B) if and to the extent such local counsel usually and customarily provides such opinions, with respect to the sufficiency of the Mortgage as a fixture filing, the applicability of Mortgage recording, stamp or documentary taxes, and the applicability of any usury laws of the jurisdiction, and (ii) counsel for the Borrower regarding due authorization, execution and delivery of the Mortgages, in each case, in form and substance reasonably satisfactory to the Agent;

(viii) **Flood Hazard Determinations.** With respect to each Mortgaged Property, a "Life-of Loan" Federal Emergency Management Agency Standard Flood Hazard Determination (together with any required notice about special flood hazard area status and flood disaster assistance duly executed by the applicable Loan Party relating thereto) and, if the area in which any improvements located on any Mortgaged Property is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), evidence of flood insurance, in favor of the Agent for its benefit and the benefit of the Credit Parties in an amount that would be considered sufficient under the Flood Insurance Laws and otherwise in form and substance reasonably satisfactory to the Agent (any such flood determinations to be ordered by the Agent, with reimbursement of any costs from the Borrower); and

(x) **Real Estate Collateral Fees and Expenses.** Evidence reasonably satisfactory to the Agent of payment by the Borrower of all Title Policy premiums, search and examination charges, escrow charges and related charges, mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Mortgages, fixture filings and other documents and issuance of the Title Policies and endorsements contemplated by clause (ii) above.

Schedule 7.09

Affiliate Transactions

1. General Indemnity Agreement, dated May 23, 2013, by and between Sears Holdings Corporation, Lands' End, Inc., and Aspen American Insurance Company.

2. License & Apparel Agreement between Lands' End Business Outfitters, a division of Lands' End, Inc., and Sears, Roebuck and Co., as amended, effective November 2009 through July 2018.

Schedule 10.02

Agent's Office; Certain Addresses for Notices

Agent, L/C Issuer and Swing Line Lender

Bank of America, N.A.
100 Federal Street, 9th Floor
Boston, Massachusetts 02110
Attention: Stephen J. Garvin
Telephone: (617) 434-9399
Facsimile: (617) 434-6685
E-mail: stephen.garvin@baml.com

with a copy to:

Riemer & Braunstein LLP
Three Center Plaza
Boston, Massachusetts 02108
Attention: David S. Berman, Esq.
Telephone: (617) 523-9000
Facsimile: (617) 880-3456
E-mail: dberman@riemerlaw.com

The Lead Borrower and the Other Loan Parties

c/o Lands' End, Inc.
1 Lands' End Lane
Dodgeville, Wisconsin 53595
Attention: Michael P. Rosera, Chief Financial Officer

Telephone: (608) 935-4806
Facsimile: (608) 935-6888
E-mail: mike.rosera@landsend.com
Website: www.landsend.com

with a copy to:

c/o Lands' End, Inc.
1 Lands' End Lane
Dodgeville, Wisconsin 53595
Attention: Karl Dahlen, Senior Vice President, General Counsel and Secretary

Telephone: (608) 935-6995
Facsimile: (608) 935-6550
E-mail: karl.dahlen@landsend.com

EXHIBIT A-1

FORM OF COMMITTED LOAN NOTICE (DOMESTIC)

Date: _____, _____

To: Bank of America, N.A., as Agent

Ladies and Gentlemen:

Reference is made to the ABL Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "**Credit Agreement**") by, among others, (i) Lands' End, Inc., a Delaware corporation (the "**Domestic Borrower**"), (ii) Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "**UK Borrower**"), (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for the benefit of the Credit Parties referred to therein, (iv) Bank of America, N.A., as L/C Issuer, and (v) the lenders from time to time party thereto (individually, a "**Lender**" and, collectively, the "**Lenders**"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

1. The Domestic Borrower hereby requests [a Domestic Committed Borrowing][a Conversion of Domestic Committed Loans from one Type to the other][a continuation of LIBOR Rate Loans][1]:

(a) On (a Business Day)[2]

(b) In the principal amount of $ [3]

(c) Comprised of a [Base Rate][LIBOR Rate] Loan (Type of Domestic Committed Loan)[4]

---

1 A Domestic Committed Borrowing must be a borrowing consisting of simultaneous Loans of the same Type and, in the case of LIBOR Rate Loans, must have the same Interest Period.

2 Each notice of a Domestic Committed Borrowing, Conversion of Committed Loans from one Type to the other, or a continuation of LIBOR Rate Loans must be received by the Agent not later than (i) 12:00 p.m. Local Time three (3) Business Days prior to the requested date of any Borrowing of, Conversion to or continuation of LIBOR Rate Loans, and (ii) 1:00 p.m. Local Time on the requested date of any Borrowing of Base Rate Loans. Notice may be given by telephone, but must be confirmed promptly in writing in accordance with Section 2.02(b) of the Credit Agreement.

3 Each Domestic Committed Borrowing, conversion to, or continuation of LIBOR Rate Loans must be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof, provided that one Domestic Committed Borrowing of, Conversion to or continuation of LIBOR Rate Loans may be in a principal amount of less than $5,000,000 but in all events shall be greater than $2,000,000.

4 Domestic Committed Loans may be either Base Rate Loans or LIBOR Rate Loans. If the Type of Domestic Committed Loan is not specified, then the applicable Domestic Committed Loans will be made as Base Rate Loans.

For LIBOR Rate Loans: with an Interest Period of month(s)[5]

The Domestic Borrower hereby represents and warrants (a) the Domestic Committed Borrowing requested herein satisfies the requirements of Sections 2.02(b) and 2.02(g) of the Credit Agreement, and (b) the conditions specified in 4.02 of the Credit Agreement have been satisfied on and as of the date specified in Item 1(a) above.

LANDS' END, INC., as Domestic Borrower

By: _____
Name: _____
Title: _____

[5] The Domestic Borrower may request a Domestic Committed Borrowing of LIBOR Rate Loans with an Interest Period of one, two, three or six months. If no election of Interest Period is specified, then the Domestic Borrower will be deemed to have specified an Interest Period of one month.

EXHIBIT A-2

FORM OF COMMITTED LOAN NOTICE (UK)

Date: _____, _____

To: Bank of America, N.A., as Agent

Ladies and Gentlemen:

Reference is made to the ABL Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "**Credit Agreement**") by, among others, (i) Lands' End, Inc., a Delaware corporation (the "**Domestic Borrower**"), (ii) Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "**UK Borrower**"), (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for the benefit of the Credit Parties referred to therein, (iv) Bank of America, N.A., as L/C Issuer, and (v) the lenders from time to time party thereto (individually, a "**Lender**" and, collectively, the "**Lenders**"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

1. The UK Borrower hereby requests [a UK Committed Borrowing][a Conversion of UK Committed Loans from one Type to the other][a continuation of LIBOR Rate Loans or Euribor Rate Loans][1]:

(a) On (a Business Day)[2]

(b) In the principal amount of [$][£][€] [3]

(c) Comprised of a [UK Base Rate][LIBOR Rate][Euribor Rate] Loan (Type of UK Committed Loan)[4]

---

1 A UK Committed Borrowing must be a borrowing consisting of simultaneous Loans of the same Type and, in the case of LIBOR Rate Loans, must have the same Interest Period.

2 Each notice of a UK Committed Borrowing, Conversion of UK Committed Loans from one Type to the other, or a continuation of LIBOR Rate Loans or Euribor Rate Loans must be received by the Agent not later than (i) 12:00 p.m. Local Time three (3) Business Days prior to the requested date of any Borrowing of, Conversion to or continuation of LIBOR Rate Loans or Euribor Rate Loans or of any Conversion of LIBOR Rate Loans or Euribor Rate Loans to Base Rate Loans or UK Base Rate Loans, as applicable, and (ii) 11:00 a.m. Local Time on the requested date of any Borrowing of UK Base Rate Loans. Notice may be given by telephone, but must be confirmed promptly in writing in accordance with Section 2.02(b) of the Credit Agreement.

3 For the avoidance of doubt, no minimum Borrowing, Conversion or continuation amount shall be required in the case of Borrowings, Conversions or continuations by the UK Borrower.

4 UK Committed Loans may be LIBOR Rate Loans, Euribor Rate Loans or UK Base Rate Loans. If the Type of UK Committed Loan is not specified, then the applicable UK Committed Loans will be made as UK Base Rate Loans.

(d) For LIBOR Rate Loans or Euribor Rate Loans: with an Interest Period of month(s)[5]

The UK Borrower hereby represents and warrants that (a) the UK Committed Borrowing requested herein satisfies the requirements of Sections 2.02(b) and 2.02(g) of the Credit Agreement, and (b) the conditions specified in 4.02 of the Credit Agreement have been satisfied on and as of the date specified in Item 1(a) above.

LANDS' END EUROPE LIMITED, as UK Borrower

By: _____

Name: _____

Title: _____

5 The UK Borrower may request a Borrowing of LIBOR Rate Loans with an Interest Period of one, two, three or six months. If no election of Interest Period is specified, then the UK Borrower will be deemed to have specified an Interest Period of one month.

EXHIBIT B

FORM OF SWING LINE LOAN NOTICE

Date: _____, _____

To: Bank of America, N.A., as Swing Line Lender
Bank of America, N.A., as Agent

Ladies and Gentlemen:

Reference is made to the ABL Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "**Credit Agreement**") by, among others, (i) Lands' End, Inc., a Delaware corporation (the "**Domestic Borrower**"), (ii) Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "**UK Borrower**"), (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for the benefit of the Credit Parties referred to therein, (iv) Bank of America, N.A., as L/C Issuer, and (v) the lenders from time to time party thereto (individually, a "**Lender**" and, collectively, the "**Lenders**"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

The [Domestic Borrower][UK Borrower] hereby requests a Swing Line Borrowing:

1. On (a Business Day)[1]

2. In the principal amount of $ [2]

The Swing Line Borrowing requested herein complies with the provisions of Sections 2.04(a) and 2.04(b) of the Credit Agreement.

[**LANDS' END, INC.**, as Domestic Borrower]
[**LANDS' END EUROPE LIMITED**, as UK Borrower]

By: _____
Name: _____
Title: _____

1 Each notice of a Swing Line Borrowing must be received by the Swing Line Lender and the Agent not later than 1:00 p.m. Local Time on the requested borrowing date. Notice may be given by telephone, but must be confirmed promptly in writing in accordance with Section 2.04(b) of the Credit Agreement.

2 Each Swing Line Borrowing must be in a minimum amount of $100,000.

EXHIBIT C-1

FORM OF DOMESTIC NOTE

DOMESTIC NOTE

$ April 4, 2014

FOR **VALUE RECEIVED**, Lands' End, Inc., a Delaware corporation (the "**Domestic Borrower**"), promises to pay to the order of (hereinafter, with any subsequent permitted holders, the "**Domestic Lender**"), c/o Bank of America, N.A. 100 Federal Street, 9th Floor, Boston, Massachusetts 02110, the principal sum of ($), or, if less, the aggregate unpaid principal balance of Domestic Committed Loans made by the Domestic Lender to or for the account of the Domestic Borrower pursuant to the ABL Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated and in effect from time to time, the "**Credit Agreement**") by, among others, (i) the Domestic Borrower, (ii) Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "**UK Borrower**"), (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for its own benefit and the benefit of the other Credit Parties referred to therein, (iv) Bank of America, N.A., as L/C Issuer, and (v) the lenders from time to time party thereto (individually, a "**Lender**" and, collectively, the "**Lenders**"), with interest at the rate and payable in the manner stated therein.

This is a "**Domestic Note**" to which reference is made in the Credit Agreement and is subject to all terms and provisions thereof. The principal of, and interest on, this Domestic Note shall be payable at the times, in the manner, and in the amounts as provided in the Credit Agreement and shall be subject to prepayment and acceleration as provided therein. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Agent's books and records concerning the Domestic Committed Loans, the accrual of interest thereon, and the repayment of such Domestic Committed Loans, shall be prima facie evidence of the indebtedness to the Domestic Lender hereunder.

No delay or omission by the Agent or the Domestic Lender in exercising or enforcing any of the Agent's or such Domestic Lender's powers, rights, privileges, remedies, or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any Event of Default shall operate as a waiver of any other Event of Default, nor as a continuing waiver of any such Event of Default.

The Domestic Borrower waives presentment, demand, notice, and protest, and also waives any delay on the part of the holder hereof.

This Domestic Note shall be binding upon the Domestic Borrower and upon its successors, assigns, and representatives, and shall inure to the benefit of the Domestic Lender and its successors, endorsees, and assigns.

The liabilities of the Domestic Borrower, and of any guarantor of this Domestic Note, are joint and several, *provided, however*, the release by the Agent or the Domestic Lender of any one or more such Persons shall not release any other Person obligated on account of this Domestic Note. Each reference in this Domestic Note to the Domestic Borrower, and any guarantor, is to such Person individually and also to all such Persons jointly. ***No Person obligated on account of this Domestic Note may seek contribution from any other Person also obligated unless and until all of the Obligations have been paid in full in cash***.

THIS DOMESTIC NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

THE DOMESTIC BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND ANY FEDERAL COURT SITTING THEREIN, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS DOMESTIC NOTE OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND THE DOMESTIC BORROWER 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 COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. THE DOMESTIC BORROWER 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 DOMESTIC NOTE OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE AGENT OR THE DOMESTIC LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS DOMESTIC NOTE OR ANY OTHER LOAN DOCUMENT AGAINST THE DOMESTIC BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

THE DOMESTIC BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS DOMESTIC NOTE OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO ABOVE. THE DOMESTIC BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

The Domestic Borrower makes the following waiver knowingly, voluntarily, and intentionally, and understands that the Agent and the Domestic Lender, in the establishment and maintenance of their respective relationships with the Domestic Borrower contemplated by this Domestic Note, are each relying thereon. THE DOMESTIC BORROWER AND THE DOMESTIC LENDER, BY ITS ACCEPTANCE HEREOF, HEREBY IRREVOCABLY 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 DOMESTIC NOTE OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE DOMESTIC BORROWER (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT THE AGENT AND THE DOMESTIC LENDER HAVE BEEN INDUCED TO ENTER INTO THE CREDIT AGREEMENT AND THIS DOMESTIC NOTE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS HEREIN.

[**SIGNATURE PAGE FOLLOWS**]

IN WITNESS WHEREOF, the Domestic Borrower has caused this Domestic Note to be duly executed as of the date set forth above.

DOMESTIC BORROWER:

LANDS' END, INC., as Domestic Borrower

By: _____
Name: _____
Title: _____

EXHIBIT C-2

FORM OF UK NOTE

UK NOTE

$ April 4, 2014

FOR **VALUE RECEIVED**, Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "**UK Borrower**"), promises to pay to the order of (hereinafter, with any subsequent permitted holders, the "**UK Lender**"), c/o Bank of America, N.A. 100 Federal Street, 9th Floor, Boston, Massachusetts 02110, the principal sum of ($), or, if less, the aggregate unpaid principal balance of UK Committed Loans made by the UK Lender to or for the account of the UK Borrower pursuant to the ABL Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated and in effect from time to time, the "**Credit Agreement**") by, among others, (i) Lands' End, Inc. (the "**Domestic Borrower**"), (ii) the UK Borrower, (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for its own benefit and the benefit of the other Credit Parties referred to therein, (iv) Bank of America, N.A., as L/C Issuer, and (v) the lenders from time to time party thereto (individually, a "**Lender**" and, collectively, the "**Lenders**"), with interest at the rate and payable in the manner stated therein.

This is a "**UK Note**" to which reference is made in the Credit Agreement and is subject to all terms and provisions thereof. The principal of, and interest on, this UK Note shall be payable at the times, in the manner, and in the amounts as provided in the Credit Agreement and shall be subject to prepayment and acceleration as provided therein. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Agent's books and records concerning the UK Committed Loans, the accrual of interest thereon, and the repayment of such UK Committed Loans, shall be prima facie evidence of the indebtedness to the UK Lender hereunder.

No delay or omission by the Agent or the UK Lender in exercising or enforcing any of the Agent's or such UK Lender's powers, rights, privileges, remedies, or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any Event of Default shall operate as a waiver of any other Event of Default, nor as a continuing waiver of any such Event of Default.

The UK Borrower waives presentment, demand, notice, and protest, and also waives any delay on the part of the holder hereof.

This UK Note shall be binding upon the UK Borrower and upon its successors, assigns, and representatives, and shall inure to the benefit of the UK Lender and its successors, endorsees, and assigns.

The liabilities of the UK Borrower, and of any guarantor of this UK Note, are joint and several, *provided, however*, the release by the Agent or the UK Lender of any one or more such Persons shall not release any other Person obligated on account of this UK Note. Each reference in this UK Note to the UK Borrower, and any guarantor, is to such Person individually and also to all such Persons jointly. ***No Person obligated on account of this UK Note may seek contribution from any other Person also obligated unless and until all of the Obligations have been paid in full in cash.***

THIS UK NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

THE UK BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND ANY FEDERAL COURT SITTING THEREIN, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS UK NOTE OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND THE UK BORROWER 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 COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. THE UK BORROWER 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 UK NOTE OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE AGENT OR THE UK LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS UK NOTE OR ANY OTHER LOAN DOCUMENT AGAINST THE UK BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

THE UK BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS UK NOTE OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO ABOVE. THE UK BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

The UK Borrower makes the following waiver knowingly, voluntarily, and intentionally, and understands that the Agent and the UK Lender, in the establishment and maintenance of their respective relationships with the UK Borrower contemplated by this UK Note, are each relying thereon. THE UK BORROWER AND THE UK LENDER, BY ITS ACCEPTANCE HEREOF,

HEREBY IRREVOCABLY 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 UK NOTE OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE UK BORROWER (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT THE AGENT AND THE UK LENDER HAVE BEEN INDUCED TO ENTER INTO THE CREDIT AGREEMENT AND THIS UK NOTE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS HEREIN.

[**SIGNATURE PAGE FOLLOWS**]

IN WITNESS WHEREOF, the UK Borrower has caused this UK Note to be duly executed as of the date set forth above.

UK BORROWER:

LANDS' END EUROPE LIMITED, as UK Borrower

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

To: Bank of America, N.A., as Agent
100 Federal Street, 9th Floor
Boston, Massachusetts 02110
Attention: Stephen Garvin

Date: _____

Re: ABL Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "**Credit Agreement**") by, among others, (i) Lands' End, Inc., a Delaware corporation (the "**Domestic Borrower**"), (ii) Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "**UK Borrower**"), (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for the benefit of the Credit Parties referred to therein, (iv) Bank of America, N.A., as L/C Issuer, and (v) the lenders from time to time party thereto (individually, a "**Lender**" and, collectively, the "**Lenders**"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

The undersigned, a duly authorized and acting Responsible Officer of each Borrower, hereby certifies to you as follows:

1. No Default.

   (a) To the knowledge of the undersigned Responsible Officer, since (the date of the last similar certification) and except as set forth in Appendix I, no Default or Event of Default has occurred and is continuing.

   (b) If a Default or Event of Default has occurred and is continuing since (the date of the last similar certification), the Borrowers propose to take action as set forth in Appendix I with respect to such Default or Event of Default.

2. Financial Calculations. Attached hereto as Appendix II are reasonably detailed calculations demonstrating the Consolidated Fixed Charge Coverage Ratio (whether or not compliance therewith is then required under Section 7.14 of the Credit Agreement).

3. Financial Statements.

   [*Use following paragraph (a) for fiscal month-end financial statements, to the extent required by the Credit Agreement*]

   (a) Attached hereto as Appendix III (or, if not attached, delivered to the Agent in accordance with the penultimate paragraph of Section 6.02 of the Credit Agreement) are the Consolidated balance sheet of the Domestic Borrower and its Subsidiaries as at the end of the fiscal month ended , and the related Consolidated statements of income or operations, Shareholders' Equity

and cash flows for such month, and for the portion of the Lead Borrower's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) the corresponding month of the previous Fiscal Year and (B) the corresponding portion of the previous Fiscal Year, all in reasonable detail, which Consolidated statements, to my knowledge, fairly present the financial condition, results of operations, Shareholders' Equity and cash flows of the Domestic Borrower and its Subsidiaries as of the end of such month in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

[*Use following paragraph (b) for fiscal quarter-end financial statements*]

(b) Attached hereto as Appendix III (or, if not attached, delivered to the Agent in accordance with the penultimate paragraph of Section 6.02 of the Credit Agreement) are a Consolidated balance sheet of the Domestic Borrower and its Subsidiaries as at the end of the Fiscal Quarter ended , and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Quarter and for the portion of the Domestic Borrower's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) the corresponding Fiscal Quarter of the previous Fiscal Year and (B) the corresponding portion of the previous Fiscal Year, all in reasonable detail, which Consolidated statements fairly present the financial condition, results of operations, Shareholders' Equity and cash flows of the Domestic Borrower and its Subsidiaries as of the end of such Fiscal Quarter in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes.

[*Use following paragraph (c) for fiscal year-end financial statements*]

(c) Attached hereto as Appendix III (or, if not attached, delivered to the Agent in accordance with the penultimate paragraph of Section 6.02 of the Credit Agreement) are a Consolidated balance sheet of the Domestic Borrower and its Subsidiaries as of the end of the Fiscal Year ended , and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and unqualified opinion of a Registered Public Accounting Firm of nationally recognized standing reasonably acceptable to the Agent, which report and opinion have been prepared in accordance with generally accepted auditing standards and are not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit.

4. No Material Accounting Changes. There has been no material change in GAAP or the application thereof since the date of the audited financial statements furnished to the Agent for the Fiscal Year ending [ ], other than as disclosed on Appendix IV hereto.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, I have executed this certificate as of the date first written above.

By: _____
Name: _____
Title: [Responsible Officer of Domestic Borrower]

By: _____
Name: _____
Title: [Responsible Officer of UK Borrower]

APPENDIX I

Except as set forth below, no Default or Event of Default presently exists. [If a Default or Event of Default exists, describe the nature of the Default in reasonable detail and the steps being taken or contemplated by the Borrowers to be taken on account thereof.]

APPENDIX II

Calculation of Consolidated Fixed Charge Coverage Ratio

A. Calculation of Consolidated Fixed Charge Coverage Ratio for trailing twelve month period ending _____:

1. Consolidated EBITDA for such period
(see detailed calculation of Consolidated EBITDA attached hereto): _____

2. Minus the following:

(a) Capital Expenditures made during such period (other than Financed Capital Expenditures): _____

(b) the aggregate amount of Federal, state, local and foreign income taxes paid in cash during such period net of refunds of such Taxes received during such period (but in no event shall the amounts calculated under this clause (2)(b) be less than zero): _____

3. Line 1, minus the sum of Lines 2(a) and 2(b): _____

4. The sum of the following:

(a) Consolidated Interest Charges paid or required to be paid in cash for such period: _____

plus

(b) scheduled principal payments made or required to be made on account of Indebtedness (excluding the Loan Agreement Obligations and any Synthetic Lease Obligations but including, without limitation, principal payments made in respect of Capital Lease Obligations) for such period: _____

(c) The sum of Lines 4(a) and 4(b): _____

5. CONSOLIDATED FIXED CHARGE COVERAGE RATIO AS OF THE LAST TWELVE MONTH PERIOD ENDED
(Line 3 divided by Line 4(c)): _____

B. Consolidated Fixed Charge Coverage Ratio Covenant: During the continuance of a Covenant Compliance Event, the Domestic Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, directly or indirectly, permit the Consolidated Fixed Charge Coverage Ratio, calculated on a trailing twelve month basis, to be less than 1.0:1.0, commencing with the month ending immediately preceding the date on which a Covenant Compliance Event first occurred.

1. Is a Covenant Compliance Event[1] continuing? Yes No
2. If yes (covenant required to be tested), in compliance? Yes No

[1] "Covenant Compliance Event" means, at any time, Availability is less than the greater of (i) 10% of the Loan Cap or (ii) $15,000,000. The termination of a Covenant Compliance Event shall in no way limit, waive or delay the occurrence of a subsequent Covenant Compliance Event in the event that the conditions set forth in this definition again arise.

APPENDIX III

[Attach financial statements.]

APPENDIX IV

[If material changes in GAAP or the application thereof have occurred since [the date of the most recently delivered financial statements to the Agent prior to the date of this Certificate], describe the nature of such changes in reasonable detail and the effect, if any, of each such material change in GAAP or in application thereof in the determination of the calculation of the financial statements described in the Credit Agreement.]

EXHIBIT E

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [each, 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][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a [Domestic][UK] Lender][their respective capacities [Domestic][UK] Lenders] 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][the respective Assignors] under the respective facilities identified below (including, without limitation, participations in Letters of Credit 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 [Domestic][UK] Lender)][the respective Assignors (in their respective capacities as [Domestic][UK] Lenders)] 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, but not limited to, contract claims, tort

---

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

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 by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

2. Assignee[s]: _____

3. Borrowers: Lands' End, Inc., a Delaware corporation (the "Domestic Borrower"), and Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "UK Borrower", and together with the Domestic Borrower, individually, a "Borrower", and collectively, the "Borrowers")

4. Agent: Bank of America, N.A., as the Agent under the Credit Agreement.

5. Credit Agreement: ABL Credit Agreement dated as of April 4, 2014 (as amended, restated, supplemented or otherwise modified, the "Credit Agreement") by, among others, (i) the Borrowers, (ii) Bank of America, N.A., as Agent for its own benefit and the benefit of the other Credit Parties referred to therein, (iii) Bank of America, N.A., as L/C Issuer, and (iv) the lenders from time to time party thereto.

6. Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Aggregate Amount of [Domestic][UK] Commitment/Loans for all Lenders[7]	Amount of [Domestic][UK] Commitment/ Loans Assigned[8]	Percentage Assigned of [Domestic][UK] Commitment/ Loans[9]
		$_____	$_____	_____%
		$_____	$_____	_____%

5 List each Assignor, as appropriate.
6 List each Assignee, as appropriate.
7 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
8 Subject to minimum amount requirements pursuant to Section 10.06(b) of the Credit Agreement and subject to proportionate amount requirements pursuant to Section 10.06(b) of the Credit Agreement.
9 Set forth, to at least 9 decimals, as a percentage of the [Domestic][UK] Commitments/Loans of all [Domestic][UK] Lenders thereunder.

[7. Trade Date:][10]

Effective Date: , 20 [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE DATE OF DELIVERY OF THIS ASSIGNMENT AND ASSUMPTION FOR RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

10 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

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][11] Accepted:

BANK OF AMERICA, N.A., as Agent

By: _____
Name: _____
Title: _____

[11] To the extent that the Agent's consent is required under Section 10.06 of the Credit Agreement.

[Consented to:][12]

[LANDS' END, INC., as Domestic Borrower]
[LANDS' END EUROPE LIMITED, as UK Borrower]

By: _____
Name: _____
Title: _____

12 To the extent required under Section 10.06 of the Credit Agreement.

ANNEX 1 TO ASSIGNMENT AND ASSUMPTION

Reference is made to the ABL Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "Credit Agreement") by, among others, (i) Lands' End, Inc., a Delaware corporation (the "Domestic Borrower"), (ii) Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "UK Borrower"), (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "Agent") for its own benefit and the benefit of the other Credit Parties referred to therein, (iv) Bank of America, N.A., as L/C Issuer, and (v) the lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][[the relevant] Assigned Interest, (ii) [the][such] 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 Loan Parties or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Loan Parties or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) 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 [Domestic][UK] Lender under the Credit Agreement, (ii) it meets all the requirements to be an Eligible Assignee under the Credit Agreement (subject to such consents, if any, as may be required by Section 10.06 of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a [Domestic][UK] Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a [Domestic][UK] Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, as applicable, and such other

documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the 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 Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) attached hereto is any documentation required to be delivered by it pursuant to the terms of Section 3.01 of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon the Agent, [the][any] 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 [Domestic][UK] Lender.

2. Payments. From and after the Effective Date, the Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued up to but excluding the Effective Date and to [the][the relevant] 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.

4. Fees. Unless waived by the Agent in accordance with Section 10.06(b) of the Credit Agreement, this Assignment and Assumption shall be delivered to the Agent with a processing and recordation fee of $3,500.

EXHIBIT H

FORM OF CREDIT CARD NOTIFICATION

PREPARE ON BORROWER LETTERHEAD — ONE FOR EACH PROCESSOR

_____, ____

To: [Name and Address of Credit Card Processor] (The "**Processor**")

Re: **[ ]** (the "**Company**")
Merchant Account Number: _____

Dear Sir/Madam:

In connection with that certain ABL Credit Agreement dated as of April 4, 2014 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "**Credit Agreement**") between, among others, the Company, certain affiliates of the Company, and **Bank of America, N.A.**, a national banking association with offices at 100 Federal Street, 9th Floor, Boston, MA 02110, as administrative agent and collateral agent (in such capacities, the "**Agent**") for a syndicate of lenders and other credit parties (together with the Agent, collectively, the "**Credit Parties**"), the Company has granted to the Agent, for its own benefit and the benefit of the other Credit Parties, a security interest in and to certain assets of the Company, including, without limitation, all payments with respect to credit card charges (the "**Charges**") submitted by the Company to the Processor for processing and the amounts which the Processor owes to the Company on account thereof (the "**Credit Card Proceeds**").

1. The undersigned hereby instructs the Processor that, until the Processor receives written notification (i) executed by the Company and the Agent to the contrary, or (ii) executed by Agent to the contrary, all amounts as may become due from time to time from the Processor to the Company shall be transferred only by ACH, Depository Transfer Check, or Electronic Depository Transfer to:

[_____]
ABA # _____
Account No. _____
Re: Lands' End, Inc.

The Company further instructs the Processor to follow any subsequent instructions received in writing and (i) executed by the Company and the Agent, or (ii) executed by Agent, in each case with respect to the transfer of amounts as may become due from time to time from the Processor to the Company.

2. Upon request of the Agent, a copy of each periodic statement provided by the Processor to the Company should be provided to the Agent at the following address (which address may be changed upon seven (7) days' written notice given to the Processor by the Agent):

Bank of America, N.A.
100 Federal Street, 9th Floor
Boston, MA 02110
Attention: Stephen Garvin
Re: Lands' End, Inc.

3. The Processor shall be fully protected in acting on any written order or direction executed (i) by the Company and the Agent, or (ii) by the Agent, in each case respecting the Charges and the Credit Card Proceeds without making any inquiry whatsoever as to the Company's right or authority (so long as such order or direction is also executed by the Agent) or Agent's right or authority to give such order or direction or as to the application of any payment made pursuant thereto.

This letter may be amended only by the written agreement of the Processor, the Company, and an officer of the Agent and may be terminated solely by written notice signed by an officer of the Agent.

[remainder of page intentionally left blank]

Very truly yours,
[ ], as the Company

By: _____
Name: _____
Title: _____

cc: Bank of America, N.A.

EXHIBIT G-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 ABL Credit Agreement dated as of April 4, 2014 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "**Credit Agreement**") by, among others, (i) Lands' End, Inc., a Delaware corporation (the "**Domestic Borrower**"), (ii) Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "**UK Borrower**"), (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for the benefit of the Credit Parties referred to therein, (iv) Bank of America, N.A., as L/C Issuer, and (v) the lenders from time to time party thereto (individually, a "**Lender**" and, collectively, the "**Lenders**"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

Pursuant to the provisions of Section 3.01(e) 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 the Domestic Borrower or any other Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Domestic Borrower or any other Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and the Domestic Borrower and any other relevant Borrower 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 Domestic Borrower, any other relevant Borrower and the Agent, and (2) the undersigned shall have at all times furnished the Domestic Borrower, any other relevant Borrower and the 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.

[NAME OF LENDER]

By: _____

Name: _____

Title: _____

Date: _____ __, 20[ ]

EXHIBIT G-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 ABL Credit Agreement dated as of April 4, 2014 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "**Credit Agreement**") by, among others, (i) Lands' End, Inc., a Delaware corporation (the "**Domestic Borrower**"), (ii) Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "**UK Borrower**"), (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for the benefit of the Credit Parties referred to therein, (iv) Bank of America, N.A., as L/C Issuer, and (v) the lenders from time to time party thereto (individually, a "**Lender**" and, collectively, the "**Lenders**"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

Pursuant to the provisions of Section 3.01(e) 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 the Domestic Borrower or any other Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Domestic Borrower or any other 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.

[NAME OF PARTICIPANT]

By:_____
Name: _____
Title:_____

Date: _____ __, 20[ ]

EXHIBIT G-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 ABL Credit Agreement dated as of April 4, 2014 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "**Credit Agreement**") by, among others, (i) Lands' End, Inc., a Delaware corporation (the "**Domestic Borrower**"), (ii) Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "**UK Borrower**"), (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for the benefit of the Credit Parties referred to therein, (iv) Bank of America, N.A., as L/C Issuer, and (v) the lenders from time to time party thereto (individually, a "**Lender**" and, collectively, the "**Lenders**"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

Pursuant to the provisions of Section 3.01(e) 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 the Domestic Borrower or any other 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 the Domestic Borrower or any other 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.

[NAME OF PARTICIPANT]

By: _____

Name: _____

Title: _____

Date: _____ __, 20[ ]

EXHIBIT G-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 ABL Credit Agreement dated as of April 4, 2014 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "**Credit Agreement**") by, among others, (i) Lands' End, Inc., a Delaware corporation (the "**Domestic Borrower**"), (ii) Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731 (the "**UK Borrower**"), (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for the benefit of the Credit Parties referred to therein, (iv) Bank of America, N.A., as L/C Issuer, and (v) the lenders from time to time party thereto (individually, a "**Lender**" and, collectively, the "**Lenders**"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

Pursuant to the provisions of Section 3.01(e) 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 the Domestic Borrower or any other 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 the Domestic Borrower or any other Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent, the Domestic Borrower and any other relevant Borrower 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 Domestic Borrower, any other relevant Borrower and the Agent, and (2) the undersigned shall have at all times furnished the Domestic Borrower, any other relevant Borrower and the 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.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____

Date: _____ __, 20[ ]

Exhibit I

Intercreditor Agreement

INTERCREDITOR AGREEMENT

by and between

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

and

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

Dated as of April [ ], 2014

TABLE OF CONTENTS

THIS INTERCREDITOR AGREEMENT (as amended, supplemented, restated or otherwise modified from time to time pursuant to the terms hereof, this "**Agreement**") is entered into as of April [ ], 2014 between **BANK OF AMERICA, N.A.**, in its capacity as administrative agent and collateral agent (together with its successors and assigns in such capacity, the "**ABL Agent**") for (i) the financial institutions party from time to time to the ABL Credit Agreement referred to below (such financial institutions, together with their respective successors, assigns and transferees, the "**ABL Lenders**") and (ii) any ABL Bank Product Affiliates and ABL Cash Management Affiliates (each as defined below) (such ABL Bank Product Affiliates and ABL Cash Management Affiliates, together with the ABL Agent and the ABL Lenders, the "**ABL Secured Parties**") and **BANK OF AMERICA, N.A.**, in its capacity as administrative agent and collateral agent (together with its successors and assigns in such capacity, the "**Term Agent**") for (i) the financial institutions party from time to time to the Term Loan Agreement referred to below (such financial institutions, together with their respective successors, assigns and transferees, the "**Term Lenders**") and (ii) any Term Bank Products Affiliates and Term Cash Management Affiliates (each as defined below) (such Term Bank Products Affiliates and Term Cash Management Affiliates, together with the Term Agent and the Term Lenders, the "**Term Secured Parties**").

RECITALS

A. Pursuant to that certain Credit Agreement dated as of March [ ], 2014 by and among Lands' End, Inc., a Delaware corporation, as Domestic Borrower ("**Domestic ABL Borrower**") and Lands' End Europe Limited, a company incorporated in England and Wales with company number 02583731, as UK Borrower ("**UK ABL Borrower**" and collectively with the Domestic ABL Borrower, the "**ABL Borrowers**"), the ABL Lenders and the ABL Agent (as such agreement may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof, the "**ABL Credit Agreement**"), the Domestic ABL Lenders have agreed to make certain loans and provide other financial accommodations to or for the benefit of the Domestic ABL Borrower and the UK ABL Lenders have agreed to make certain loans and provide other financial accommodations to or for the benefit of the UK ABL Borrower.

B. Pursuant to a certain Guaranty and Security Agreement dated as of March [ ], 2014 (as the same may be amended, supplemented, restated and/or otherwise modified, the "**ABL Guaranty and Security Agreement**") by the Domestic ABL Borrower and certain of its subsidiaries in favor of the ABL Agent for the benefit of the ABL Secured Parties, (1) the Domestic ABL Borrower and certain of its subsidiaries (collectively, together with any future subsidiaries of the Domestic ABL Borrower as may become party to the ABL Guaranty and Security Agreement, the "**Domestic ABL Guarantors**") have guaranteed the payment and performance of the ABL Borrowers' ABL Obligations (as hereinafter defined) under the ABL Documents (as hereinafter defined), and (2) the Domestic ABL Borrower and the Domestic ABL Guarantors (collectively, the "**Domestic ABL Loan Parties**") have granted a security interest and lien in certain of their assets to secure the respective obligations of each of the ABL Loan Parties under the ABL Documents.

C. Pursuant to a certain Guarantee and Debenture dated as of March [ ], 2014 (as the same may be amended, supplemented, restated and/or otherwise modified, the "**UK Guaranty and Security Agreement**") by the UK ABL Borrower in favor of the ABL Agent for the benefit of the UK ABL Secured Parties, (1) the UK ABL Borrower and certain of its subsidiaries (collectively, the "**UK ABL Guarantors**" and together with the Domestic ABL Guarantors, the "**ABL Guarantors**") have guaranteed the payment and performance of the UK ABL Borrower's ABL Obligations (as hereinafter defined) under the ABL Documents (as hereinafter defined), and (2) the UK ABL Borrower and the UK ABL Guarantors (collectively, the "**UK ABL Loan Parties**" and together with the Domestic ABL Loan Parties, the "**ABL Loan Parties**") have granted a floating charge in certain of their assets to secure the respective obligations of each of the UK ABL Loan Parties under the ABL Documents.

D. Pursuant to that certain Term Loan Credit Agreement dated as of March [ ], 2014 by and among Lands' End, Inc. (the "**Term Borrower**"), the Term Lenders and the Term Agent (as such agreement may be amended, supplemented, restated or otherwise modified from time to time in accordance with the Terms hereof and thereof, the "**Term Loan Agreement**"), the Term Lenders have agreed to make certain loans to the Term Borrower.

E. Pursuant to a certain Term Guaranty and Security Agreement dated as of the date hereof (the "**Term Guaranty and Security Agreement**) by the Term Borrower and certain of its domestic subsidiaries in favor of the Term Agent for the benefit of the Term Secured Parties, (1) the Term Borrower and certain of its domestic subsidiaries (collectively, together with any future subsidiaries of the Term Borrower as may become party to the Term Guaranty and Security Agreement, the "**Term Guarantors**") have guaranteed the payment and performance of the Term Borrower's Term Obligations (as hereinafter defined) under the Term Documents (as hereinafter defined), and (2) the Term Borrower and the Term Guarantors (collectively, the "**Term Loan Parties**") have granted a security interest and lien in certain of their assets to secure the respective obligations of each of the Term Loan Parties under the Term Documents.

F. Each of the ABL Agent (on behalf of the ABL Secured Parties) and the Term Agent (on behalf of the Term Secured Parties), and by their acknowledgement hereto, the Loan Parties, desire to agree to the relative priority of Liens on the Collateral (as defined below) and certain other rights, priorities and interests as provided herein.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 UCC Definitions. Unless otherwise defined herein, all capitalized terms used herein shall have the same meaning herein as in the Uniform Commercial Code.

Section 1.2 Other Definitions. Subject to Section 1.1, as used in this Agreement, the following terms shall have the meanings set forth below:

"**ABL Agent**" shall have the meaning assigned to that term in the introduction to this Agreement and shall include any successors thereto as well as any Person designated as the "Agent", "Administrative Agent", "Collateral Agent" or any similar term under any ABL Credit Agreement.

"**ABL Bank Products Affiliate**" shall mean (i) the Agent or any of its Affiliates, and (ii) any Person that is an ABL Lender or any Affiliate of any ABL Lender at the time that such Person enters into a Swap Contract or other Bank Product with an ABL Loan Party to the extent that the obligations of such ABL Loan Party thereunder are secured by one or more ABL Collateral Documents, together with their respective successors, assigns and transferees, in each case under this definition, in their capacity as a provider of Bank Products under the ABL Credit Agreement.

"**ABL Borrowers**" shall have the meaning assigned to that term in the recitals to this Agreement.

"ABL Cash Management Affiliate" shall mean (i) the Agent or any of its Affiliates and (ii) any Person that is an ABL Lender or any Affiliate of any ABL Lender at the time that such Person provides Cash Management Services to any of the ABL Loan Parties to the extent that the obligations of such ABL Loan Party thereunder are secured by one or more ABL Collateral Documents, together with their respective successors, assigns and transferees, in each case under this definition, in their capacity as a provider of Cash Management Services under the ABL Credit Agreement.

"**ABL Collateral Documents**" shall mean the ABL Guaranty and Security Agreement and the UK Guaranty and Security Agreement, together with all other security agreements, charges, account control agreements, freight forwarder and/or customs broker's agreements, collateral access agreements, license agreements and other collateral documents executed and delivered in connection with the ABL Credit Agreement, in each case as the same may be amended, supplemented, restated or otherwise modified from time to time.

"**ABL Credit Agreement**" shall have the meaning assigned to such term in the recitals to this Agreement and shall include any other agreement, indenture or facility extending the maturity of, consolidating, restructuring, refunding, replacing or refinancing all or any portion of the ABL Obligations, whether by the same or any other agent, lender or group of lenders, creditor or group of creditors and whether or not increasing the amount of any Indebtedness that may be incurred thereunder, subject with respect to any refinancing to compliance with Section 5.2(c). For clarity, the term "ABL Credit Agreement" shall include, without limitation, an agreement pursuant to which the ABL Agent or any ABL Secured Party provides DIP Financing to any of the Loan Parties.

"**ABL Deposit and Securities Accounts**" means all Deposit Accounts, Securities Accounts, collection accounts and lockbox accounts (and all related lockboxes) of the Loan Parties (other than the Term Loan Priority Accounts).

"**ABL DIP Financing**" shall have the meaning set forth in Section 6.1(a).

"**ABL Documents**" shall mean the ABL Credit Agreement, the ABL Collateral Documents, all Swap Contracts and other Bank Products between any ABL Loan Party and any ABL Bank Products Affiliate, all Cash Management Services agreements between any ABL Loan Party and any ABL Cash Management Affiliate, those other ancillary agreements to which any ABL Secured Party is a party or beneficiary and all other agreements, instruments, documents and certificates, now or hereafter executed by or on behalf of any ABL Loan Party and delivered to the ABL Agent or any other ABL Secured Party, in connection with any of the foregoing or with the ABL Credit Agreement, the ABL Guaranty and Security Agreement or the UK Guaranty and Security Agreement, in each case, as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof.

"**ABL Guaranty and Security Agreement**" shall have the meaning assigned to that term in the recitals to this Agreement and shall also include any other agreement amending or replacing such agreement, whether by the same or any other agent, lender or group of lenders.

"**ABL Guarantors**" shall have the meaning assigned to that term in the recitals to this Agreement and shall also include any other Person who becomes a guarantor under the ABL Collateral Documents.

"**ABL Lenders**" shall have the meaning assigned to that term in the introduction to this Agreement, as well as any Person designated as a "Lender" or similar term under the ABL Credit Agreement.

"**ABL Loan Parties**" shall have the meaning assigned to that term in the recitals to this Agreement.

"**ABL Obligations**" shall mean all obligations of every nature of each ABL Loan Party from time to time owed to the ABL Secured Parties, or any of them, under any ABL Document, including, without limitation, all "Obligations" or similar term as defined in the ABL Credit Agreement, whether for principal, interest, reimbursement of amounts drawn under letters of credit, payments for early termination of Swap Contracts, fees, expenses, indemnification or otherwise, and all other amounts owing or due under the terms of the ABL Documents (including interest, fees, indemnification payments, expense reimbursements and other amounts which, but for the filing of a petition in bankruptcy with respect to such ABL Loan Party, would have accrued on or been payable with respect to any ABL Obligation, whether or not a claim is allowed against such ABL Loan Party for such interest, fees, indemnification payments, expense reimbursements and other amounts in the related bankruptcy proceeding), as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time in accordance with the terms hereof and thereof, including any amendment, restatement, modification, renewal, refund, replacement or refinancing that results in the aggregate amount of the ABL Obligations being increased.

"**ABL Priority Collateral**" shall mean all Collateral consisting of the following (including for the avoidance of doubt, any such assets that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any foreign Debtor Relief Laws), would be ABL Priority Collateral):

all Accounts, other than Accounts which constitute identifiable proceeds of Term Priority Collateral;

all Credit Card Receivables;

cash, money and cash equivalents, other than identifiable cash proceeds from the sale or disposition of Term Priority Collateral;

all (x) Deposit Accounts (other than Term Loan Priority Accounts), (y) Securities Accounts (other than Term Loan Priority Accounts), Security Entitlements and Securities credited to such a Securities Account (other than Equity Interests (as defined in the ABL Credit Agreement) in any Loan Party or their Affiliates), (z) all Commodity Accounts (other than Term Loan Priority Accounts) and commodity contracts and, in each case, all cash, money, cash equivalents, checks and other property held therein or credited thereto; provided, however, that to the extent that identifiable Proceeds of Term Priority Collateral are deposited in any such Deposit Accounts, Securities Accounts or Commodity Account, after the delivery of a Term Cash Proceeds Notice, such identifiable Proceeds shall be treated as Term Priority Collateral;

all Inventory;

to the extent relating to or arising from, evidencing or governing any of the items referred to in the preceding clauses (1) through (5) constituting ABL Priority Collateral, all Documents, General Intangibles (including all rights under contracts but excluding any Intellectual Property and any Equity Interests in any Loan Party or their Affiliates), Instruments (including Promissory Notes), Chattel Paper (including Tangible Chattel Paper and Electronic Chattel Paper), and Commercial Tort Claims;

all federal, state, provincial, municipal and other tax refunds or rebates, other than any such refunds or rebates relating to real estate or personal property taxes with respect to items constituting Term Priority Collateral;

to the extent relating to any of the items referred to in the preceding clauses (1) through (7) constituting ABL Priority Collateral, all Supporting Obligations and Letter-of-Credit Rights; provided that to the extent any of the foregoing also relates to Term Priority Collateral only that portion related to the items referred to in the preceding clauses (1) through (7) shall be included in the ABL Priority Collateral;

all books and Records relating to the items referred to in the preceding clauses (1) through (8) constituting ABL Priority Collateral (including all books, databases, customer lists, engineer drawings, and Records, whether tangible or electronic, which contain any information relating to any of the items referred to in the preceding clauses (1) through (8) constituting ABL Priority Collateral but, in each case, excluding any Intellectual Property);

all collateral security and guarantees with respect to any of the foregoing and, subject to Section 3.7, all cash, money, cash equivalents, insurance proceeds, Instruments, Securities and Financial Assets received as proceeds of any of the foregoing; and

subject to Section 3.7, all Proceeds of any of the items referred to in the preceding clauses (1) through (10);

provided that, except as provided in the final sentence hereof, in no event shall ABL Priority Collateral include any (a) Equipment, (b) Intellectual Property, (c) real property owned or leased by any Term Loan Party, (d) Equity Interests in any Loan Party or their Affiliates, (e) intercompany notes and intercompany indebtedness (other than those relating to or arising from the sale of Inventory), and (f) any Term Loan Priority Accounts. For clarity, ABL Priority Collateral includes all Collateral of any UK ABL Loan Party or any other Foreign Subsidiary which is or becomes an ABL Loan Party; provided that at such time that the Term Agent obtains a Lien on Collateral from any UK Loan Party or any such Foreign Subsidiary which constitutes Term Priority Collateral, ABL Priority Collateral shall include only items described in clauses (1) through (11) above of the UK Loan Parties or any such Foreign Subsidiaries.

"**ABL Recovery**" shall have the meaning set forth in Section 5.3(a).

"**ABL Secured Parties**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**Affiliate**" shall mean, with respect to a specified Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by or is under common Control with the Person specified. "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. "Controlling" and "Controlled" have meanings correlative thereto.

"**Agent(s)**" means individually the ABL Agent or the Term Agent and collectively means both the ABL Agent and the Term Agent.

"**Agreement**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**Bank Products**" shall have the meaning provided in the ABL Credit Agreement or Term Loan Agreement, respectively.

"**Bankruptcy Code**" shall mean Title 11 of the United States Code, as now or hereafter in effect or any successor thereto.

"**Borrower**" shall mean the ABL Borrowers and the Term Borrower.

"**Business Day**" shall mean any day other than (a) Saturday or Sunday; (b) any day on which banks in Boston, Massachusetts or New York City, New York, generally are not open to the general public for the purpose of conducting commercial banking business; or (c) a day on which the principal office of the Term Agent or the ABL Agent is not open to the general public to conduct business, if such office is ordinarily open to the general public to conduct business.

"**Cash Management Services**" shall have the meaning provided in the ABL Credit Agreement or Term Loan Agreement, respectively.

"**Collateral**" shall mean all Property now owned or hereafter acquired by any Borrower or any Guarantor in or upon which a Lien is granted or purported to be granted to the ABL Agent or the Term Agent under any of the ABL Collateral Documents or the Term Collateral Documents, together with all substitutions, additions, products and Proceeds thereof.

"**Control Collateral**" shall mean any Collateral consisting of any Deposit Account, Instruments and any other Collateral as to which a Lien may be perfected through possession or control by the secured party, or any agent therefor.

"**Credit Card Receivables**" shall have the meaning provided in the ABL Credit Agreement.

"**Credit Documents**" shall mean the ABL Documents and the Term Documents.

"**Debtor Relief Laws**" shall mean the Bankruptcy Code as now or hereafter in effect or any successor thereto, as well as all other liquidation, conservatorship, bankruptcy, assignment for benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States federal or state law or of any applicable foreign law from time to time in effect affecting the rights of creditors generally.

"**Discharge of ABL Obligations**" shall mean (a) the payment in full in cash of all outstanding ABL Obligations including, with respect to (i) amounts available to be drawn under outstanding letters of credit issued thereunder (or indemnities or other undertakings issued pursuant thereto in respect of outstanding letters of credit), the cancellation of such letters of credit or the delivery or provision of money or backstop letters of credit in respect thereof from an issuer and on terms reasonably acceptable to the ABL Agent and in compliance with the terms of any ABL Credit Agreement (which shall not exceed an amount equal to 103% of the aggregate undrawn amount of such letters of credit) and (ii) outstanding ABL Obligations with respect to Bank Products and Cash Management Services (or indemnities or other undertakings issued pursuant thereto in respect of outstanding Bank Products and Cash Management Services) or the delivery or provision of cash collateral or backstop letters of credit in respect thereof from an issuer and on terms reasonably acceptable to the ABL Agent and in compliance with the terms of any ABL Documents, other than (x) unasserted contingent indemnification ABL Obligations, (y) any ABL Obligations relating to Bank Products that, at such time, are allowed by the applicable Bank Product provider to remain outstanding without being required to be repaid or collateralized, and (z) any ABL Obligations relating to Cash Management Services that, at such time, are allowed by the applicable provider of such Cash Management Services to remain outstanding without being required to be repaid or collateralized and (b) the termination of all commitments to extend credit under the ABL Documents. If at any time concurrently with or after the Discharge of ABL Obligations, the Borrower or any Guarantors shall refinance any ABL Obligations in a manner permitted under the ABL Documents and this Agreement, then such Discharge of ABL Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement.

"**Discharge of Term Obligations**" shall mean the payment in full in cash of all outstanding Term Obligations, including, with respect to outstanding Term Obligations with respect to Bank Products and Cash Management Services, or the delivery or provision of cash collateral or backstop letters of credit in respect to Bank Products and Cash Management Services from an issuer and on terms reasonably acceptable to the Term Agent (or indemnities or other undertakings issued pursuant thereto in respect of outstanding Bank Products and Cash Management Services) in compliance with the terms of any Term Loan Agreement, other than (x) unasserted contingent indemnification Term Obligations, (y) any Term Obligations relating to Bank Products that, at such time, are allowed by the applicable Bank Product provider to remain outstanding without being required to be repaid or collateralized, and (z) any Term Obligations relating to Cash Management Services that, at such time, are allowed by the applicable provider of such Cash Management Services to remain outstanding without being required to be repaid or collateralized. If at any time concurrently with or after the Discharge of Term Obligations, the Borrower or any Guarantors shall refinance any Term Obligations in a manner permitted under the Term Documents and this Agreement, then such Discharge of Term Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement.

"**Domestic ABL Borrower**" shall have the meaning assigned to that term in the recitals to this Agreement.

"**Domestic ABL Guarantors**" shall have the meaning assigned to that term in the recitals to this Agreement and shall also include any other Person who becomes a guarantor under the ABL Guaranty and Security Agreement.

"**Domestic ABL Lenders**" shall mean those ABL Lenders who have agreed to make certain loans and provide other financial accommodations to or for the benefit of the Domestic ABL Borrower.

"**Domestic ABL Loan Parties**" shall have the meaning assigned to that term in the recitals to this Agreement.

"**Enforcement Notice**" shall mean a written notice delivered by either the ABL Agent or the Term Agent to the other applicable party, after the occurrence and during the continuance of an Event of Default, announcing that an Enforcement Period has commenced.

"**Enforcement Period**" shall mean the period of time following the receipt by either the ABL Agent or the Term Agent of an Enforcement Notice from the other and continuing until the earliest of (a) in case of an Enforcement Period commenced by the Term Agent, the Discharge of Term Obligations, (b) in the case of an Enforcement Period commenced by the ABL Agent, the Discharge of ABL Obligations, or (c) the ABL Agent or the Term Agent (as applicable) terminates, or agrees in writing to terminate, the Enforcement Period.

"**Event of Default**" shall mean an Event of Default or similar term as defined in the ABL Credit Agreement or the Term Loan Agreement, as applicable.

"**Exercise of Any Secured Creditor Remedies**" or "**Exercise of Secured Creditor Remedies**" shall mean, except as otherwise provided in the final sentence of this definition:

(a) the taking by any Secured Party of any action to enforce or realize upon any Lien, including the institution of any foreclosure proceedings or the noticing of any public or private sale pursuant to Article 9 of the Uniform Commercial Code or other applicable law;

(b) the exercise by any Secured Party of any right or remedy provided to a secured creditor on account of a Lien under any of the Credit Documents, under applicable law, in an Insolvency Proceeding or otherwise, including the election to retain any of the Collateral in satisfaction of a Lien;

(c) the taking of any action by any Secured Party or the exercise of any right or remedy by any Secured Party in respect of the collection on, set off against, marshaling of, injunction respecting or foreclosure on the Collateral or the Proceeds thereof;

(d) the appointment on the application of a Secured Party, of a receiver, receiver and manager or interim receiver of all or part of the Collateral;

(e) the sale, lease, license, or other disposition of all or any portion of the Collateral by private or public sale conducted by, or without the consent, a Secured Party or any other means at the direction of a Secured Party permissible under applicable law; and

(f) the exercise of any other right of a secured creditor under Part 6 of Article 9 of the Uniform Commercial Code or under provisions of similar effect under other applicable law.

For the avoidance of doubt, none of the following shall be deemed to constitute an Exercise of Secured Creditor Remedies: (i) the filing of a proof of claim in any Insolvency Proceeding or seeking adequate protection (subject to Section 6.3 below), (ii) the exercise of rights by the ABL Agent during the continuance of a Cash Dominion Event (as defined in the ABL Credit Agreement), including, without limitation, the notification of account debtors, depository institutions or any other Person to deliver proceeds of ABL Priority Collateral to the ABL Agent, (iii) the consent by the ABL Agent to a store closing sale, going out of business sale or other disposition by any Loan Party of any of the ABL Priority Collateral, (iv) the reduction of advance rates or sub-limits by the ABL Agent, or (v) the imposition of Availability Reserves or Inventory Reserves (in each case as defined in the ABL Credit Agreement) by the ABL Agent.

"**Governmental Authority**" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"**Guarantor**" shall mean any of the ABL Guarantors or Term Guarantors.

"Indebtedness" shall mean (i) all obligations of a Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (ii) the maximum amount of all letters of credit, bankers' acceptances, bank guaranties, surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person; (iii) obligations of such Person under any Swap Contract; (iv) indebtedness secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements and mortgage, industrial revenue bond, industrial development bond and similar financings), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse, and (v) any guarantees of the foregoing.

"Insolvency Proceeding" shall mean (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors; in each case covered by clauses (a) and (b) undertaken under any Debtor Relief Laws.

"**Lender(s)**" means individually, the ABL Lenders or the Term Lenders and collectively means all of the ABL Lenders and the Term Lenders.

"Lien" shall mean, with respect to any asset, any mortgage, deed of trust, lien (statutory or otherwise), pledge, hypothecation, encumbrance, collateral assignment, charge or security interest in, on or of such asset.

"**Lien Priority**" shall mean with respect to any Lien of the ABL Secured Parties or the Term Secured Parties in the Collateral, the order of priority of such Lien as specified in Section 2.1.

"**Loan Parties**" shall mean the ABL Loan Parties and the Term Loan Parties.

"Party" shall mean the ABL Agent or the Term Agent, and "**Parties**" shall mean both the ABL Agent and the Term Agent.

"**Person**" shall mean an individual, partnership, corporation, limited liability company, unlimited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Priority Collateral" shall mean the ABL Priority Collateral or the Term Priority Collateral, as applicable.

"**Proceeds**" shall mean (a) all "proceeds," as defined in Article 9 of the Uniform Commercial Code, with respect to the Collateral, and (b) whatever is recoverable or recovered when any Collateral is sold, exchanged, collected, or disposed of, whether voluntarily or involuntarily.

"**Property**" shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"**Secured Parties**" shall mean the ABL Secured Parties and the Term Secured Parties.

"Subsidiary" shall mean with respect to any Person (the "parent") at any date, any corporation, partnership, joint venture, limited liability company, trust, or other entity (a) of which equity interests representing 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.

"**Swap Contract**" shall have the meaning provided in the ABL Credit Agreement or Term Loan Agreement, respectively.

"**Term Agent**" shall have the meaning assigned to that term in the introduction to this Agreement and shall include any successor thereto under the Term Documents.

"**Term Bank Products Affiliate**" shall mean any Person which is the Term Agent, a Term Lender or any Affiliate of the Term Agent or any Term Lender on the Closing Date or at the time such Person enters into a Swap Contract or other Bank Product with a Term Loan Party to the extent that the obligations of such Term Loan Party thereunder are secured by one or more Term Collateral Documents, together with their respective successors, assigns and transferees, in each case under this definition, in their capacity as a provider of Bank Products under the Term Loan Agreement.

"**Term Borrower**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**Term Cash Management Affiliate**" shall mean any Person which is the Term Agent, a Term Lender or any Affiliate of the Term Agent or a Term Lender at the time such Person provides Cash Management Services to any of the Term Loan Parties to the extent that the obligations of such Term Loan Party thereunder are secured by one or more Term Collateral Documents, together with their respective successors, assigns and transferees, in each case under this definition, in their capacity as a provider of Cash Management Services under the Term Loan Agreement.

"**Term Cash Proceeds Notice**" shall mean a written notice delivered by the Term Agent to the ABL Agent (a) stating that an Event of Default has occurred and is continuing under any Term Document and specifying the relevant Event of Default and (b) stating that certain identifiable cash proceeds which may be deposited in an ABL Deposit and Securities Account constitute Term Priority Collateral, and reasonably identifying the amount of such proceeds and specifying the origin thereof.

"**Term Collateral Documents**" shall mean the Term Guaranty and Security Agreement, together with all other security agreements, account control agreements, freight forwarder and/or customs broker's agreements, collateral access agreements, license agreements and other collateral documents executed and delivered in connection with the Term Loan Agreement, in each case as the same may be amended, supplemented, restated or otherwise modified from time to time.

"**Term DIP Financing**" shall have the meaning set forth in Section 6.1(b).

"**Term Documents**" shall mean the Term Loan Agreement, the Term Collateral Documents, all Swap Contracts and other Bank Products between any Term Loan Party and any Term Bank Products Affiliate, all Cash Management Services agreements between any Term Loan Party and any Term Cash Management Affiliate, and all other agreements, instruments, documents and certificates, now or hereafter executed by or on behalf of any Term Loan Party or any of its respective Affiliates, and delivered to the Term Agent, in connection with any of the foregoing or any Term Loan Agreement, in each case as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the Terms hereof and thereof.

"**Term Guarantors**" shall have the meaning assigned to that term in the recitals to this Agreement and shall also include any other Person who becomes a guarantor under the Term Guaranty and Security Agreement.

"**Term Guaranty and Security Agreement**" shall have the meaning assigned to that term in the recitals to this Agreement.

"**Term Lenders**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**Term Loan Agreement**" shall have the meaning assigned to that term in the recitals to this Agreement and shall include any other agreement extending the maturity of, consolidating, restructuring, refunding, replacing or refinancing all or any portion of the Term Obligations, whether by the same or any other agent, lender or group of lenders, subject with respect to any refinancing to compliance with Section 5.2(c).

"**Term Loan Parties**" shall have the meaning assigned to that term in the recitals to this Agreement.

"**Term Loan Priority Accounts**" means any Deposit Accounts, Securities Accounts or Commodity Accounts, in each case that are intended to solely contain Term Priority Collateral or identifiable proceeds of the Term Priority Collateral (it being understood that any property in such Deposit Accounts, Securities Accounts or Commodities Accounts which is not Term Priority Collateral or identifiable proceeds of Term Priority Collateral shall not be Term Priority Collateral solely by virtue of being on deposit in any such Deposit Account, Securities Account or Commodity Account).

"**Term Obligations**" shall mean all obligations of every nature of each Term Loan Party from time to time owed to the Term Secured Parties or any of them, under any Term Document, including, without limitation, all "Obligations" or similar term as defined in any Term Loan Agreement, whether for principal, interest, payments for early termination of Swap Contracts, ,

fees, expenses, indemnification or otherwise, and all other amounts owing or due under the terms of the Term Documents, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time, including any amendment, restatement, modification, renewal, refund, replacement or refinancing that results in the aggregate amount of the Term Obligations being increased (including interest, fees, indemnification payments, expense reimbursements and other amounts which, but for the filing of a petition in bankruptcy with respect to such Term Loan Party, would have accrued on or been payable with respect to any Term Obligation, whether or not a claim is allowed against such Term Loan Party for such interest, fees, indemnification payments, expense reimbursements and other amounts in the related bankruptcy proceeding).

"**Term Priority Collateral**" shall mean all (a) Equipment, (b) Intellectual Property, (c) real property owned or leased by any Term Loan Party, (d) Equity Interests in any Loan Party or their Affiliates, (e) intercompany notes and intercompany indebtedness (other than those relating to or arising from the sale of Inventory), (f) any Term Loan Priority Accounts and (g) other Collateral (including for the avoidance of doubt, any such assets described in (a) through (g) that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any foreign Debtor Relief Laws) would be Term Priority Collateral) other than ABL Priority Collateral.

"**Term Recovery**" shall have the meaning set forth in Section 5.3(b).

"**Term Secured Parties**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**UK ABL Borrower**" shall have the meaning assigned to that term in the recitals to this Agreement.

"**UK Guaranty and Security Agreement**" shall have the meaning assigned to that term in the recitals to this Agreement and shall also include any other agreement amending or replacing such agreement, whether by the same or any other agent, lender or group of lenders.

"**UK ABL Guarantors**" shall have the meaning assigned to that term in the recitals to this Agreement and shall also include any other Person who becomes a guarantor under the UK Guaranty and Security Agreement.

"**UK ABL Lenders**" shall mean those ABL Lenders who have agreed to make certain loans and provide other financial accommodations to or for the benefit of the UK ABL Borrower.

"**UK ABL Loan Parties**" shall have the meaning assigned to that term in the recitals to this Agreement.

"**UK ABL Secured Parties**" shall mean the UK ABL Lenders, the ABL Agent, and any ABL Bank Product Affiliates and ABL Cash Management Affiliates which provide such products to the UK ABL Borrower or the UK ABL Guarantors.

"**UK Liabilities**" shall mean all obligations of every nature of each UK ABL Loan Party from time to time owed to the ABL Secured Parties, or any of them, under any ABL Document, whether for principal, interest, reimbursement of amounts drawn under letters of credit, payments for early termination of Swap Contracts, fees, expenses, indemnification or otherwise, and all other amounts owing or due under the terms of the ABL Documents (including interest, fees, indemnification payments, expense reimbursements and other amounts which, but for the filing of an insolvency proceeding with respect to such UK ABL Loan Party, would have accrued on or been payable with respect to any UK Liability, whether or not a claim is allowed against such UK ABL Loan Party for such interest, fees, indemnification payments, expense reimbursements and other amounts in the related bankruptcy proceeding), as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time in accordance with the terms hereof and thereof.

"**Uniform Commercial Code**" shall mean the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York; provided that to the extent that the Uniform Commercial Code is used to define any term in any security document and such term is defined differently in differing Articles of the Uniform Commercial Code, the definition of such term contained in Article 9 shall govern; provided further that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, publication or priority of, or remedies with respect to, Liens of any Party is governed by the Uniform Commercial Code or foreign personal property security laws as enacted and in effect in a jurisdiction other than the State of New York, the term "Uniform Commercial Code" will mean the Uniform Commercial Code or such foreign personal property security laws as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

"**Use Period**" means the period commencing on the earlier of (a) the date that the ABL Agent (or an ABL Loan Party acting with the consent of the ABL Agent) commences the liquidation and sale of the ABL Priority Collateral, or (b) the thirtieth (30th) day after the Term Agent provides the ABL Agent with notice that the Term Agent intends to commence the Exercise of Secured Creditor Remedies with respect to the Term Priority Collateral, and ending 180 days thereafter. If any stay or other order that prohibits any of the ABL Agent, the other ABL Secured Parties or any ABL Loan Party (with the consent of the ABL Agent) from commencing and continuing to Exercise Any Secured Creditor Remedies or to liquidate and sell the ABL Priority Collateral has been entered by a court of competent jurisdiction, such 180-day period shall be tolled during the pendency of any such stay or other order and the Use Period shall be so extended.

Section 1.3 Rules of Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the term "including" is not limiting and shall be deemed to be followed by the phrase "without limitation," and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Article, section, subsection, clause, schedule and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this

Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, restatements, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, restatements, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). Any reference herein to any Person shall be construed to include such Person's successors and assigns. Any reference herein to the repayment in full of an obligation shall mean the payment in full in cash of such obligation, or in such other manner as may be approved in writing by the requisite holders or representatives in respect of such obligation. Any reference herein to a time of day means Eastern time.

ARTICLE 2
LIEN PRIORITY

Section 2.1 Priority of Liens.

(a) Notwithstanding (i) the date, time, method, manner, or order of grant, attachment, or perfection of any Liens granted to the ABL Secured Parties in respect of all or any portion of the Collateral or of any Liens granted to the Term Secured Parties in respect of all or any portion of the Collateral and regardless of how any such Lien was acquired (whether by grant, statute, operation of law, subrogation or otherwise), (ii) the order or time of filing or recordation of any document or instrument for perfecting the Liens in favor of the ABL Agent for the benefit of the ABL Secured Parties or the Term Agent for the benefit of the Term Secured Parties in any Collateral, (iii) any provision of the Uniform Commercial Code, Debtor Relief Laws or any other applicable law, or of the ABL Documents or the Term Documents, (iv) whether the ABL Agent or the Term Agent, in each case, either directly or through agents, holds possession of, or has control over, all or any part of the Collateral, (v) the date on which the ABL Obligations or the Term Obligations are advanced or made available to the Loan Parties, or (vi) any failure of the ABL Agent or the Term Agent to perfect its Lien in the Collateral, the subordination of any Lien on the Collateral securing any ABL Obligations or Term Obligations, as applicable, to any Lien securing any other obligation of any Borrower or Guarantor, or the avoidance, invalidation or lapse of any Lien on the Collateral securing any ABL Obligations or Term Obligations, the ABL Agent, on behalf of themselves and the ABL Secured Parties, and the Term Agent, on behalf of itself and the Term Secured Parties, hereby agree that the following priorities apply to the ABL Priority Collateral and the Term Priority Collateral:

(a) With respect to the ABL Priority Collateral:

(A) First, to the ABL Agent and the ABL Lenders to the extent of the ABL Obligations;

(B) Second, to the Term Agent and the Term Lenders to the extent of the Term Obligations (it being acknowledged and agreed that the Term Agent does not, as of the date hereof, have a Lien on Collateral from the UK ABL Loan Parties and the Lien of the ABL Agent on Collateral from the UK Loan Parties secures only UK Liabilities).

For clarity, the Lien of the ABL Agent on the ABL Priority Collateral shall be senior to the Lien of the Term Agent thereon and the Lien of the Term Agent thereon shall be junior to the Lien of the ABL Agent thereon

(b) With respect to the Term Priority Collateral:

(A) First, to the Term Agent and the Term Lenders to the extent of the Term Obligations;

(B) Second, to the ABL Agent and the ABL Lenders to the extent of the ABL Obligations.

For clarity, the Lien of the Term Agent on the Term Priority Collateral shall be senior to the Lien of the ABL Agent thereon and the Lien of the ABL Agent thereon shall be junior to the Lien of the Term Agent thereon

(b) The Term Agent, for and on behalf of itself and the Term Secured Parties, acknowledges and agrees that, concurrently herewith, the ABL Agent, for the benefit of itself and the ABL Secured Parties, has been, or may be, granted Liens upon all of the Term Priority Collateral and the Term Agent hereby consents thereto. The ABL Agent, for and on behalf of itself and the ABL Secured Parties, acknowledges and agrees that, concurrently herewith, the Term Agent, for the benefit of itself and the Term Secured Parties, has been, or may be, granted Liens upon all of the ABL Priority Collateral and the ABL Agent hereby consents thereto. The subordination of Liens by the Term Agent and the ABL Agent in favor of one another as set forth herein shall not be deemed to subordinate the Term Agent's Liens or the ABL Agent' Liens to the Liens of any other Person.

Section 2.2 Waiver of Right to Contest Liens.

(a) The Term Agent, for and on behalf of itself and the Term Secured Parties, agrees that it and they shall not (and hereby waives any right to) take any action to contest or challenge (or assist or support any other Person in contesting or challenging), directly or indirectly, whether or not in any proceeding (including in any Insolvency Proceeding), the validity, priority, enforceability, or perfection of the Liens of the ABL Agent and the ABL Secured Parties in respect of the Collateral or the provisions of this Agreement. The Term Agent, for itself and on behalf of the Term Secured Parties, agrees that none of the Term Agent or the Term Secured Parties will take any action that would interfere with any Exercise of Secured Creditor Remedies undertaken by the ABL Agent or any ABL Secured Party under the ABL Documents with respect to the ABL Priority Collateral. The Term Agent, for itself and on behalf of the Term Secured Parties, hereby waives any and all rights it or the Term Secured Parties may have as a junior lien creditor or otherwise to contest, protest, object to, or interfere with the manner in which the ABL Agent or any ABL Lender seeks to enforce its Liens in any ABL Priority Collateral. The foregoing shall not be construed to prohibit the Term Agent from enforcing the provisions of this Agreement or otherwise acting in accordance with this Agreement.

(b) The ABL Agent, for and on behalf of itself and the ABL Secured Parties, agrees that it shall not (and hereby waives any right to) take any action to contest or challenge (or assist or support any other Person in contesting or challenging), directly or indirectly, whether or not in any proceeding (including in any Insolvency Proceeding), the validity, priority, enforceability, or perfection of the Liens of the Term Agent or the Term Secured Parties in respect of the Collateral or the provisions of this Agreement. Except to the extent expressly set forth in this Agreement including Section 3.5), the ABL Agent, for itself and on behalf of the ABL Secured Parties, agrees that none of the ABL Agent or the ABL Secured Parties will take

any action that would interfere with any Exercise of Secured Creditor Remedies undertaken by the Term Agent under the Term Documents with respect to the Term Priority Collateral. The ABL Agent, for itself and on behalf of the ABL Secured Parties, hereby waives any and all rights it or the ABL Secured Parties may have as a junior lien creditor or otherwise to contest, protest, object to, or interfere with the manner in which the Term Agent seeks to enforce its Liens in any Term Priority Collateral. The foregoing shall not be construed to prohibit the ABL Agent from enforcing the provisions of this Agreement or otherwise acting in accordance with this Agreement.

Section 2.3 Remedies Standstill.

(a) The Term Agent, on behalf of itself and the Term Secured Parties, agrees that, from the date hereof until the date upon which the Discharge of ABL Obligations shall have occurred, neither the Term Agent nor any Term Secured Party will Exercise Any Secured Creditor Remedies with respect to any of the ABL Priority Collateral, and, subject to Section 3.7, will not take, receive or accept any Proceeds of ABL Priority Collateral in connection therewith. From and after the date upon which the Discharge of ABL Obligations shall have occurred, the Term Agent or any Term Secured Party may Exercise Any Secured Creditor Remedies under the Term Documents or applicable law as to any ABL Priority Collateral; provided, however, that any Exercise of Secured Creditor Remedies with respect to any Collateral by the Term Agent or the Term Secured Parties is at all times subject to the provisions of this Agreement.

(b) The ABL Agent, on behalf of itself and the ABL Secured Parties, agrees that, from the date hereof until the date upon which the Discharge of Term Obligations shall have occurred, neither the ABL Agent nor any ABL Secured Party will Exercise Any Secured Creditor Remedies with respect to the Term Priority Collateral, and, subject to Section 3.7, will not take, receive or accept any Proceeds of the Term Priority Collateral in connection therewith, it being understood and agreed that the temporary deposit of Proceeds of Term Priority Collateral in a Deposit Account controlled by the ABL Agent shall not constitute a breach of this Agreement so long as such Proceeds are promptly remitted to the Term Agent in accordance with Section 3.7 or Section 4.1(a). From and after the date upon which the Discharge of Term Obligations shall have occurred, the ABL Agent or any ABL Secured Party may Exercise Any Secured Creditor Remedies under the ABL Documents or applicable law as to any Term Priority Collateral; provided, however, that any Exercise of Secured Creditor Remedies with respect to any Collateral by the ABL Agent or the ABL Secured Parties is at all times subject to the provisions of this Agreement.

(c) Notwithstanding the provisions of Sections 2.3(a), 2.3(b) or any other provision of this Agreement, nothing contained herein shall be construed to prevent any Agent or any Secured Party from (i) filing a proof of claim or statement of interest with respect to the ABL Obligations or Term Obligations (as applicable) owed to it in any Insolvency Proceeding commenced by or against any Loan Party, (ii) taking any action (not adverse to the Lien Priority of the Liens of the other Agent or other Secured Parties on the Collateral in which such other Agent or other Secured Party has a priority Lien or the rights of the other Agent or any of the other Secured Parties to Exercise Any Secured Creditor Remedies in respect thereof) in order to create, perfect, preserve or protect (but not enforce its Lien) on any Collateral, (iii) filing any necessary or appropriate responsive pleadings in opposition to any motion, adversary proceeding or other pleading filed by any Person objecting to or otherwise seeking disallowance of the claim or Lien of such Agent or Secured Party, (iv) filing any pleadings, objections, motions, or agreements which assert rights available to unsecured creditors of the Loan Parties arising under

any Insolvency Proceeding or applicable non-bankruptcy law, (v) voting on any plan of reorganization or filing any proof of claim in any Insolvency Proceeding of any Loan Party, or (vi) objecting to the proposed retention of Collateral by the other Agent or any other Secured Party in full or partial satisfaction of any ABL Obligations or Term Obligations due to such other Agent or Secured Party, in each case (i) through (vi) above to the extent not inconsistent with the terms of this Agreement.

(b) In the event that the Term Agent or any Term Secured Party becomes a judgment Lien creditor in respect of ABL Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Term Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the ABL Obligations) in the same manner as the other Liens in respect of the ABL Priority Collateral securing the Term Obligations are subject to this Agreement.

(c) In the event that the ABL Agent or any ABL Secured Party becomes a judgment Lien creditor in respect of Term Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the ABL Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes (including in relation to the Term Obligations) in the same manner as the other Liens in respect of the Term Priority Collateral securing the ABL Obligations are subject to this Agreement.

Section 2.4 Exercise of Rights.

(a) No Other Restrictions. Except as expressly set forth in this Agreement, each Term Secured Party and each ABL Secured Party shall have any and all rights and remedies it may have as a creditor under applicable law, including the right to the Exercise of Any Secured Creditor Remedies; provided, however, that the Exercise of Secured Creditor Remedies with respect to the Collateral shall be subject to the provisions of this Agreement. The ABL Agent may enforce the provisions of the ABL Documents, the Term Agent may enforce the provisions of the Term Documents and each may Exercise Any Secured Creditor Remedies, all in such order and in such manner as each may determine in the exercise of its sole discretion, consistent with the terms of this Agreement and mandatory provisions of applicable law; provided, however, that each of the ABL Agent and the Term Agent agrees to provide to the other (x) an Enforcement Notice prior to the commencement of an Exercise Any Secured Creditor Remedies and (y) copies of any notices that it is required under applicable law to deliver to any Borrower or any Guarantor; provided further, however, that the ABL Agent's failure to provide any such copies to the Term Agent (but not the Enforcement Notice) shall not impair any of the ABL Agent's rights hereunder or under any of the ABL Documents and the Term Agent's failure to provide any such copies to the ABL Agent (but not the Enforcement Notice) shall not impair any of the Term Agent's rights hereunder or under any of the Term Documents. Each of the Term Agent (on behalf of itself and the Term Secured Parties) and the ABL Agent (on behalf of itself and the ABL Secured Parties) agrees (i) that it will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim, in the case of the Term Agent and each Term Secured Party, against either the ABL Agent or any other ABL Secured Party, and in the case of the ABL Agent and each other ABL Secured Party, against either the Term Agent or any other Term Secured Party, seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, any action taken or omitted to be taken by such Person with respect to the Collateral which is consistent with the terms of this Agreement, and none of such Parties shall be liable for any such action taken or omitted to be taken, or (ii) it will not be a petitioning creditor or otherwise assist in the filing of an involuntary Insolvency Proceeding absent the express written consent of the other Agent.

(b) Release of Liens.

(i) In the event of (A) any private or public sale of all or any portion of the ABL Priority Collateral in connection with any Exercise of Secured Creditor Remedies by the ABL Agent or by the ABL Loan Parties with the consent of the ABL Agent, or (B) any sale, transfer or other disposition of all or any portion of the ABL Priority Collateral, so long as such sale, transfer or other disposition is then permitted by the ABL Documents and the Term Documents or consented to by the requisite ABL Lenders and the requisite Term Lenders, the Term Agent agrees, on behalf of itself and the Term Secured Parties that such sale, transfer or other disposition will be free and clear of the Liens on such ABL Priority Collateral securing the Term Obligations, and the Term Agent's and the Term Secured Parties' Liens with respect to the ABL Priority Collateral so sold, transferred, or disposed shall be automatically released without further action concurrently with, and to the same extent as, the release of the ABL Secured Parties' Liens on such ABL Priority Collateral; provided, that the Liens of the Parties shall attach to the proceeds of any such disposition of the ABL Priority Collateral with the same relative priority as the Liens which attached to the ABL Priority Collateral so released. In furtherance of, and subject to, the foregoing, the Term Agent agrees that it will promptly execute any and all Lien releases or other documents reasonably requested by the ABL Agent in connection therewith. The Term Agent hereby appoints the ABL Agent and any officer or duly authorized person of the ABL Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Term Agent and in the name of the Term Agent or in the ABL Agent' own names, from time to time, in the ABL Agent's sole discretion, for the purposes of carrying out the terms of this paragraph, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this paragraph, including any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

(ii) In the event of (A) any private or public sale of all or any portion of the Term Priority Collateral in connection with any Exercise of Secured Creditor Remedies by or with the consent of the Term Agent, or (B) any sale, transfer or other disposition of all or any portion of the Term Priority Collateral, so long as such sale, transfer or other disposition is then permitted by the Term Documents and the ABL Documents or consented to by the requisite Term Lenders and the requisite ABL Lenders, as applicable, the ABL Agent agrees, on behalf of itself and the ABL Secured Parties, that such sale, transfer or disposition will be free and clear of the Liens on such Term Priority Collateral securing the ABL Obligations and the ABL Agent's and the ABL Secured Parties' Liens with respect to the Term Priority Collateral so sold, transferred, or disposed shall be automatically released without further action concurrently with, and to the same extent as, the release of the Term Secured Parties' Liens on such Term Priority Collateral; provided, that the Liens of the Parties shall attach to the proceeds of any such disposition of the Term Priority Collateral with the same relative priority as the Liens which attached to the Term Priority Collateral so released. In furtherance of, and subject to, the foregoing, the ABL Agent agrees that it will promptly execute any and all Lien releases or other documents reasonably requested by the Term Agent in connection therewith. The ABL Agent hereby appoints the Term Agent and any officer or duly authorized person of the Term Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power

of attorney in the place and stead of the ABL Agent and in the name of the ABL Agent or in the Term Agent's own name, from time to time, in the Term Agent's sole discretion, for the purposes of carrying out the terms of this paragraph, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this paragraph, including any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

Section 2.5 No New Liens. (a) Subject to Article 6, until the Discharge of ABL Obligations shall have occurred, and for so long as the Term Obligations are secured by any ABL Priority Collateral, the parties hereto agree that no Term Secured Party shall acquire or hold any Lien on any assets of any Loan Party securing any Term Obligation which assets are not also subject to the Lien of the ABL Agent under the ABL Documents. If any Term Secured Party shall nonetheless acquire or hold any Lien on any assets of any Loan Party securing any Term Obligation which assets are not also subject to the Lien of the ABL Agent under the ABL Documents, then the Term Agent (or the relevant Term Secured Party) shall, without the need for any further consent of any other Term Secured Party, the Term Borrower or any Term Guarantor and notwithstanding anything to the contrary in any other Term Document, be deemed to also hold and have held such Lien as agent or bailee for the benefit of the ABL Agent as security for the ABL Obligations (subject to the Lien Priority and other terms hereof) and shall promptly notify the ABL Agent in writing of the existence of such Lien.

(b) Subject to Article 6, until the Discharge of Term Obligations, and for so long as the ABL Obligations are secured by any Term Priority Collateral, the parties hereto agree that no Loan Party (other than a UK ABL Loan Party or a Foreign Subsidiary which becomes an ABL Loan Party) shall grant any Lien on any assets of any Loan Party securing any ABL Obligation which assets are not also subject to the Lien of the Term Agent under the Term Documents. If any ABL Secured Party shall nonetheless acquire or hold any Lien on any assets of any Loan Party securing any ABL Obligation which assets are not also subject to the Lien of the Term Agent under the Term Documents, then the ABL Agent (or the relevant ABL Secured Party) shall, without the need for any further consent of any other ABL Secured Party, any ABL Borrower or any ABL Guarantor and notwithstanding anything to the contrary in any other ABL Document, be deemed to also hold and have held such Lien as agent or bailee for the benefit of the Term Agent as security for the Term Obligations (subject to the Lien Priority and other terms hereof) and shall promptly notify the Term Agent in writing of the existence of such Lien.

Section 2.6 Waiver of Marshalling.

(a) Until the Discharge of ABL Obligations, the Term Agent, on behalf of itself and the Term Secured Parties, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the ABL Priority Collateral or any other similar rights a junior secured creditor may have under applicable law.

(b) Until the Discharge of Term Obligations, the ABL Agent, on behalf of itself and the ABL Secured Parties, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Term Priority Collateral or any other similar rights a junior secured creditor may have under applicable law.

ARTICLE 3
ACTIONS OF THE PARTIES

Section 3.1 Certain Actions Permitted. The Term Agent and the ABL Agent may make such demands or file such claims or proofs of claim in respect of the Term Obligations or the ABL Obligations, as applicable, as are necessary to prevent the waiver or bar of such claims under applicable statutes of limitations or other statutes, court orders, or rules of procedure at any time, in each case in a manner consistent with this Agreement.

Section 3.2 Agent for Perfection. The ABL Agent, for and on behalf of itself and each ABL Secured Party, and the Term Agent, for and on behalf of itself and each Term Secured Party, as applicable, each agrees to hold all Collateral in their respective possession, custody, or control (or in the possession, custody, or control of agents or bailees for either) as agent for the other solely for the purpose of perfecting the security interest granted to each in such Collateral, subject to the terms and conditions of this Section 3.2. None of the ABL Agent, the ABL Secured Parties, the Term Agent, or the Term Secured Parties, as applicable, shall have any obligation whatsoever to the others to assure that the Collateral is genuine or owned by any Borrower, any Guarantor, or any other Person or to preserve rights or benefits of any Person. The duties or responsibilities of the ABL Agent and the Term Agent under this Section 3.2 are and shall be limited solely to holding or maintaining control of the Control Collateral as agent for the other Party for purposes of perfecting the Lien held by the Term Agent or the ABL Agent, as applicable. The ABL Agent is not and shall not be deemed to be a fiduciary of any kind for the Term Secured Parties or any other Person. Without limiting the generality of the foregoing, the ABL Secured Parties shall not be obligated to see to the application of any Proceeds of the Term Priority Collateral deposited into any Deposit Account or be answerable in any way for the misapplication thereof. The Term Agent is not and shall not be deemed to be a fiduciary of any kind for the ABL Secured Parties, or any other Person.

Section 3.3 Insurance. Proceeds of Collateral include insurance proceeds and, therefore, the Lien Priority shall govern the ultimate disposition of casualty insurance proceeds. The ABL Agent and the Term Agent shall each be named as additional insured or loss payee, as applicable, with respect to all insurance policies relating to the Collateral. Until Discharge of the ABL Obligations, the ABL Agent shall have the sole and exclusive right, as against the Term Agent, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of ABL Priority Collateral and take other such actions with respect to insurance covering the ABL Priority Collateral as set forth in the ABL Credit Agreement. Until Discharge of the Term Obligations, the Term Agent shall have the sole and exclusive right, as against the ABL Agent, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of Term Priority Collateral and take other such actions with respect to insurance covering the Term Priority Collateral as set forth in the Term Loan Agreement. All proceeds of such insurance shall be remitted to the ABL Agent or the Term Agent, as the case may be, and each of the Term Agent and ABL Agent shall cooperate (if necessary) in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.1 hereof.

Section 3.4 No Additional Rights For the Loan Parties Hereunder. If any ABL Secured Party or Term Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, the Loan Parties shall not be entitled to use such violation as a defense to any action by any ABL Secured Party or Term Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any ABL Secured Party or Term Secured Party.

Section 3.5 Inspection and Access Rights.

(a) Without limiting any rights the ABL Agent or any other ABL Secured Party may otherwise have under applicable law or by agreement, in the event of any liquidation of the ABL Priority Collateral (or any other Exercise of Any Secured Creditor Remedies by the ABL Agent) and whether or not the Term Agent or any other Term Secured Party has commenced and is continuing to Exercise Any Secured Creditor Remedies of the Term Agent, the ABL Agent or any other Person (including any ABL Loan Party) acting with the consent, or on behalf, of the ABL Agent, shall have the right (a) during normal business hours on any Business Day, to access ABL Priority Collateral that (i) is stored or located in or on, or (ii) has become an accession with respect to (within the meaning of Section 9-335 of the Uniform Commercial Code), or (iii) has been commingled with (within the meaning of Section 9-336 of the Uniform Commercial Code), Term Priority Collateral, and (b) during the Use Period, shall have the right to use the Term Priority Collateral, each of the foregoing in order to assemble, inspect, copy or download information stored on, take action to perfect its Liens on, complete a production run of inventory, take possession of, move, prepare and advertise for sale, sell (by public auction, private sale or a "store closing", "going out of business" or similar sale, whether in bulk, in lots or to customers in the ordinary course of business or otherwise and which sale may include augmented Inventory of the same type sold in the any ABL Loan Party's business), store or otherwise deal with the ABL Priority Collateral, in each case without notice to, the involvement of or interference by any Term Secured Party or liability to any Term Secured Party. In the event that any ABL Secured Party has commenced and is continuing the Exercise of Any Secured Creditor Remedies with respect to any ABL Priority Collateral or any other sale or liquidation of the ABL Priority Collateral has been commenced by an ABL Loan Party (with the consent of the ABL Agent), the Term Agent may not sell, assign or otherwise transfer the related Term Priority Collateral prior to the expiration of the Use Period, unless the purchaser, assignee or transferee thereof agrees to be bound by the provisions of this Section 3.5.

(b) During the period of actual occupation, use and/or control by the ABL Secured Parties and/or the ABL Agent (or their respective employees, agents, advisers and representatives) of any Term Priority Collateral, the ABL Secured Parties and the ABL Agent shall be obligated to repair at their expense any physical damage (but not any other diminution in value) to such Term Priority Collateral resulting from such occupancy, use or control, and to leave such Term Priority Collateral in substantially the same condition as it was at the commencement of such occupancy, use or control, ordinary wear and tear excepted. Notwithstanding the foregoing, in no event shall the ABL Secured Parties or the ABL Agent have any liability to the Term Secured Parties and/or to the Term Agent pursuant to this Section 3.5 as a result of any condition (including any environmental condition, claim or liability) on or

with respect to the Term Priority Collateral existing prior to the date of the exercise by the ABL Secured Parties (or the ABL Agent, as the case may be) of their rights under Section 3.5 and the ABL Secured Parties shall have no duty or liability to maintain the Term Priority Collateral in a condition or manner better than that in which it was maintained prior to the use thereof by the ABL Secured Parties, or for any diminution in the value of the Term Priority Collateral that results from ordinary wear and tear resulting from the use of the Term Priority Collateral by the ABL Secured Parties in the manner and for the time periods specified under this Section 3.5. Without limiting the rights granted in this Section 3.5, the ABL Secured Parties and the ABL Agent shall cooperate with the Term Secured Parties and/or the Term Agent in connection with any efforts made by the Term Secured Parties and/or the Term Agent to sell the Term Priority Collateral.

(c) The ABL Agent and the ABL Secured Parties shall not be obligated to pay any amounts to the Term Agent or the Term Secured Parties (or any person claiming by, through or under the Term Secured Parties, including any purchaser of the Term Priority Collateral) or to the ABL Loan Parties, for or in respect of the use by the ABL Agent and the ABL Secured Parties of the Term Priority Collateral.

(d) The ABL Secured Parties shall (i) use the Term Priority Collateral in accordance with applicable law; (ii) insure for damage to property and liability to persons, including property and liability insurance for the benefit of the Term Secured Parties; and (iii) indemnify the Term Secured Parties from any claim, loss, damage, cost or liability arising from the ABL Secured Parties' use of the Term Priority Collateral (except for those arising from the gross negligence or willful misconduct of any Term Secured Party).

(e) The Term Agent and the other Term Secured Parties shall use commercially reasonable efforts to not hinder or obstruct the ABL Agent and the other ABL Secured Parties from exercising the rights described in Section 3.5(a) hereof.

(d) In furtherance of the foregoing in this Section 3.5, the Term Agent and the Term Secured Parties, in their capacity as a secured party (or as a purchaser, assignee or transferee, as applicable), and to the extent of its interest therein, hereby grants to the ABL Agent and the ABL Secured Parties a nonexclusive, irrevocable, royalty-free, worldwide license to use, license or sublicense any and all Intellectual Property now owned or hereafter acquired included as part of the Term Priority Collateral (and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof) as is or may be necessary or advisable in the ABL Agent's reasonable judgment for the ABL Agent to process, ship, produce, store, supply, lease, complete, sell, liquidate or otherwise deal with the ABL Priority Collateral, or to collect or otherwise realize upon any Accounts (as defined in the ABL Credit Agreement) comprising ABL Priority Collateral, in each case solely in connection with any Exercise of Secured Creditor Remedies; provided that (i) any such license shall terminate upon the sale of the applicable ABL Priority Collateral and shall not extend or transfer to the purchaser of such ABL Priority Collateral, (ii) the ABL Agent's use of such Intellectual Property shall be reasonable and lawful, and (iii) any such license is granted on an "AS IS" basis, without any representation or warranty whatsoever. Furthermore, the Term Agent agrees that, in connection with any Exercise of Secured Creditor Remedies conducted by the Term Agent in respect of Term Priority Collateral, the Term Agent shall provide written notice to any purchaser, assignee or transferee of Intellectual Property pursuant to an Exercise of Secured Creditor Remedies that the applicable Intellectual Property is subject to such license.

Section 3.6 Tracing of and Priorities in Proceeds.

The ABL Agent, for itself and on behalf of the ABL Secured Parties, and the Term Agent, for itself and on behalf of the Term Secured Parties, further agree that prior to an issuance of any notice of Exercise of Any Secured Creditor Remedies by such Secured Party (unless a bankruptcy or insolvency Event of Default then exists), any proceeds of Collateral, whether or not deposited under control agreements, which are used by any Loan Party to acquire other property which is Collateral shall not (solely as between the Agents and the Lenders) be treated as Proceeds of Collateral for purposes of determining the relative priorities in the Collateral which was so acquired. Notwithstanding anything to the contrary contained in this Agreement or any Term Document, unless and until the Discharge of the ABL Obligations, the ABL Agent is hereby permitted to deem all collections and payments deposited in any ABL Deposit and Securities Account (for the avoidance of doubt other than Term Loan Priority Account) or the Concentration Account (as defined in the ABL Credit Agreement) to be proceeds of ABL Priority Collateral and the Term Agent and the other Term Secured Parties each consents to the application of such funds to the ABL Obligations, and no such funds credited to such account shall be subject to disgorgement or be deemed to be held in trust by the ABL Agent for the benefit of the Term Agent and other Term Credit Parties; provided that with respect to any such funds that are identifiable proceeds of Term Priority Collateral credited to any such account with respect to which the ABL Agent has received a Term Cash Proceeds Notice prior to the application of such funds by the ABL Agent to the ABL Obligations and a subsequent credit extension under the ABL Credit Agreement, the ABL Agent shall turn over any misdirected proceeds of the Term Priority Collateral to the Term Agent.

Section 3.7 Payments Over.

(a) So long as the Discharge of ABL Obligations has not occurred, any ABL Priority Collateral or Proceeds thereof not constituting Term Priority Collateral received by the Term Agent or any Term Secured Parties in connection with the exercise of any right or remedy (including set off) relating to the ABL Priority Collateral in contravention of this Agreement shall be segregated and held in trust and forthwith paid over to the ABL Agent for the benefit of the ABL Secured Parties in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The ABL Agent is hereby authorized to make any such endorsements as agent for the Term Agent or any such Term Secured Parties. This authorization is coupled with an interest and is irrevocable until such time as this Agreement is terminated in accordance with its terms.

(b) So long as the Discharge of Term Obligations has not occurred, any Term Priority Collateral or Proceeds thereof not constituting ABL Priority Collateral received by the ABL Agent or any other ABL Secured Party in connection with the exercise of any right or remedy (including set off) relating to the Term Priority Collateral in contravention of this Agreement (it being understood that the application of proceeds from any ABL Deposit and Securities Account prior to the delivery of a Term Cash Proceeds Notice shall not be deemed in contravention of this Agreement) shall be segregated and held in trust and forthwith paid over to the Term Agent for the benefit of the Term Secured Parties in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The Term Agent is hereby authorized to make any such endorsements as agent for the ABL Agent or any such other ABL Secured Parties. This authorization is coupled with an interest and is irrevocable until such time as this Agreement is terminated in accordance with its terms.

(c) Nothing in this Agreement shall prohibit the receipt by the ABL Agent or the Term Agent or any Secured Party of payments of interest, principal and other amounts owed in respect of the ABL Obligations or the Term Obligations so long as such receipt is not the direct or indirect result of the Exercise of Any Secured Creditor Remedies by the ABL Agent or the Term Agent or any Secured Party in contravention of this Agreement with respect to any Lien held by any of them.

ARTICLE 4
APPLICATION OF PROCEEDS

Section 4.1 Application of Proceeds.

(a) Revolving Nature of ABL Obligations. The Term Agent, for and on behalf of itself and the Term Secured Parties, expressly acknowledges and agrees that (i) the ABL Credit Agreement includes a revolving commitment, that in the ordinary course of business the ABL Agent and the ABL Lenders will apply payments and make advances thereunder, and that no application of any Collateral or the release of any Lien by the ABL Agent upon any portion of the Collateral in connection with a permitted disposition by the ABL Loan Parties under any ABL Credit Agreement shall constitute the Exercise of Secured Creditor Remedies under this Agreement; (ii) the amount of the ABL Obligations that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and that the terms of the ABL Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the ABL Obligations may be increased, replaced or refinanced, in each event, without notice to or consent by the Term Secured Parties and without affecting the provisions hereof; and (iii) all Collateral received by the ABL Agent may be applied, reversed, reapplied or credited, in whole or in part, to the ABL Obligations at any time; provided, however, that from and after the date on which the ABL Agent (or any ABL Secured Party) or the Term Agent (or any Term Secured Party) commences the Exercise of Any Secured Creditor Remedies, all amounts received by the ABL Agent or any ABL Lender shall be applied as specified in Sections 4.1(b) and (c). The Lien Priority shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or refinancing of either the ABL Obligations or the Term Obligations, or any portion thereof. Notwithstanding anything to the contrary contained in this Agreement, any Term Document or any ABL Document, each Loan Party and the Term Agent, for itself and on behalf of the Term Secured Parties, agrees that (i) only Term Priority Collateral or proceeds of the Term Priority Collateral shall be deposited in the Term Loan Priority Accounts and (ii) prior to the receipt of a Term Cash Proceeds Notice, the ABL Secured Parties are hereby permitted to treat all cash, cash equivalents, money, collections and payments deposited in any ABL Deposit and Securities Account or otherwise received by any ABL Secured Parties as ABL Priority Collateral, and no such amounts credited to any such ABL Deposit and Securities Account or received by any ABL Secured Parties or applied to the ABL Obligations shall be subject to disgorgement or deemed to be held in trust for the benefit of the Term Secured Parties (and all claims of the Term Agent or any other Term Secured Party to such amounts are hereby waived).

(b) Application of Proceeds of ABL Priority Collateral. The ABL Agent and the Term Agent hereby agree that all ABL Priority Collateral, ABL Priority Proceeds and all other Proceeds thereof, received by either of them in connection with any Exercise of Secured Creditor Remedies with respect to the ABL Priority Collateral shall be applied,

first, to the payment of costs and expenses of the ABL Agent in connection with such Exercise of Secured Creditor Remedies to the extent provided in the ABL Documents,

second, to the payment of the ABL Obligations in accordance with the ABL Documents until the Discharge of ABL Obligations shall have occurred,

third, to the payment of the Term Obligations in accordance with the Term Documents until the Discharge of Term Obligations shall have occurred, and

fourth, the balance, if any, to the Loan Parties or as a court of competent jurisdiction may direct.

(e) Application of Proceeds of Term Priority Collateral. The ABL Agent and the Term Agent hereby agree that all Term Priority Collateral, Term Priority Proceeds and all other Proceeds thereof, received by either of them in connection with any Exercise of Secured Creditor Remedies with respect to the Term Priority Collateral shall be applied,

first, to the payment of costs and expenses of the Term Agent in connection with such Exercise of Secured Creditor Remedies to the extent provided in the Term Documents,

second, to the payment of the Term Obligations in accordance with the Term Documents until the Discharge of Term Obligations shall have occurred,

third, to the payment of the ABL Obligations in accordance with the ABL Documents until the Discharge of ABL Obligations shall have occurred, and

fourth, the balance, if any, to the Loan Parties or as a court of competent jurisdiction may direct.

(c) Limited Obligation or Liability. In exercising remedies, whether as a secured creditor or otherwise, the ABL Agent shall have no obligation or liability to the Term Agent or to any Term Secured Party, and the Term Agent shall have no obligation or liability to the ABL Agent or any ABL Secured Party, regarding the adequacy of any Proceeds or for any action or omission, except solely for an action or omission that breaches the express obligations undertaken by each Party under the terms of this Agreement. Notwithstanding anything to the contrary herein contained, none of the Parties hereto waives any claim that it may have against a Secured Party on the grounds that any sale, transfer or other disposition by the Secured Party was not commercially reasonable in every respect as required by the Uniform Commercial Code.

(d) Turnover of Collateral. Upon the Discharge of the ABL Obligations, the ABL Agent shall deliver to the Term Agent or shall execute such documents as the Term Agent may reasonably request (at the expense of the Term Borrower in accordance with the terms of the Term Documents) to enable the Term Agent to have control over any Control Collateral still in the ABL Agent' possession, custody, or control in the same form as received with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct, subject to the reinstatement provisions of Section 5.3 below. Upon the Discharge of Term Obligations, the Term Agent shall deliver to the ABL Agent or shall execute such documents as the ABL Agent

may reasonably request (at the expense of the Domestic ABL Borrowers in accordance with the terms of the ABL Documents) to enable the ABL Agent to have control over any Control Collateral still in the Term Agent's possession, custody or control in the same form as received with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct, subject to the reinstatement provisions of Section 5.3 below.

Section 4.2 Specific Performance. Each of the ABL Agent and the Term Agent is hereby authorized to demand specific performance of this Agreement, whether or not any Borrower or any Guarantor shall have complied with any of the provisions of any of the Credit Documents, at any time when the other Party shall have failed to comply with any of the provisions of this Agreement applicable to it. Each of the ABL Agent, for and on behalf of itself and the ABL Secured Parties, and the Term Agent, for and on behalf of itself and the Term Secured Parties, hereby irrevocably waives (as against any other Secured Party) any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance.

ARTICLE 5
INTERCREDITOR ACKNOWLEDGEMENTS AND WAIVERS

Section 5.1 Notice of Acceptance and Other Waivers.

(a) All ABL Obligations at any time made or incurred by any Borrower or any Guarantor shall be deemed to have been made or incurred in reliance upon this Agreement, and the Term Agent, on behalf of itself and the Term Secured Parties, hereby waives notice of acceptance, or proof of reliance by the ABL Agent or any ABL Secured Party of this Agreement and notice of the existence, increase, renewal, extension, accrual, creation, or non-payment of all or any part of the ABL Obligations. All Term Obligations at any time made or incurred by any Borrower or any Guarantor shall be deemed to have been made or incurred in reliance upon this Agreement, and the ABL Agent, on behalf of itself and the ABL Secured Parties, hereby waives notice of acceptance, or proof of reliance, by the Term Agent or any Term Secured Party of this Agreement and notice of the existence, increase, renewal, extension, accrual, creation, or non-payment of all or any part of the Term Obligations.

(b) None of the ABL Agent, any ABL Secured Party, or any of their respective Affiliates, directors, officers, employees, or agents shall be liable for failure to demand, collect, or realize upon any of the Collateral or any Proceeds, or for any delay in doing so, or shall be under any obligation to sell or otherwise dispose of any Collateral or Proceeds thereof or to take any other action whatsoever with regard to the Collateral or any part or Proceeds thereof, except as specifically provided in this Agreement. If the ABL Agent or any ABL Secured Party honors (or fails to honor) a request by any Borrower for an extension of credit pursuant to any ABL Credit Agreement or any of the other ABL Documents, whether the ABL Agent or any ABL Secured Party have knowledge that the honoring of (or failure to honor) any such request would constitute a default under the terms of any Term Loan Agreement or any other Term Document or an act, condition, or event that, with the giving of notice or the passage of time, or both, would constitute such a default, or if the ABL Agent or any ABL Secured Party otherwise should exercise any of its contractual rights or remedies under any ABL Documents (subject to the express terms and conditions hereof), neither the ABL Agent nor any ABL Secured Party shall have any liability whatsoever to the Term Agent or any Term Secured Party as a result of such action, omission, or exercise (so long as any such exercise does not breach the

express terms and provisions of this Agreement). The ABL Agent and the ABL Secured Parties shall be entitled to manage and supervise their loans and extensions of credit under any ABL Credit Agreement and any of the other ABL Documents as they may, in their sole discretion, deem appropriate, and may manage their loans and extensions of credit without regard to any rights or interests that the Term Agent or any of the Term Secured Parties have in the Collateral, except as otherwise expressly set forth in this Agreement. The Term Agent, on behalf of itself and the Term Secured Parties, agrees that neither the ABL Agent nor any ABL Secured Party shall incur any liability as a result of a sale, lease, license, application, or other disposition of all or any portion of the Collateral or Proceeds thereof, pursuant to the ABL Documents, so long as such disposition is conducted in accordance with mandatory provisions of applicable law and does not breach the provisions of this Agreement.

(c) None of the Term Agent, any Term Secured Party or any of their respective Affiliates, directors, officers, employees, or agents shall be liable for failure to demand, collect, or realize upon any of the Collateral or any Proceeds, or for any delay in doing so, or shall be under any obligation to sell or otherwise dispose of any Collateral or Proceeds thereof or to take any other action whatsoever with regard to the Collateral or any part or Proceeds thereof, except as specifically provided in this Agreement. If an act, condition, or event that, with the giving of notice or the passage of time, or both, would constitute an Event of Default under any ABL Document, or if the Term Agent or any Term Secured Party otherwise should exercise any of its contractual rights or remedies under the Term Documents (subject to the express terms and conditions hereof), neither the Term Agent nor any Term Secured Party shall have any liability whatsoever to the ABL Agent or any ABL Secured Party as a result of such action, omission, or exercise (so long as any such exercise does not breach the express terms and provisions of this Agreement). The Term Agent and the Term Secured Parties shall be entitled to manage and supervise their loans and extensions of credit under the Term Documents as they may, in their sole discretion, deem appropriate, and may manage their loans and extensions of credit without regard to any rights or interests that the ABL Agent or any ABL Secured Party has in the Collateral, except as otherwise expressly set forth in this Agreement. The ABL Agent, on behalf of itself and the ABL Secured Parties, agrees that none of the Term Agent or the Term Secured Parties shall incur any liability as a result of a sale, lease, license, application, or other disposition of the Collateral or any part or Proceeds thereof, pursuant to the Term Documents, so long as such disposition is conducted in accordance with mandatory provisions of applicable law and does not breach the provisions of this Agreement.

Section 5.2 Modifications to ABL Documents and Term Documents.

(a) The Term Agent, on behalf of itself and the Term Secured Parties, hereby agrees that, without affecting the obligations of the Term Agent and the Term Secured Parties hereunder, the ABL Agent and the ABL Secured Parties may, at any time and from time to time, in their sole discretion without the consent of or notice to the Term Agent or any Term Secured Party, and without incurring any liability to the Term Agent or any Term Secured Party or impairing or releasing the Lien Priority provided for herein, amend, restate, supplement, replace, refinance, extend, consolidate, restructure, or otherwise modify any of the ABL Documents in any manner whatsoever, other than in a manner which would have the effect of contravening the terms of this Agreement.

(b) The ABL Agent, on behalf of itself and the ABL Secured Parties, hereby agree that, without affecting the obligations of the ABL Agent and the ABL Secured Parties hereunder, the Term Agent and the Term Secured Parties may, at any time and from time to time,

in their sole discretion without the consent of or notice to the ABL Agent or any ABL Secured Party, and without incurring any liability to the ABL Agent or any ABL Secured Party or impairing or releasing the Lien Priority provided for herein, amend, restate, supplement, replace, refinance, extend, consolidate, restructure, or otherwise modify any of the Term Documents in any manner whatsoever other than in a manner which would have the effect of contravening the terms of this Agreement.

(c) The ABL Obligations and the Term Obligations may be refinanced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is required pursuant to Section 5.2(a) or (b) above or to permit the refinancing transaction under any ABL Document or any Term Document) of the ABL Agent, the ABL Secured Parties, the Term Agent or the Term Secured Parties, as the case may be, all without affecting the Lien Priority provided for herein or the other provisions hereof, provided, however, that the holders of such refinancing Indebtedness (or an authorized agent or trustee on their behalf) bind themselves in writing to the terms of this Agreement pursuant to such documents or agreements (including amendments or supplements to this Agreement) as the ABL Agent or the Term Agent, as the case may be, shall reasonably request and in form and substance reasonably acceptable to the ABL Agent or the Term Agent, as the case may be, and any such refinancing transaction shall be in accordance with any applicable provisions of both the ABL Documents and the Term Documents (to the extent such documents survive the refinancing).

Section 5.3 Reinstatement and Continuation of Agreement.

(a) If the ABL Agent or any ABL Secured Party is required in any Insolvency Proceeding or otherwise to turn over or otherwise pay to the estate of any Borrower, any Guarantor, or any other Person any payment made in satisfaction of all or any portion of the ABL Obligations (an "**ABL Recovery**"), then the ABL Obligations shall be reinstated to the extent of such ABL Recovery. If this Agreement shall have been terminated prior to such ABL Recovery, this Agreement shall be reinstated in full force and effect in the event of such ABL Recovery, and such prior termination shall not diminish, release, discharge, impair, or otherwise affect the obligations of the Parties from such date of reinstatement. All rights, interests, agreements, and obligations of the ABL Agent, the Term Agent, the ABL Secured Parties, and the Term Secured Parties under this Agreement shall remain in full force and effect and shall continue irrespective of the commencement of, or any discharge, confirmation, conversion, or dismissal of, any Insolvency Proceeding by or against any Borrower or any Guarantor or any other circumstance which otherwise might constitute a defense available to, or a discharge of any Borrower or any Guarantor in respect of the ABL Obligations or the Term Obligations. No priority or right of the ABL Agent or any ABL Secured Party shall at any time be prejudiced or impaired in any way by any act or failure to act on the part of any Borrower or any Guarantor or by the non-compliance by any Person with the terms, provisions, or covenants of any of the ABL Documents, regardless of any knowledge thereof which the ABL Agent or any ABL Secured Party may have.

(b) If the Term Agent or any Term Secured Party is required in any Insolvency Proceeding or otherwise to turn over or otherwise pay to the estate of any Borrower, any Guarantor, or any other Person any payment made in satisfaction of all or any portion of the Term Obligations (a "**Term Recovery**"), then the Term Obligations shall be reinstated to the extent of such Term Recovery. If this Agreement shall have been terminated prior to such Term Recovery, this Agreement shall be reinstated in full force and effect in the event of such Term Recovery, and such prior termination shall not diminish, release, discharge, impair, or otherwise

affect the obligations of the Parties from such date of reinstatement. All rights, interests, agreements, and obligations of the ABL Agent, the Term Agent, the ABL Secured Parties, and the Term Secured Parties under this Agreement shall remain in full force and effect and shall continue irrespective of the commencement of, or any discharge, confirmation, conversion, or dismissal of, any Insolvency Proceeding by or against any Borrower or any Guarantor or any other circumstance which otherwise might constitute a defense available to, or a discharge of any Borrower or any Guarantor in respect of the ABL Obligations or the Term Obligations. No priority or right of the Term Agent or any Term Secured Party shall at any time be prejudiced or impaired in any way by any act or failure to act on the part of any Borrower or any Guarantor or by the non-compliance by any Person with the Terms, provisions, or covenants of any of the Term Documents, regardless of any knowledge thereof which the Term Agent or any Term Secured Party may have.

ARTICLE 6
INSOLVENCY PROCEEDINGS

Section 6.1 DIP Financing.

(a) If any Borrower or any Guarantor shall be subject to any Insolvency Proceeding at any time prior to the Discharge of ABL Obligations, and the ABL Agent or any of the ABL Secured Parties shall seek to provide any Borrower or any Guarantor with, or consent to a third party providing, any financing under Section 364 of the Bankruptcy Code or consent to any order for the use of cash collateral constituting ABL Priority Collateral under Section 363 of the Bankruptcy Code (or any similar provision of any foreign Debtor Relief Laws or under a court order in respect of measures granted with similar effect under any foreign Debtor Relief Laws) with such financing to be secured by all or any portion of the ABL Priority Collateral (including assets that, but for the application of Section 552 of the Bankruptcy Code would be ABL Priority Collateral) (each, an "**ABL DIP Financing**"), then the Term Agent, on behalf of itself and the Term Secured Parties, agrees that it will raise no objection and will not support any objection to such ABL DIP Financing or use of cash collateral or to the Liens securing the same on any basis, including, without limitation, on the grounds of a failure to provide "adequate protection" for the Liens of the Term Agent securing the Term Obligations on the ABL Priority Collateral (and will not request any adequate protection solely as a result of such ABL DIP Financing or use of cash collateral that is ABL Priority Collateral except as otherwise provided for in Section 6.3 below) and will not offer or support any debtor-in-possession financing that would compete with such ABL DIP Financing; provided that (i) the Term Agent retains its Lien on the ABL Priority Collateral to secure the Term Obligations (in each case, including Proceeds thereof arising after the commencement of the case under the any Debtor Relief Laws), subject to the terms hereof, to the Liens in favor of the ABL Secured Parties on the ABL Priority Collateral existing prior to the commencement of such Insolvency Proceeding, to any adequate protection Liens on the ABL Priority Collateral granted in favor of the ABL Obligations, any "carve out" from the ABL Priority Collateral for fees and expenses of professionals retained by the debtors and creditors committee and the United States Trustee, as agreed to by the ABL Agent, and to the senior priority of the ABL DIP Financing on the ABL Priority Collateral and (ii) unless it shall otherwise consent, the Term Agent shall retain its Lien on the Term Priority Collateral with the same priority as existed prior to the commencement of the case under the subject Debtor Relief Laws and any Lien of the ABL Agent (or other provider of ABL DIP Financing) on the Term Priority Collateral securing such ABL DIP Financing is junior and subordinate to the Lien of the Term Agent on the Term Priority Collateral (to the extent of the Term Priority Debt), (iii)

all Liens on ABL Priority Collateral securing any such ABL DIP Financing shall be senior to or on a parity with the Liens of the ABL Agent and the ABL Secured Parties securing the ABL Obligations on ABL Priority Collateral and (iv) the foregoing provisions of this Section 6.1(a) shall not prevent the Term Agent and the Term Secured Parties from objecting to any provision in any ABL DIP Financing relating to any provision or content of a plan of reorganization or other plan of similar effect under any Debtor Relief Laws.

(f) If any Borrower or any Guarantor shall be subject to any Insolvency Proceeding at any time prior to the Discharge of Term Obligations, and the Term Agent or any of the Term Secured Parties shall seek to provide any Borrower or any Guarantor with, or consent to a third party providing, any financing under Section 364 of the Bankruptcy Code or consent to any order for the use of cash collateral constituting Term Priority Collateral under Section 363 of the Bankruptcy Code (or any similar provision of any foreign Debtor Relief Laws or under a court order in respect of measures granted with similar effect under any foreign Debtor Relief Laws) with such Term DIP Financing to be secured by all or any portion of the Term Priority Collateral (including assets that, but for the application of Section 552 of the Bankruptcy Code would be Term Priority Collateral) (each, a "**Term DIP Financing**"), then the ABL Agent, on behalf of itself and the ABL Secured Parties, agrees that it will raise no objection and will not support any objection to such Term DIP Financing or use of cash collateral or to the Liens securing the same on any basis, including, without limitation, on the grounds of a failure to provide "adequate protection" for the Liens of the ABL Agent securing the ABL Obligations on the Term Priority Collateral (and will not request any adequate protection solely as a result of such Term DIP Financing or use of cash collateral that is Term Priority Collateral except as otherwise provided for in Section 6.3 below); provided that (i) the ABL Agent retains its Lien on the Term Priority Collateral to secure the ABL Obligations (in each case, including Proceeds thereof arising after the commencement of the case under the any Debtor Relief Laws), subject to the terms hereof, to the Liens in favor of the Term Secured Parties on the Term Priority Collateral existing prior to the commencement of such Insolvency Proceeding, to any adequate protection Liens on the Term Priority Collateral granted in favor of the Term Obligations, any "carve out" from the Term Priority Collateral for fees and expenses of professionals retained by the debtors and creditors committee and the United States Trustee, as agreed to by the Term Agent, and to the senior priority of the Term DIP Financing on the Term Priority Collateral and (ii) unless it shall otherwise consent, the ABL Agent shall retain its Lien on the ABL Priority Collateral with the same priority as existed prior to the commencement of the case under the subject Debtor Relief Laws and any Lien of the Term Agent (or other provider of Term DIP Financing) on the ABL Priority Collateral securing such Term DIP Financing is junior and subordinate to the Lien of the ABL Agent on the ABL Priority Collateral (to the extent of the ABL Priority Debt), (iii) all Liens on Term Priority Collateral securing any such Term DIP Financing shall be senior to or on a parity with the Liens of the Term Agent and the Term Secured Parties securing the Term Obligations on Term Priority Collateral and (iv) the foregoing provisions of this Section 6.1(b) shall not prevent the ABL Agent and the ABL Secured Parties from objecting to any provision in any Term DIP Financing relating to any provision or content of a plan of reorganization or other plan of similar effect under any Debtor Relief Laws.

(b) All Liens granted to the ABL Agent or the Term Agent in any Insolvency Proceeding, whether as adequate protection or otherwise, are intended by the Parties to be and shall be deemed to be subject to the Lien Priority and the other terms and conditions of this Agreement.

Section 6.2 Relief From Stay. Until the Discharge of ABL Obligations has occurred, the Term Agent, on behalf of itself and the Term Secured Parties, agrees not to seek relief from the automatic stay or any other stay in any Insolvency Proceeding in respect of any portion of the ABL Priority Collateral without the ABL Agent's express written consent. Until the Discharge of Term Obligations has occurred, the ABL Agent, on behalf of itself and the ABL Secured Parties, agrees not to seek relief from the automatic stay or any other stay in any Insolvency Proceeding in respect of any portion of the Term Priority Collateral without the Term Agent's express written consent. In addition, neither the Term Agent nor the ABL Agent shall seek any relief from the automatic stay with respect to any Collateral without providing three (3) days' prior written notice to the other (or such shorter period as both the ABL Agent and the Term Agent may agree) or unless the ABL Agent or Term Agent, as applicable, makes a good faith determination that either (A) the ABL Priority Collateral or the Term Priority Collateral, as applicable, will decline speedily in value or (B) the failure to take any action will have a reasonable likelihood of endangering the ABL Agent's or the Term Agent's ability to realize upon its Collateral.

Section 6.3 No Contest; Adequate Protection.

(a) The Term Agent, on behalf of itself and the Term Secured Parties, agrees that, prior to the Discharge of ABL Obligations, none of them shall contest (or support any other Person contesting) (i) any request by the ABL Agent or any ABL Secured Party for adequate protection of its interest in the Collateral (unless in contravention of Section 6.1(b) or Section 6.3(c)), (ii) subject to Section 6.1(a) above, any proposed provision of ABL DIP Financing by the ABL Agent and the ABL Secured Parties (or any other Person proposing to provide DIP Financing with the consent of the ABL Agent) or (iii) any objection by the ABL Agent or any ABL Secured Party to any motion, relief, action, or proceeding based on a claim by the ABL Agent or any ABL Secured Party that its interests in the Collateral are not adequately protected (or any other similar request under any law applicable to an Insolvency Proceeding), so long as any Liens granted to the ABL Agent as adequate protection of its interests are subject to this Agreement.

(b) The ABL Agent, on behalf of itself and the ABL Secured Parties, agrees that, prior to the Discharge of Term Obligations, none of them shall contest (or support any other Person contesting) (i) any request by the Term Agent or any Term Secured Party for adequate protection of its interest in the Collateral (unless in contravention of Section 6.1(a) or 6.3(c)), (ii) subject to Section 6.1(b) above, any proposed provision of Term DIP Financing by the Term Agent and the Term Secured Parties (or any other Person proposing to provide DIP Financing with the consent of the Term Agent), or (iii) any objection by the Term Agent or any Term Secured Party to any motion, relief, action or proceeding based on a claim by the Term Agent or any Term Secured Party that its interests in the Collateral (unless in contravention of Section 6.1(a) above) are not adequately protected (or any other similar request under any law applicable to an Insolvency Proceeding), so long as any Liens granted to the Term Agent as adequate protection of its interests are subject to this Agreement.

(c) Notwithstanding the foregoing provisions in this Section 6.3, in any Insolvency Proceeding:

(i) if the ABL Secured Parties (or any subset thereof) are granted adequate protection with respect to the ABL Priority Collateral in the form of additional or replacement collateral (even if such collateral is not of a type which would otherwise have constituted ABL Priority Collateral) and/or a superpriority claim, then the ABL Agent, on behalf of itself and the ABL Secured Parties, agrees that the Term Agent, on behalf of itself or any of the Term Secured Parties, may seek or request (and the ABL Secured Parties will not oppose such request) adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional or replacement collateral, which Lien on any such Collateral that would otherwise constitute ABL Priority Collateral will be subordinated to the Liens securing the ABL Obligations on the same basis as the other Liens of the Term Agent on ABL Priority Collateral or a superpriority claim junior in all respects to such superpriority claim granted to the ABL Secured Parties;

(ii) in the event the Term Agent, on behalf of itself or any of the Term Secured Parties, is granted adequate protection in respect of Term Priority Collateral in the form of additional or replacement collateral (even if such collateral is not of a type which would otherwise have constituted Term Priority Collateral) and/or a superpriority claim, then the Term Agent, on behalf of itself and any of the Term Secured Parties, agrees that the ABL Agent on behalf of itself or any of the ABL Secured Parties, may seek or request (and the Term Secured Parties will not oppose such request) adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional or replacement collateral, which Lien on any such Collateral that would otherwise constitute Term Priority Collaterall, which Lien will be subordinated to the Liens securing the Term Obligations on the same basis as the other Liens of the ABL Agent on Term Priority Collateral or a superpriority claim junior in all respects to such superpriority claim granted to the Term Secured Parties; and

(iii) except as otherwise expressly set forth in Section 6.1 or in connection with the exercise of remedies with respect to (A) the ABL Priority Collateral, nothing herein shall limit the rights of the Term Agent or the Term Secured Parties from seeking adequate protection with respect to their rights in the Term Priority Collateral in any Insolvency Proceeding (including adequate protection in the form of a cash payment, periodic cash payments superpriority administrative claim, or otherwise), and the ABL Agent and the ABL Secured Parties agree not to object thereto, or (B) the Term Priority Collateral, nothing herein shall limit the rights of the ABL Agent or the ABL Secured Parties from seeking adequate protection with respect to their rights in the ABL Priority Collateral in any Insolvency Proceeding (including adequate protection in the form of a cash payment, periodic cash payments, superpriority administrative claim, or otherwise), and the Term Agent and the Term Secured Parties agree not to object thereto.

Section 6.4 Asset Sales. The Term Agent agrees, on behalf of itself and the Term Secured Parties, that it will not oppose any sale consented to by the ABL Agent of any ABL Priority Collateral pursuant to Section 363(f) of the Bankruptcy Code (or any similar provision under the law applicable to any Insolvency Proceeding or under a court order in respect of measures granted with similar effect under any foreign Debtor Relief Laws) so long as the Liens of the Parties attach to the proceeds of such sale consistent with the Lien Priority on the assets sold and such proceeds are otherwise applied in accordance with this Agreement. The ABL Agent agrees, on behalf of itself and the ABL Secured Parties, that it will not oppose any sale consented to by the Term Agent of any Term Priority Collateral pursuant to Section 363(f) of the Bankruptcy Code (or any similar provision under the law applicable to any Insolvency Proceeding or under a court order in respect of measures granted with similar effect under any foreign Debtor Relief Laws) so long as the Liens of the Parties attach to the proceeds of such sale

consistent with the Lien Priority on the assets sold and such proceeds are otherwise applied in accordance with this Agreement. If such sale of Collateral includes both ABL Priority Collateral and Term Priority Collateral and the parties are unable after negotiating in good faith to agree on the allocation of the purchase price between the ABL Priority Collateral and Term Priority Collateral, either party may apply to the court in such Insolvency Proceeding to make a determination of such allocation, and the court's determination shall be binding upon the parties.

Section 6.5 Separate Grants of Security and Separate Classification. Each Term Secured Party and each ABL Secured Party acknowledges and agrees that (i) the grants of Liens pursuant to the ABL Collateral Documents and the Term Collateral Documents constitute two separate and distinct grants of Liens and (ii) because of, among other things, their differing rights in the Collateral, the Term Obligations are fundamentally different from the ABL Obligations and must be separately classified in any plan of reorganization (or other plan of similar effect under any Debtor Relief Laws) proposed, confirmed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the ABL Secured Parties and the Term Secured Parties in respect of the Collateral constitute only one secured claim (rather than separate classes of secured claims), then the ABL Secured Parties and the Term Secured Parties hereby acknowledge and agree that all distributions from the Collateral shall be made as if there were separate classes of ABL Obligation claims and Term Obligation claims against the Loan Parties, with the effect being that, to the extent that the aggregate value (as applicable) of the ABL Priority Collateral or Term Priority Collateral is sufficient (for this purpose ignoring all claims held by the other Secured Parties), the ABL Secured Parties or the Term Secured Parties, respectively, shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest, fees and expenses that is available from the applicable pool of Priority Collateral for each of the ABL Secured Parties and the Term Secured Parties, respectively, (whether or not allowed or allowable in any such Insolvency Proceeding) before any distribution is made from such pool of Priority Collateral in respect of the claims held by the other Secured Parties from such Priority Collateral, with the other Secured Parties hereby acknowledging and agreeing to turn over to the respective other Secured Parties amounts otherwise received or receivable by them from such pool of Priority Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the aggregate recoveries of such Secured Parties.

Section 6.6 Enforceability. The provisions of this Agreement are intended to be and shall be enforceable as a "subordination agreement" under Section 510(a) of the Bankruptcy Code (or any similar provision under the law applicable to any Insolvency Proceeding or under a court order in respect of measures granted with similar effect under any foreign Debtor Relief Laws).

Section 6.7 ABL Obligations Unconditional. All rights of the ABL Agent hereunder, and all agreements and obligations of the Term Agent hereunder, shall, except as otherwise specifically provided herein, remain in full force and effect irrespective of:

1. any lack of validity or enforceability of any ABL Document;

2. any change in the time, place or manner of payment of, or in any other term of, all or any portion of the ABL Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any ABL Document (but solely to the extent permitted pursuant to Section 5.2(a) above);

3. any exchange, release, voiding, avoidance or non-perfection of any security interest in any Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding, restatement or increase of all or any portion of the ABL Obligations or any guarantee or guaranty thereof; or

4. any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the ABL Obligations, or of any of the Term Agent or any Loan Party, to the extent applicable, in respect of this Agreement.

10.29 Term Obligations Unconditional. All rights of the Term Agent hereunder, all agreements and obligations of the ABL Agent hereunder, shall, except as otherwise specifically provided herein, remain in full force and effect irrespective of:

(i) any lack of validity or enforceability of any Term Document;

(ii) any change in the time, place or manner of payment of, or in any other Term of, all or any portion of the Term Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any Term Document (but solely to the extent permitted pursuant to Section 5.2(b) above);

(iii) any exchange, release, voiding, avoidance or non-perfection of any security interest in any Collateral, or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding, restatement or increase of all or any portion of the Term Obligations or any guarantee or guaranty thereof; or

5. any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the Term Obligations, or of any of the ABL Agent or any Loan Party, to the extent applicable, in respect of this Agreement.

10.30 Certain Waivers. Each of the Term Agent, on behalf of the Term Secured Parties, and the ABL Agent, on behalf of the ABL Secured Parties, agrees that (a) it shall not assert or enforce any claim under Section 506(c) of the Bankruptcy Code, or any similar provision of any foreign Debtor Relief Laws, senior to or on a parity with the Liens securing the ABL Obligations or Term Obligations, as applicable, of the other Secured Parties for costs or expenses of preserving or disposing of such other Secured Parties' pool of Priority Collateral and (b) waives any claim it may hereafter have against the other Secured Party arising out of the election by such Secured Party of the application of Section 1111(b)(2) of the Bankruptcy Code, or any similar provision of any foreign Debtor Relief Laws, with respect to such other Secured Party's pool of Priority Collateral.

10.31 Reorganization Securities. If, in any Insolvency Proceeding debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed pursuant to a plan of reorganization or similar dispositive plan, both on account of ABL Obligations and on account of Term Obligations, then, to the extent the debt obligations distributed on account of the ABL Obligations and on account of the Term Obligations are secured by Liens upon property that would constitute ABL Priority Collateral or Term Priority Collateral under the terms of this Agreement, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the debt obligations so distributed, to the Liens securing such debt obligations, and the distribution of Proceeds thereof.

10.32 Post-Petition Interest.

(a) Neither the Term Agent nor any Term Secured Party shall oppose or seek to challenge any claim by the ABL Agent or any ABL Secured Party for allowance in any Insolvency Proceeding of ABL Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien on the ABL Priority Collateral securing any ABL Secured Party's claim, without regard to the existence of the Lien of the Term Agent on behalf of the Term Secured Parties on the ABL Priority Collateral.

(b) Neither the ABL Agent nor any other ABL Secured Party shall oppose or seek to challenge any claim by the Term Agent or any Term Secured Party for allowance in any Insolvency Proceeding of Term Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien on the Term Priority Collateral securing any Term Secured Party's claim, without regard to the existence of the Lien of the ABL Agent on behalf of the ABL Secured Party on the Term Priority Collateral.

ARTICLE 7
MISCELLANEOUS

Section 7.1 Rights of Subrogation. The Term Agent, for and on behalf of itself and the Term Secured Parties, agrees that no payment to the ABL Agent or any ABL Secured Party pursuant to the provisions of this Agreement shall entitle the Term Agent or any Term Secured Party to exercise any rights of subrogation in respect thereof until the Discharge of ABL Obligations. Thereafter, the ABL Agent agrees to execute such documents, agreements, and instruments as the Term Agent or any Term Secured Party may reasonably request to evidence the transfer by subrogation to any such Person of an interest in the ABL Obligations resulting from payments to the ABL Agent by such Person, so long as all costs and expenses (including all reasonable legal fees and disbursements) incurred in connection therewith by the ABL Agent are paid by such Person upon request for payment thereof. The ABL Agent, for and on behalf of itself and the ABL Secured Parties, agrees that no payment to the Term Agent or any Term Secured Party pursuant to the provisions of this Agreement shall entitle the ABL Agent or any ABL Secured Party to exercise any rights of subrogation in respect thereof until the Discharge of Term Obligations. Thereafter, the Term Agent agrees to execute such documents, agreements, and instruments as the ABL Agent or any ABL Secured Party may reasonably request to evidence the transfer by subrogation to any such Person of an interest in the Term Obligations resulting from payments to the Term Agent by such Person, so long as all costs and expenses (including all reasonable legal fees and disbursements) incurred in connection therewith by the Term Agent are paid by such Person upon request for payment thereof.

Section 7.2 Further Assurances. The Parties will, at their own expense and at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that either Party may reasonably request, in order to protect any right or interest granted or purported to be granted hereby or to enable the ABL Agent or the Term Agent to exercise and enforce their respective rights and remedies hereunder; provided, however, that no Party shall be required to pay over any payment or distribution, execute any instruments or documents, or take any other action referred to in this Section 7.2, to the extent that such action would contravene any law, order or other legal requirement or any of the terms or provisions of this Agreement, and in the event of a controversy or dispute, such Party may interplead any payment or distribution in any court of competent jurisdiction, without further responsibility in respect of such payment or distribution under this Section 7.2.

Section 7.3 Representations. The Term Agent represents and warrants to the ABL Agent that it has the requisite power and authority under the Term Documents to enter into, execute, deliver, and carry out the terms of this Agreement on behalf of itself and the Term Secured Parties and that this Agreement shall be binding obligations of the Term Agent and the Term Secured Parties, enforceable against the Term Agent and the Term Secured Parties in accordance with its terms. The ABL Agent represents and warrants to the Term Agent that it has the requisite power and authority under the ABL Documents to enter into, execute, deliver, and carry out the terms of this Agreement on behalf of itself and the ABL Secured Parties and that this Agreement shall be binding obligations of the ABL Agent and the ABL Secured Parties, enforceable against the ABL Agent and the ABL Secured Parties in accordance with its terms.

Section 7.4 Amendments. No amendment or waiver of any provision of this Agreement nor consent to any departure by any Party hereto shall be effective unless it is in a written agreement executed by the Term Agent and the ABL Agent and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 7.5 Addresses for Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, emailed or sent by overnight express courier service or United States mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or three (3) days after deposit in the United States mail (certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section) shall be as set forth below or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

ABL Agent: Bank of America, N.A.
100 Federal Street
Boston, Massachusetts 02110
Attention: Stephen J. Garvin

With a copy to:

Riemer & Braunstein, LLP
Three Center Plaza
Boston, MA 02108
Attention: David S. Berman, Esquire
Fax: (617) 880-3456

Term Agent: Bank of America, N.A.

Attention:

With a copy to:

Cahill Gordon & Reindel, LLP
80 Pine Street
New York, New York 10005
Attention: Corey Wright, Esquire
Fax: (212) 378-2544

Section 7.6 No Waiver; Remedies. No failure on the part of any Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.7 Continuing Agreement, Transfer of Secured Obligations. This Agreement is a continuing agreement and shall (a) remain in full force and effect until the earlier of the Discharge of ABL Obligations or the Discharge of Term Obligations, (b) be binding upon the Parties and their successors and assigns, and (c) inure to the benefit of and be enforceable by the Parties and their respective successors, transferees and assigns. Nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Collateral. All references to any Loan Party shall include any Loan Party as debtor-in-possession and any receiver or trustee for such Loan Party in any Insolvency Proceeding. Without limiting the generality of the foregoing clause (c), the ABL Agent, any ABL Secured Party, the Term Agent, or any Term Secured Party may assign or otherwise transfer all or any portion of the ABL Obligations or the Term Obligations, as applicable, to any other Person (other than any Borrower, any Guarantor or any Affiliate of any Borrower or any Guarantor and any Subsidiary of any Borrower or any Guarantor) and such other Person shall thereupon become vested with all the rights and obligations in respect thereof

granted to the ABL Agent, the Term Agent, any ABL Secured Party, or any Term Secured Party, as the case may be, herein or otherwise. The ABL Secured Parties and the Term Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide Indebtedness to, or for the benefit of, any Loan Party on the faith hereof.

Section 7.8 Governing Law; Entire Agreement. The validity, performance, and enforcement of this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. This Agreement constitutes the entire agreement and understanding among the Parties with respect to the subject matter hereof and supersedes any prior agreements, written or oral, with respect thereto.

Section 7.9 Counterparts. This Agreement may be executed in any number of counterparts, and it is not necessary that the signatures of all Parties be contained on any one counterpart hereof, each counterpart will be deemed to be an original, and all together shall constitute one and the same document. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission (in .pdf or similar format) shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section 7.10 No Third Party Beneficiaries. This Agreement is solely for the benefit of the ABL Agent, ABL Secured Parties, Term Agent and Term Secured Parties. No other Person (including any Borrower, any Guarantor or any Affiliate of any Borrower or any Guarantor, or any Subsidiary of any Borrower or any Guarantor) shall be deemed to be a third party beneficiary of this Agreement.

Section 7.11 Headings. The headings of the articles and sections of this Agreement are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

Section 7.12 Severability. If any of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement and shall not invalidate the Lien Priority or the application of Proceeds and other priorities set forth in this Agreement.

Section 7.13 Attorneys' Fees. The Parties agree that if any dispute, arbitration, litigation, or other proceeding is brought with respect to the enforcement of this Agreement or any provision hereof, the prevailing party in such dispute, arbitration, litigation, or other proceeding shall be entitled to recover its reasonable attorneys' fees and all other costs and expenses incurred in the enforcement of this Agreement, irrespective of whether suit is brought.

Section 7.14 VENUE; JURY TRIAL WAIVER.

(a) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF

OR RELATING TO THIS AGREEMENT, 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 SHALL AFFECT ANY RIGHT THAT ANY ABL SECURED PARTY OR ANY TERM SECURED PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY TERM DOCUMENTS, OR ANY ABL DOCUMENTS AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(b) EACH PARTY HERETO HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY HERETO REPRESENTS THAT IT HAS REVIEWED THIS WAIVER AND IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(c) EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 7.5. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 7.15 Intercreditor Agreement. This Agreement is the "Intercreditor Agreement" referred to in the ABL Credit Agreement and the "ABL Intercreditor Agreement" referred to in the Term Loan Agreement. Nothing in this Agreement shall be deemed to subordinate the obligations due to (i) any ABL Secured Party to the obligations due to any Term Secured Party or (ii) any Term Secured Party to the obligations due to any ABL Secured Party (in each case, whether before or after the occurrence of an Insolvency Proceeding), it being the intent of the Parties that this Agreement shall effectuate a subordination of Liens but not a subordination of Indebtedness.

Section 7.16 No Warranties or Liability. The Term Agent and the ABL Agent acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectability or enforceability of any other ABL Document or any Term Document. Except as otherwise provided in this Agreement, the Term Agent and the ABL Agent will be entitled to manage and supervise their respective extensions of credit to any Loan Party in accordance with law and their usual practices, modified from time to time as they deem appropriate.

Section 7.17 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any ABL Document or any Term Document, the provisions of this Agreement shall govern.

Section 7.18 Information Concerning Financial Condition of the Loan Parties. (a) Each of the Term Agent and the ABL Agent hereby assumes responsibility for keeping itself informed of the financial condition of the Loan Parties and all other circumstances bearing upon the risk of non-payment of the ABL Obligations or the Term Obligations. The Term Agent and the ABL Agent hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances. In the event the Term Agent or the ABL Agent, in their sole discretion, undertakes at any time or from time to time to provide any information to any other party to this Agreement, (a) they shall be under no obligation (i) to provide any such information to such other party or any other party on any subsequent occasion, (ii) to undertake any investigation not a part of its regular business routine, or (iii) to disclose any other information, (b) they make no representation as to the accuracy or completeness of any such information and shall not be liable for any information contained therein, and (c) the Party receiving such information hereby agrees to hold the providing Party harmless from any action the receiving Party may take or conclusion the receiving Party may reach or draw from any such information, as well as from and against any and all losses, claims, damages, liabilities, and expenses to which such receiving Party may become subject arising out of or in connection with the use of such information.

(b) The Loan Parties agree that any information provided to the ABL Agent, the Term Agent, any ABL Secured Party or any Term Secured Party may be shared by such Person with any ABL Secured Party, any Term Secured Party, the ABL Agent or the Term Agent notwithstanding a request or demand by such Loan Party that such information be kept confidential; provided that such information shall otherwise be subject to the respective confidentiality provisions in the ABL Credit Agreement and the Term Loan Agreement, as applicable.

10.33 Foreign Loan Parties and Foreign Collateral

This Agreement is intended to define the rights and obligations of the parties with respect to Collateral held by both the ABL Agent on behalf of the ABL Secured Parties and the Term Agent on behalf of the Term Secured Parties from any Borrower and any Guarantor organized under the laws of the United States of America. Nothing contained herein shall limit, modify or impair any rights that the ABL Agent and the ABL Secured Parties may have with respect to the UK ABL Loan Parties and any Collateral of the UK Loan Parties or with respect to any other Foreign Subsidiary which becomes an ABL Loan Party or any of such Foreign Subsidiary's assets, each of which rights may be exercised by the ABL Agent and the ABL Secured Parties without the consent of, or interference from, the Term Secured Parties to the extent that such Collateral of the UK Loan Parties or any other Foreign Subsidiary is not subject to a Lien in favor of the Term Secured Parties. In that regard, for as long as the applicable Collateral of the UK Loan Parties or any other Foreign Subsidiary is not subject to a Lien in favor of the Term Secured Parties, the Term Agent and the Term Secured Parties shall not be entitled to any of the benefits of this Agreement in connection therewith and the ABL Agent and ABL Secured Parties shall have no obligations to the Term Agent and the Term Secured Parties with respect thereto. In the event that any Collateral of the ABL Agent and the ABL Secured Parties that is not, as of any date, Collateral of the Term Agent and the Term Secured Parties

(including the Collateral or the UK Loan Parties as of the date hereof), subsequently becomes subject to a Lien in favor of the Term Agent and the Term Secured Parties, then the provisions of tis Agreement, including the provisions hereof with respect to the applicable priority of Liens on ABL Priority Collateral and Term Priority Collateral, shall automatically apply to such Collateral.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the ABL Agent, for and on behalf of itself and the ABL Secured Parties, and the Term Agent, for and on behalf of itself and the Term Secured Parties, have caused this Agreement to be duly executed and delivered as of the date first above written.

BANK OF AMERICA, N.A., in its capacity as an ABL Agent

By: _____
Name:
Title:

BANK OF AMERICA, N.A , in its capacity as the Term Agent

By: _____
Name:
Title:

ACKNOWLEDGMENT

Each Borrower and each Guarantor hereby acknowledges that it has received a copy of this Agreement and consents thereto, agrees to recognize all rights granted thereby to the ABL Agent and the Term Agent. Each Borrower and each Guarantor further acknowledges and agrees that it is not an intended beneficiary or third party beneficiary under this Agreement and (i) as between the ABL Secured Parties and the ABL Loan Parties, the ABL Documents remain in full force and effect as written and are in no way modified hereby, and (ii) as between the Term Secured Parties, the Term Borrower and Term Guarantors, the Term Documents remain in full force and effect as written and are in no way modified hereby.

LANDS' END, INC.

By: _____
Name: Karl Dahlen
Title: Vice President, General Counsel, and Secretary

LANDS' END DIRECT MERCHANTS, INC.

By: _____
Name: Karl Dahlen
Title: Secretary

LANDS' END INTERNATIONAL, INC.

By: _____
Name: Karl Dahlen
Title: Secretary

LANDS' END JAPAN INC.

By: _____
Name: Karl Dahlen
Title: Secretary

LANDS' END MEDIA COMPANY

By: _____
Name: Karl Dahlen
Title: Secretary

LEGC, LLC

By: _____
Name: Karl Dahlen
Title: Vice President, General Counsel and Secretary

ARTICLE 8

As to any provisions relating to Collateral of
the UK Loan Parties and the UK Liabilities only:

LANDS' END EUROPE LIMITED

By: _____
Name: Michael Rosera
Title: Treasurer

Exhibit 4.2

TERM LOAN CREDIT AGREEMENT

Dated as of April 4, 2014

among

LANDS' END, INC.,
as the Borrower,

BANK OF AMERICA, N.A.,
as Administrative Agent and Collateral Agent,

and

The Lenders Party Hereto

BANK OF AMERICA, N.A.,
as Arranger and Bookrunner

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

Form of

TERM LOAN CREDIT AGREEMENT

This TERM LOAN CREDIT AGREEMENT is entered into as of April 4, 2014, among **LANDS' END, INC.**, a Delaware corporation (the "Borrower"), each Person from time to time party hereto as a lender (collectively, the "Lenders" and individually, a "Lender") and **BANK OF AMERICA, N.A.**, as administrative agent and collateral agent.

W I T N E S S E T H:

Sears Holdings Corporation, a Delaware corporation ("SHC") will, immediately prior to the effectiveness of this Agreement, consummate the Separation (as defined below) pursuant to which the Borrower will become an independent publicly traded company and Borrower and its Subsidiaries will no longer be Subsidiaries of SHC.

The Borrower, a wholly-owned Subsidiary of Sears Roebuck and Co., which is a wholly-owned subsidiary of SHC, has requested that the Lenders provide a term loan credit facility, and the Lenders have indicated their willingness to lend on the terms and conditions set forth herein.

The proceeds of the Loans made on the Closing Date will be used *inter alia* to pay the Closing Date Dividend.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"ABL Agent" has the meaning assigned to such term in the ABL Intercreditor Agreement.

"ABL Credit Agreement" has the meaning assigned to such term in the definition of "ABL Facility."

"ABL Facility" means the revolving facility pursuant to that certain ABL Credit Agreement (as amended, amended and restated, supplemented or modified from time to time, the "ABL Credit Agreement"), dated as of the date hereof, by and among the Borrower, the Subsidiaries of Borrower party thereto, Bank of America, N.A., as administrative agent and collateral agent, the lenders party thereto and the other agents party thereto (it being understood and agreed that the ABL Facility shall include any additional commitments thereunder after the date hereof that are permitted pursuant to the ABL Intercreditor Agreement).

"ABL Financial Covenant Default" means any breach or violation of any financial maintenance covenant in the ABL Facility.

"ABL Intercreditor Agreement" means the Intercreditor Agreement, dated as of the date hereof, by and between the Agent and the ABL Agent and acknowledged by the Loan Parties, substantially in the form of Exhibit B, as amended, amended and restated, replaced, supplemented or modified from time to time.

"ACH" means automated clearing house transfers.

"Acquired EBITDA" means, with respect to any Acquired Entity or Business or any Converted Restricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Acquired Entity or Business or Converted Restricted Subsidiary, as applicable, all as determined on a consolidated basis for such Acquired Entity or Business or Converted Restricted Subsidiary, as applicable.

"Acquired Entity or Business" means any Person, property, business or asset acquired by the Borrower or any Restricted Subsidiary during any period to the extent not subsequently sold, transferred or otherwise disposed of by the Borrower or such Restricted Subsidiary during such period

"Acquisition" means, with respect to any Person (a) a purchase of a Controlling interest in the Equity Interests of any other Person, (b) a purchase or other acquisition of all or substantially all of the assets or properties of another Person or of any business unit of another Person, or (c) any merger or consolidation of such Person with any other Person or other transaction or series of transactions resulting in the acquisition of all or substantially all of the assets, or a Controlling interest in the Equity Interests, of any other Person, in each case in any transaction or series of transactions which are part of a common plan, but in each case excluding any transaction or series of transactions resulting in the acquisition solely of Store locations or other interests in real property or of Equity Interests of Persons substantially all of whose assets constitutes Store locations or other interest in real property.

"Act" shall have the meaning provided in Section 10.18.

"Additional Lender" shall have the meaning provided in Section 2.17(c).

"Adjusted LIBOR Rate" means, with respect to any LIBOR Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of one percent (1%)) equal to the LIBOR Rate for such Interest Period multiplied by the Statutory Reserve Rate. The Adjusted LIBOR Rate will be adjusted automatically as to all LIBOR Borrowings then outstanding as of the effective date of any change in the Statutory Reserve Rate. Notwithstanding any provision to the contrary in this Agreement, the applicable Adjusted LIBOR Rate in respect of the Initial Term B Loans shall at no time be less than 1.00% per annum.

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

"Affiliate" means, with respect to any Person, (i) 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, and (ii) any director, officer, managing member, partner, trustee, or beneficiary of that Person.

"Affiliated Lender" means any Affiliate of the Borrower other than (i) the Borrower, (ii) any Subsidiary of the Borrower and (iii) any natural Person, in each case, for so long, and only for so long, as any such Person is an Affiliate of the Borrower.

"Affiliated Loan Purchase" shall mean any purchase of the Loans by an Affiliated Lender pursuant to Section 10.6(g).

"Agent" means Bank of America in its capacity as administrative agent and collateral agent under any of the Loan Documents, or any successor thereto.

"Agent Parties" shall have the meaning specified in Section 10.2(c).

"Agent's Office" means the Agent's address and, as appropriate, account as set forth on Schedule 10.2, or such other address or account as the Agent may from time to time notify the Borrower and the Lenders.

"Agreement" means this Term Loan Credit Agreement as it may be amended, restated, supplemented or otherwise modified from time to time.

"Applicable Lenders" means the Required Lenders, all affected Lenders, or all Lenders, as the context may require.

"Applicable Margin" means 2.25% per annum for Base Rate Loans and 3.25% per annum for LIBOR Rate Loans. Notwithstanding the foregoing, the Applicable Margin in respect of any Class of Incremental Term Loans or Extended Term Loans made pursuant to any Incremental Facility Amendment or Extension Offer shall be the applicable percentages per annum set forth in the relevant Incremental Facility Amendment or Extension Offer.

"Applicable Percentage" means, at any time (a) with respect to any Lender with a Commitment of any Class, the percentage equal to a fraction the numerator of which is the amount of such Lender's Commitment of such Class at such time and the denominator of which is the aggregate amount of all Commitments of such Class of all Lenders, and (b) with respect to the Loans of any Class, a percentage equal to a fraction the numerator of which is such Lender's Outstanding Amount of the Loans of such Class and the denominator of which is the aggregate Outstanding Amount of all Loans of such Class.

"Appropriate Lender" means, at any time, with respect to Loans of any Class, the Lenders of such Class.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender (c) an entity or an Affiliate of an entity that administers or manages a Lender, or (d) the same investment advisor or an advisor under common control with such Lender, Affiliate or advisor, as applicable.

"Arranger" means Bank of America, N.A., in its capacity as arranger and bookrunner.

"Asset Percentage" shall have the meaning specified in Section 2.5(b)(ii)(A).

"Asset Sale" means any Disposition or series of related Dispositions pursuant to clause (p) of the definition of "Permitted Dispositions" involving assets with a fair market value in excess of $5,000,000.

"Assignee Group" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.6(b)), and accepted by the Agent, in substantially the form of Exhibit E or any other form approved by the Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capital Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease or similar payments under the relevant lease or other applicable agreement or instrument that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease, agreement or instrument were accounted for as a capital lease.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the Fiscal Year ended February 2, 2013, and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Year of the Borrower and its Subsidiaries, including the notes thereto.

"Available Amount" means, at any time (the "Available Amount Reference Time"), an amount (which shall not be less than zero) equal to the sum of:

(a) the cumulative amount of Excess Cash Flow of the Borrower and its Restricted Subsidiaries for all full fiscal years commencing after the Closing Date and prior to the Available Amount Reference Time, minus (y) the portion of such Excess Cash Flow that has been (or is required to be) applied after the Closing Date and prior to the Available Amount Reference Time to the prepayment of Loans in accordance with Section 2.5(b)(i); plus

(b) the aggregate amount of Retained Declined Proceeds during the period from the Business Day immediately following the Closing Date through and including the Available Amount Reference Time;

(c) 100% of the Net Proceeds, and the fair market value, as reasonably determined by the Borrower, of all consideration other than cash and Permitted Cash Equivalents, received from the Borrower following the Closing Date from the issuance of Qualified Equity Interests (other than proceeds received from a Subsidiary of the Borrower) or a contribution to its capital (other than from a Subsidiary of the Borrower); plus

(d) the aggregate amount of cash received from Investments made pursuant to clause (p) of the definition of "Permitted Investments" prior to such Available Amount Reference Time (including upon disposition of any such Investment or from dividends, distributions, interest or principal received in respect of any such Investment) and the aggregate fair market value of any Unrestricted Subsidiary that was designated as such pursuant to clause (p) of the definition of "Permitted Investments" at the time such Subsidiary is redesignated as a Restricted Subsidiary; minus

(e) the aggregate amount of Investments made pursuant to clause (p) of the definition of "Permitted Investments" prior to such Available Amount Reference Time; minus

(f) the aggregate amount applied to prepay Specified Indebtedness pursuant to Section 7.7(e) prior to such Available Amount Reference Time; minus

(g) the aggregate amount of any Restricted Payment made pursuant to Section 7.6(e) during the period commencing on the Closing Date through and including the Available Amount Reference Time.

"Available Amount Reference Time" has the meaning specified in the definition of "Available Amount."

"Bank of America" means Bank of America, N.A. and its successors.

"Bank Products" means, to the extent so designated in writing by the Borrower to the Agent, any services or facilities provided to any Loan Party on account of Swap Contracts by a Person that was the Agent, a Lender or an Affiliate of the Agent or a Lender at the time such Swap Contract was entered into or on the Closing Date.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the rate of interest in effect for such day as publicly announced from time to time by the Agent as its "prime rate"; (b) the Federal Funds Rate for such day, plus 0.50%; and (c) the LIBOR Rate for a one month interest period as determined on such day, plus 1.0%; provided that, in the case of clause (c), notwithstanding any provision to the contrary in this Agreement, the applicable Base Rate in respect of Initial Term B Loans shall at no time be less than 2.00% per annum. The "prime rate" is a rate set by the Agent based upon various factors including the Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the Agent's prime rate, the Federal Funds Rate or the LIBOR Rate, respectively, shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Borrower" has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 6.2.

"Borrowing" means Loans of the same Class, Type and currency, made, Converted or continued on the same date and, in the case of LIBOR Rate Loans, as to which a single Interest Period is in effect.

"Borrowing Base" means, at any time, the sum of the following for the Borrower and its Restricted Subsidiaries on a consolidated basis as of the most recent date for which internal financial statements of the Borrower are available (i) 95% of the book value of credit card receivables, (ii) 85% of the book value of accounts receivable (excluding credit card receivables) and (iii) 50% of the book value of inventory.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Agent's Office is located and, if such day relates to any LIBOR Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

"Capital Expenditures" means, with respect to any Person for any period, all expenditures made (whether made in the form of cash or other property) or costs incurred for the acquisition or improvement of fixed or capital assets of such Person (excluding normal replacements and maintenance which are properly charged to current operations), in each case that are (or should be) set forth as capital expenditures in a Consolidated statement of cash flows of such Person for such period, in each case prepared in accordance with GAAP.

"Capital Lease Obligations" means, with respect to any Person for any period, 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 liabilities on a balance sheet of such Person under GAAP and the amount of which obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Management Services" means, to the extent so designated by Borrower in writing to the Agent, any cash management services provided to any Loan Party by the Agent or any Lender or any of their respective Affiliates, including, without limitation, (a) ACH transactions, (b) controlled disbursement services, treasury, depository, overdraft, and electronic funds transfer services, (c) credit card processing services, (d) credit or debit cards and (e) foreign exchange facilities.

"Casualty Event" means any event that gives rise to the receipt by the Borrower or any of its Restricted Subsidiaries of any insurance proceeds or condemnation awards in respect of any Term Priority Collateral.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

"CERCLIS" means the Comprehensive Environmental Response, Compensation, and Liability Information System maintained by the United States Environmental Protection Agency.

"Change in Law" means the occurrence, after the date of this Agreement, 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, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or 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 or issued.

"Change of Control" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than a Permitted Holder becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of both (i) 35% or more of the Equity Interests of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such Equity Interests that such "person" or "group" has the right to acquire pursuant to any option right), and (ii) a greater percentage of such Equity Interests than are held by the Permitted Holders in the aggregate; or

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or by a Permitted Holder or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or by a Permitted Holder (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors); or

(c) any "change in control" or similar event as defined in any document governing Material Indebtedness of any Loan Party.

"Class" (a) when used with respect to Lenders, refers to whether such Lenders hold a particular Class of Commitments or Loans, (b) when used with respect to Commitments, refers to whether such Commitments are Initial Term B Loan Commitments or Commitments in respect of any Incremental Term Loans that are designated as an additional Class of Term Loans and (c) when used with respect to Loans or Borrowings, refers to whether such Loans, or the Loans comprising such Borrowings, are Initial Term B Loans, Extended Term Loans that are designated as an additional Class of Term Loans, Incremental Term Loans that are designated as an additional Class of Term Loans or any Loans made pursuant to any other Class of Commitments.

"Closing Date" means the first date all the conditions precedent in Section 4.1 are satisfied or waived in accordance with Section 10.1.

"Closing Date Dividend" means a Restricted Payment made by the Borrower to SHC or any of its Subsidiaries on the Closing Date immediately prior to the consummation of the Separation in a maximum amount not to exceed $500,000,000.

"Code" means the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended and in effect.

"Collateral" means any and all Mortgaged Property and "Collateral" as defined in any applicable Security Document and all other property that is or is intended under the terms of the Security Documents to be subject to Liens in favor of the Agent.

"Commitments" means an Initial Term B Loan Commitment or a commitment in respect of any Incremental Term Loans or any combination thereof, as the context may require.

"Committed Loan Notice" means a notice of (a) a Borrowing, (b) a Conversion of Loans from one Type to the other, or (c) a continuation of LIBOR Rate Loans, pursuant to Section 2.2(b), which, if initially given in writing or when confirmed in writing after telephonic notice has been given, shall be substantially in the form of Exhibit A.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"Consolidated" means, when used to modify a financial term, test, statement, or report of a Person, the application or preparation of such term, test, statement or report (as applicable) based upon the consolidation, in accordance with GAAP, of the financial condition or operating results of such Person and its Restricted Subsidiaries.

"Consolidated EBITDA" means, at any date of determination, without duplication, an amount equal to Consolidated Net Income of the Borrower and its Restricted Subsidiaries on a Consolidated basis for the most recently completed Measurement Period, plus (a) the following to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Charges, (ii) the provision for Federal, state, local and foreign income Taxes, (iii) depreciation and amortization expense, (iv) any items of loss resulting from the sale of assets other than in the ordinary course of business (it being understood that gains and losses on sales of inventory pursuant to "going out of business" or similar sales with respect to 10% of the Borrower's and its Restricted Subsidiaries' Stores (measured at the commencement of the relevant period) shall not be excluded pursuant to this clause), (v) other expenses reducing such Consolidated Net Income which do not represent a cash item in such period or any future period (in each case of or by the Borrower and its Restricted Subsidiaries for such Measurement Period), (vi) one-time costs incurred in connection with acquisitions, divestitures or debt or equity financings after the Closing Date or in connection with the Transactions, (vii) any restructuring charge or reserve, transition cost, separation cost or other expense or cost that is deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs related to systems implementation and/or consolidation of facilities, in each case to the extent incurred within 18 months of the Separation and reasonably related to the Borrower and its Subsidiaries becoming independent of SHC, and (viii) any restructuring charge or reserve, integration cost or other business optimization expense or cost that is deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs related to the closure and/or consolidation of facilities and to exiting lines of business; provided, all such amounts pursuant to this clause (viii), when aggregated with the amount of increases pursuant to clause (b) of the definition of "Pro Forma Adjustment" for such Measurement Period, shall not exceed 10.0% of Consolidated EBITDA prior to giving effect to any add-back pursuant to this clause (viii); minus (b) the following to the extent included in calculating such Consolidated Net Income: (i) Federal, state, local and foreign income tax credits, (ii) any items of gain resulting from the sale of assets other than in the ordinary course of business (it being understood that gains and losses on sales of inventory pursuant to "going out of business" or similar sales with respect to 10% of the Borrower's and its Restricted Subsidiaries' Stores (measured at the commencement of the relevant period) shall not be excluded pursuant to this clause) and (iii) all non-cash items increasing Consolidated Net Income (in each case of or by the Borrower and its Restricted Subsidiaries for such Measurement Period), all as determined on a Consolidated basis in accordance with GAAP.

"Consolidated Fixed Charge Coverage Ratio" means, at any date of determination, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Charges, in each case, of or by the Borrower and its Restricted Subsidiaries for the most recently completed Measurement Period, all as determined on a Consolidated basis in accordance with GAAP.

"Consolidated Interest Charges" means, for any Measurement Period, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets,

in each case to the extent treated as interest in accordance with GAAP, including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under applicable Swap Contracts, but excluding any non-cash or deferred interest financing costs, (b) the portion of rent expense with respect to such period under Capital Lease Obligations that is treated as interest in accordance with GAAP, in each case of or by the Borrower and its Restricted Subsidiaries for the most recently completed Measurement Period, all as determined on a Consolidated basis in accordance with GAAP and (c) all dividends or distributions in respect of Disqualified Stock (other than dividends or distributions to the Borrower or a Restricted Subsidiary).

"Consolidated Net Income" means, as of any date of determination, the net income of the Borrower and its Restricted Subsidiaries for the most recently completed Measurement Period, all as determined on a Consolidated basis in accordance with GAAP, provided, however, that there shall be excluded (a) extraordinary gains and extraordinary losses for such Measurement Period, (b) the income (or loss) of any Subsidiary of the Borrower that is not a Restricted Subsidiary and of any non-Subsidiary joint venture, except to the extent of the amount of cash dividends or other distributions actually paid in cash to the Borrower or a Restricted Subsidiary of the Borrower during such period, (c) the income (or loss) of such Subsidiary during such Measurement Period and accrued prior to the date it becomes a Restricted Subsidiary of the Borrower or any of its Restricted Subsidiaries or is merged into or consolidated with the Borrower or any of its Restricted Subsidiaries or that Person's assets are acquired by the Borrower or any of its Restricted Subsidiaries, and (d) the income of any direct or indirect Restricted Subsidiary of the Borrower that is not a Loan Party to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its Organization Documents or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary, except that the Borrower's equity in any net loss of any such Restricted Subsidiary for such Measurement Period shall be included in determining Consolidated Net Income.

"Consolidated Total Debt" means, as of any date of determination, (a) the aggregate principal amount of Indebtedness of the Borrower and its Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Separation or any Permitted Acquisition), consisting of Indebtedness for borrowed money, Capital Lease Obligations and debt obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments minus (b) the aggregate amount of unrestricted cash and Permitted Cash Equivalents included in the consolidated balance sheet of the Borrower and its Restricted Subsidiaries as of such date, which aggregate amount of cash and Permitted Cash Equivalents shall be determined without giving Pro Forma Effect to the proceeds of Indebtedness incurred on such date. For the avoidance of doubt, Consolidated Total Debt shall not include obligations under Swap Contracts or obligations in respect of undrawn letters of credit.

"Consolidated Working Capital" means, at any date, the excess of (a) the sum of (i) all amounts (other than cash and Permitted Cash Equivalents) that would, in conformity with GAAP, be set forth opposite the caption "total current assets" (or any like caption) on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries at such date and (ii) long-term accounts receivable over (b) the sum of (i) all amounts that would, in conformity with GAAP, be set forth opposite the caption "total current liabilities" (or any like caption) on a consolidated balance sheet of the Borrower and its Restricted Subsidiaries on such date and (ii) long-term deferred revenue, but excluding, without duplication, (a) the current portion of any Funded Debt, (b) the current portion of interest, (c) the current portion of current and deferred income taxes, (d) the current portion of any Capital Lease Obligations, (e) deferred revenue arising from cash receipts that are earmarked for specific projects, (f) the current portion of deferred acquisition costs and (g) current accrued costs associated with any restructuring or business optimization (including accrued severance and accrued facility closure costs).

"Contract Consideration" has the meaning specified in the definition of "Excess Cash Flow."

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"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. "Controlling" and "Controlled" have meanings correlative thereto.

"Convert," "Conversion" and "Converted" each refers to a conversion of Loans of one Type into Loans of the other Type.

"Converted Restricted Subsidiary" means any Unrestricted Subsidiary that is converted into a Restricted Subsidiary.

"Credit Party" or "Credit Parties" means (a) individually, (i) each Lender, (ii) the Agent, (iii) the Arranger, (iv) any other Person to whom Obligations are owing, and (v) the successors and assigns of each of the foregoing, and (b) collectively, all of the foregoing.

"Credit Party Expenses" means (a) all reasonable out-of-pocket expenses incurred by the Agent, the Arranger and their respective Affiliates, in connection with this Agreement and the other Loan Documents, including without limitation (i) the reasonable fees, charges and disbursements of one primary counsel and of one local counsel in each relevant jurisdiction for the Agent and the Arranger, and (ii) in connection with (A) the syndication of the credit facilities provided for herein, (B) the preparation, negotiation, administration, management, execution and delivery of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (C) the enforcement or protection of their rights in connection with this Agreement or the Loan Documents or efforts to preserve, protect, collect, or enforce the Collateral or in connection with any proceeding under any Debtor Relief Laws, or (D) any workout, restructuring or negotiations in respect of any Loan Agreement Obligations, and (b) all reasonable out-of-pocket expenses incurred by the Lenders who are not the Agent, the Arranger or any Affiliate of any of them in connection with the enforcement of the Loan Documents after the occurrence and during the continuance of an Event of Default, provided that such Lenders shall be entitled to reimbursement for no more than one counsel representing all such Lenders (absent a conflict of interest in which case the Lenders may engage and be reimbursed for additional counsel).

"Customary Intercreditor Agreement" means (a) to the extent executed in connection with the incurrence of Indebtedness secured by Liens on the Collateral that are intended to rank equal in priority to the Liens on the Collateral securing the Obligations (but without regard to the control of remedies), a customary intercreditor agreement in form and substance reasonably acceptable to the Agent and the Borrower, which agreement shall provide, inter alia, that the Liens on the Collateral securing such other Indebtedness to the extent validly perfected and not subject to other Liens ranking senior to the Liens securing such Indebtedness but junior to the Liens securing the Obligations shall rank equal in priority to the Liens on the Collateral securing the Obligations (but without regard to the control of remedies) and (b) to the extent executed in connection with the incurrence of Indebtedness secured by Liens on the Collateral which are intended to rank junior to the Liens on the Collateral securing the Obligations, a customary intercreditor agreement in form and substance reasonably acceptable to the Agent and the Borrower, which agreement shall provide that the Liens on the Collateral securing such Indebtedness shall rank junior to the Liens on the Collateral securing the Obligations.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Declined Proceeds" has the meaning specified in Section 2.5(b)(v).

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Loans, an interest rate equal to the interest rate (including the Applicable Margin) otherwise applicable to such Loan plus two percent (2%) per annum, and (b) with respect to all other Loan Agreement Obligations, an interest rate equal to the Base Rate, plus the Applicable Margin, plus two percent (2%) per annum.

"Defaulting Lender" means any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder, or (ii) pay to the Agent or any Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect or (c) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender 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 Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (c) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender as of the date established therefor by the Agent in a written notice of such determination, which shall be delivered by the Agent to the Borrower and each Lender promptly following such determination.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction), whether in one transaction or in a series of transactions, of any property (including, without limitation, any Equity Interests other than Equity Interests of the Borrower) by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Stock" means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is ninety-one (91) days after the Maturity Date. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that the Borrower and its Restricted Subsidiaries may become obligated to pay upon maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock or portion thereof, plus accrued dividends.

"Dollars" and "$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary organized under the laws of the United States of America, any state thereof or the District of Columbia.

"ECF Percentage" has the meaning specified in Section 2.5(b)(i).

"Effective Yield" of any indebtedness means the "effective yield" of such indebtedness, as determined in the reasonable judgment of the Agent consistent with generally accepted financial practices, taking into account interest rate benchmark floors, upfront fees, original issue discount and interest margins, but excluding the effect of any upfront fees, OID, arrangement, structuring, syndication or other fees payable in connection therewith that are not shared with all lenders or holders of such indebtedness.

"Eligible Assignee" means (a) a Lender or any of its Affiliates; (b) a bank, insurance company, or company engaged in the business of making commercial loans, which Person, together with its Affiliates, has a combined capital and surplus in excess of $250,000,000; (c) an Approved Fund; (d) solely in connection with an Affiliated Loan Purchase, an Affiliated Lender; and (e) any Person to whom a Lender assigns its rights and obligations under this Agreement as part of an assignment and transfer of such Lender's rights in and to a material portion of such Lender's portfolio of asset based credit facilities; provided that, notwithstanding the foregoing, "Eligible Assignee" shall not include a Permitted Holder, a Loan Party or any of their respective Affiliates (other than an Affiliated Lender in connection with an Affiliated Loan Purchase) or Subsidiaries or any natural Person.

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, obligation, damage, loss, claim, action, suit, judgment, order, fine, penalty, fee, expense, or cost, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Restricted Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal or presence 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, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, or warrants, rights or options for the purchase or acquisition from such Person of

such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or non-voting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is insolvent or in reorganization (within the meaning of Title IV of ERISA); (d) the filing of a notice of intent to terminate a Pension Plan, or the treatment of a Multiemployer Plan amendment as a termination, under Section 4041 or 4041A of ERISA, respectively; (e) the institution by the PBGC of proceedings to terminate a Pension Plan or a Multiemployer Plan; (f) any event or condition determined by the PBGC to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or that a Multiemployer Plan is in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; (h) the failure by the Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules in respect of a Pension Plan, whether or not waived, or a failure by the Borrower or any ERISA Affiliate to make any required contribution to a Multiemployer Plan or (i) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"Event of Default" has the meaning specified in Section 8.1. An Event of Default shall be deemed to be continuing unless and until that Event of Default has been duly waived as provided in Section 10.1 hereof.

"Excess Cash Flow" means, for any period, an amount equal to the excess of:

(a) the sum, without duplication, of:

(i) Consolidated Net Income for such period;

(ii) an amount equal to the amount of all non-cash charges (including depreciation and amortization and compensation expense arising from equity awards) to the extent deducted in arriving at such Consolidated Net Income;

(iii) decreases in Consolidated Working Capital for such period (other than any such decreases arising from acquisitions by the Borrower and its Restricted Subsidiaries completed during such period or the application of purchase accounting);

(iv) an amount equal to the aggregate net loss on Dispositions by the Borrower and its Restricted Subsidiaries during such period (other than Dispositions in the ordinary course of business) to the extent deducted in arriving at such Consolidated Net Income;

(v) cash receipts in respect of Swap Contracts during such period to the extent not otherwise included in Consolidated Net Income; and

(vi) the amount of tax expense deducted in determining Consolidated Net Income for such period to the extent it exceeds the amount of cash taxes (including penalties and interest) paid or tax reserves set aside or payable (without duplication) in such period; over

(b) the sum, without duplication, of:

(i) an amount equal to the amount of all non-cash credits included in arriving at such Consolidated Net Income and non-cash gains to the extent included in arriving at such Consolidated Net Income;

(ii) without duplication of amounts deducted pursuant to clause (x) below in prior fiscal years, the amount of Capital Expenditures or acquisitions made in cash during such period, except to the extent that such Capital Expenditures or acquisitions were financed with the proceeds of an incurrence or issuance of Indebtedness or Equity Interests of the Borrower or its Restricted Subsidiaries;

(iii) the aggregate amount of all principal payments of Indebtedness of the Borrower and its Restricted Subsidiaries (including (A) the principal component of Capital Lease Obligations and (B) the amount of repayments of Loans pursuant to Section 2.7 but excluding (X) all other prepayments of Loans and (Y) all prepayments in respect of any revolving credit facility, except, in the case of this clause (Y), to the extent there is an equivalent permanent reduction in commitments thereunder) made during such period, except to the extent financed with the proceeds of an incurrence or issuance of Indebtedness or Equity Interests of the Borrower or its Restricted Subsidiaries;

(iv) an amount equal to the aggregate net gain on Dispositions by the Borrower and its Restricted Subsidiaries during such period (other than Dispositions in the ordinary course of business) to the extent included in arriving at such Consolidated Net Income;

(v) increases in Consolidated Working Capital for such period (other than any such increases arising from acquisitions by the Borrower and its Restricted Subsidiaries completed during such period or the application of purchase accounting);

(vi) cash payments by the Borrower and its Restricted Subsidiaries during such period in respect of long-term liabilities of the Borrower and its Restricted Subsidiaries other than Indebtedness (including such Indebtedness specified in clause (iii) above);

(vii) without duplication of amounts deducted pursuant to clause (xi) below in prior periods, the amount of Investments and acquisitions made during such period pursuant to clauses (h), (i), (n) and (o) of the definition of "Permitted Investments", except to the extent that such Investments and acquisitions were financed with the proceeds of an incurrence or issuance of Indebtedness of the Borrower or its Restricted Subsidiaries;

(viii) the amount of Restricted Payments paid during such period pursuant to Section 7.6 (other than Section 7.6(a) (solely in respect of amounts paid to the Borrower or any of its Restricted Subsidiaries), (b), (c), (e) and (f)) except to the extent that such Restricted Payments were financed with the proceeds of an incurrence or issuance of Indebtedness of the Borrower or its Restricted Subsidiaries;

(ix) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by the Borrower and its Restricted Subsidiaries during such period that are required to be made in connection with any prepayment of Indebtedness except to the extent that such amounts were financed with the proceeds of an incurrence or issuance of Indebtedness of the Borrower or its Restricted Subsidiaries;

(x) without duplication of amounts deducted from Excess Cash Flow in prior periods, the aggregate consideration required to be paid in cash by the Borrower or any of its Restricted Subsidiaries pursuant to binding contracts (the "Contract Consideration") entered into prior to or during such period relating to Permitted Acquisitions, Capital Expenditures or acquisitions to be consummated or made during the period of four consecutive fiscal quarters of the Borrower following the end of such period except to the extent intended to be financed with the proceeds of an incurrence or issuance of other Indebtedness of the Borrower or its Restricted Subsidiaries; provided that to the extent the aggregate amount utilized to finance such Permitted Acquisitions, Capital Expenditures or acquisitions during such period of four consecutive fiscal quarters is less than the Contract Consideration, the amount of such shortfall, shall be added to the calculation of Excess Cash Flow at the end of such period of four consecutive fiscal quarters;

(xi) the amount of cash taxes (including penalties and interest) paid or tax reserves set aside or payable (without duplication) in such period to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period;

(xii) cash expenditures in respect of Swap Contracts during such period to the extent not deducted in arriving at such Consolidated Net Income; and

(xiii) cash payments during such period in respect of non-cash items expensed in a prior period but not reducing Excess Cash Flow as calculated for such prior period.

"Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any 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 and including any Taxes imposed in lieu of income Taxes),

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 Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Recipient with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Recipient acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 10.14) or (ii) in the case of a Lender, such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.1(a)(ii) or (c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.1(e) and (d) any Taxes imposed pursuant to FATCA.

"Executive Order" has the meaning set forth in Section 10.19.

"Extended Term Loans" has the meaning specified in Section 2.18(a).

"Extension" has the meaning specified in Section 2.18(a).

"Extension Offer" has the meaning specified in Section 2.18(a).

"Extraordinary Receipt" means any cash received by or paid to or for the account of any Person not in the ordinary course of business, including tax refunds, pension plan reversions, indemnity payments, funds received in respect of a Casualty Event and any purchase price adjustments.

"Facility" means a Class of Loans and related Commitments.

"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) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, as of the date of this Agreement (or any amended or successor version described above).

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Agent.

"Fee Letter" means the letter agreement dated as of March 14, 2014 among the Borrower, the Agent and the Arranger.

"Fiscal Quarter" means any fiscal quarter of any Fiscal Year, which quarters shall generally end on (i) with respect to the first fiscal quarter of any Fiscal Year, the Friday preceding the Saturday of the thirteenth week of such Fiscal Year, (ii) with respect to the second fiscal quarter of any Fiscal Year, the Friday preceding the Saturday of the twenty- sixth week of such Fiscal Year, (iii) with respect to the third fiscal quarter of any Fiscal Year, the Friday preceding the Saturday of the thirty-ninth week of such Fiscal Year, and (iv) with respect to the last fiscal quarter of any Fiscal Year, the last day of such Fiscal Year, as such Fiscal Quarters may be amended in accordance with the provisions of Section 7.13 hereof.

"Fiscal Year" means any period of twelve consecutive months ending on the Friday preceding the Saturday closest to January 31 of any calendar year, as such Fiscal Year may be amended in accordance with the provisions of Section 7.13 hereof.

"Flood Insurance Laws" means, collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statue thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto, (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (v) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"Foreign Asset Control Regulations" has the meaning set forth in Section 10.19.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means as to any Person, any Subsidiary of such Person that is not a Domestic Subsidiary.

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

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Funded Debt" means all Indebtedness of the Borrower and its Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the option of such Person, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including Indebtedness in respect of the Loans.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state 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" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantor" means each wholly-owned Domestic Subsidiary that is a Restricted Subsidiary of the Borrower existing on the Closing Date and each other wholly-owned Domestic Subsidiary that is a Restricted Subsidiary of the Borrower that shall be required to execute and deliver a Joinder Agreement pursuant to Section 6.11.

"Guaranty and Security Agreement" means the Term Loan Guaranty and Security Agreement dated as of the Closing Date among the Loan Parties and the Agent.

"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.

"Impacted Loans" has the meaning specified in Section 3.3.

"Incremental Facility" has the meaning specified in Section 2.17(a).

"Incremental Facility Amendment" has the meaning specified in Section 2.17(c).

"Incremental Term Loans" has the meaning specified in Section 2.17(a).

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(b) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than sixty (60) days;

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) All Attributable Indebtedness of such Person;

(g) all obligations of such Person in respect of Disqualified Stock of such Person; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company unless the Indebtedness of such joint venture is Guaranteed by such Person and covered by clause (h) above) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Indebtedness that is only Indebtedness pursuant to clause (e) shall be the lesser of the indebtedness secured by a Lien on property of the applicable Person and the fair market value of such property, as reasonably determined by the Borrower.

"Indemnified Taxes" means 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.

"Indemnitee" has the meaning specified in Section 10.4(b).

"Information" has the meaning specified in Section 10.8.

"Initial Term B Lender" means each Lender with an Initial Term B Loan Commitment.

"Initial Term B Loan" has the meaning specified in Section 2.1.

"Initial Term B Loan Commitment" means, as to each Initial Term B Lender, its obligation to make Initial Term B Loans to the Borrower pursuant to Section 2.1 in an aggregate principal amount not to exceed the amount set forth opposite such Lender's name on Schedule 2.1 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the Closing Date, the aggregate principal amount of the Initial Term B Loan Commitments is $515,000,000.

"Intellectual Property" means all present and future: trade secrets, know-how and other proprietary information; trademarks, trademark applications, internet domain names, service marks, trade dress, trade names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing) indicia and other source and/or business identifiers, and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights and copyright applications; (including copyrights for computer programs)

and all tangible and intangible property embodying the copyrights, unpatented inventions (whether or not patentable); patents and patent applications; industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any of the foregoing; all other intellectual property; and all common law and other rights throughout the world in and to all of the foregoing.

"Interest Payment Date" means, (a) as to any LIBOR Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a LIBOR Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the Maturity Date.

"Interest Period" means, as to each LIBOR Rate Loan, the period commencing on the date such LIBOR Rate Loan is disbursed or Converted to or continued as a LIBOR Rate Loan and ending on the date one, two, three or six months thereafter (or 12 months, if requested by the Borrower and consented to by all the Appropriate Lenders), as selected by the Borrower in its Committed Loan Notice; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(iii) no Interest Period shall extend beyond the Maturity Date; and

(iv) notwithstanding the provisions of clause (iii), no Interest Period shall have a duration of less than one (1) month, and if any Interest Period applicable to a LIBOR Borrowing would be for a shorter period, such Interest Period shall not be available hereunder.

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.

"Internal Control Event" means a material weakness in, or fraud that involves management or other employees who have a significant role in, the Borrower's and/or its Subsidiaries' internal controls over financial reporting, in each case as described in the Securities Laws.

"Inventory" has the meaning given that term in the UCC, and shall also include, without limitation, all: (a) goods which (i) are leased by a Person as lessor, (ii) are held by a Person for sale or lease or to be furnished under a contract of service, (iii) are furnished by a Person under a contract of service, or (iv) consist of raw materials, work in process, or materials used or consumed in a business; (b) goods of said description in transit; (c) goods of said description which are returned, repossessed or rejected; and (d) packaging, advertising, and shipping materials related to any of the foregoing.

"Investment" means, as to any Person, any direct or indirect (a) purchase or other acquisition of Equity Interests of another Person, (b) loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or interest in, another Person, or (c) any Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"IRS" means the United States Internal Revenue Service.

"Joinder Agreement" means an agreement, in form satisfactory to the Agent pursuant to which, among other things, a Person becomes a party to, and bound by the terms of, this Agreement and/or the other Loan Documents in the same capacity and to the same extent as a Guarantor.

"Latest Maturity Date" means, at any date of determination, the latest Maturity Date applicable to any Loan or Commitment hereunder at such time, including the latest maturity date of any Extended Term Loan or Incremental Term Loan, in each case as extended in accordance with this Agreement from time to time.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lease" means any agreement, whether written or oral, no matter how styled or structured, pursuant to which a Loan Party is entitled to the use or occupancy of any real property for any period of time.

"Lender" has the meaning specified in the introductory paragraph hereto.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Agent.

"LIBOR" has the meaning set forth in clause (a) of the definition of "LIBOR Rate".

"LIBOR Borrowing" means a Borrowing comprised of LIBOR Rate Loans.

"LIBOR Rate" means:

(a) for any Interest Period with respect to a LIBOR Rate Loan, the rate per annum equal to the London Interbank Offered Rate ("LIBOR"), or a comparable or successor rate which rate is approved by the Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time determined two Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day;

provided that to the extent a comparable or successor rate is approved by the Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Agent.

"LIBOR Rate Loan" means a Loan that bears interest at a rate based on the Adjusted LIBOR Rate.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, encumbrance, lien (statutory or other), charge, or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including the lien or retained security title of a conditional vendor, any easement, right of way or other encumbrance on title to real property, but excluding the interests of lessors under operating leases).

"Loan" means an extension of credit by a Lender to the Borrower under Article II (including any Initial Term B Loans, Incremental Term Loans or any Extended Term Loans).

"Loan Agreement Obligations" means all advances to, and debts (including principal, interest, fees, costs, and expenses), liabilities, obligations, covenants, indemnities, and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, fees, costs, expenses and indemnities that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, fees costs, expenses and indemnities are allowed claims in such proceeding.

"Loan Documents" means this Agreement, each Note, the Perfection Certificate, the Fee Letter, the Security Documents, the ABL Intercreditor Agreement and any other agreement now or hereafter executed and delivered in connection herewith, each as amended and in effect from time to time.

"Loan Parties" means, collectively, the Borrower and each Guarantor.

"Master Agreement" has the meaning specified in the definition of "Swap Contract".

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), or financial condition of the Borrower and its Restricted Subsidiaries taken as a whole; (b) a material impairment of the ability of the Loan Parties taken as a whole to perform their obligations under the Loan Documents to which they are a party; or (c) a material impairment of the rights and remedies of the Agent or the Lenders under the Loan Documents taken as a whole or a material adverse effect upon the legality, validity, binding effect or enforceability against the Loan Parties of the Loan Documents to which they are a party taken as a whole. In determining whether any individual event would result in a Material Adverse Effect, notwithstanding that such event in and of itself does not have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other then-existing events would result in a Material Adverse Effect.

"Material Indebtedness" means Indebtedness (other than the Loan Agreement Obligations) of the Loan Parties in an aggregate principal amount exceeding $35,000,000. Notwithstanding the foregoing, any Indebtedness incurred under clause (j) of the definition of "Permitted Indebtedness" shall at all times be deemed Material Indebtedness hereunder. For purposes of determining the amount of Material Indebtedness at any time, (a) the amount of the obligations in respect of any Swap Contract at such time shall be calculated at the Swap Termination Value thereof, (b) undrawn and committed amounts shall be included, and (c) all amounts owing to all creditors under any combined or syndicated credit arrangement shall be included.

"Material Real Estate" means any piece of Real Estate located in the United States that is owned in fee by a Loan Party having a fair market value in excess of $3,500,000 as reasonably determined, in good faith, by the Borrower and reasonably acceptable to the Agent.

"Maturity Date" means (a) with respect to any Initial Term B Loans, the date that is seven years after the Closing Date and (b) with respect to any (i) Extended Term Loan, the maturity date applicable to such Extended Term Loan in accordance with the terms hereof or (ii) Incremental Term Loan, the maturity date applicable to such Incremental Term Loan in accordance with the terms hereof; provided that if any such day is not a Business Day, the Maturity Date shall be the Business Day immediately preceding such day.

"Maximum Incremental Facilities Amount" means, at any date of determination, a principal amount equal to the sum of (a) an unlimited amount, so long as, after giving effect to the incurrence of any applicable Incremental Term Loans or Permitted Alternative Incremental Facilities Debt, as applicable (and after giving effect to any acquisition consummated concurrently therewith but excluding the cash proceeds of any such Incremental Term Loans or Permitted Alternative Incremental Facilities Debt and for purposes of this definition only, treating all Permitted Alternative Incremental Facilities Debt as secured), the Senior Secured Leverage Ratio (calculated on a Pro Forma Basis) shall not exceed 3.75:1.00, *plus* (b) $100 million; provided, for the avoidance of doubt, that Incremental Term Loans may be incurred pursuant to clause (a) above prior to utilization of the amount set forth in clause (b) above.

"Maximum Rate" has the meaning provided therefor in Section 10.10.

"Measurement Period" means, at any date of determination, the most recently completed four fiscal quarter period.

"Minimum Extension Condition" has the meaning specified in Section 2.18(b).

"Minimum Tranche Amount" has the meaning specified in Section 2.18(b).

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Mortgage" means an agreement, including, but not limited to, a mortgage, deed of trust, deed to secure debt or any other document, creating and evidencing a Lien on a Mortgaged Property in favor of the Agent, for the benefit of the Credit Parties, securing the Obligations, which shall be in form and substance reasonably satisfactory to the Agent, with such schedules and including such provisions as shall be necessary to conform such document to applicable local law or as shall be customary under applicable local law.

"Mortgaged Property" means (a) each piece of Real Estate identified as a Mortgaged Property on Schedule I.C.1. to the Perfection Certificate and (b) each piece of Material Real Estate, if any, that shall be subject to a Mortgage delivered after the Closing Date pursuant to Sections 6.11, 6.15 and/or 6.16.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions or has any continuing liability.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Proceeds" means (a) with respect to any Asset Sale by or Extraordinary Receipt received by or paid to the account of any Loan Party or any of its Restricted Subsidiaries, the excess, if any, of (i) the sum of cash and Permitted Cash Equivalents received in connection with such transaction (including any cash or Permitted Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) minus (ii) the sum of (A) the principal amount of any Indebtedness that is secured by any applicable asset by a Lien permitted hereunder which is senior to the Agent's Lien (if any) on such asset and that is required to be repaid (or to establish an escrow for the future repayment thereof) in connection with such transaction (other than Indebtedness under the Loan Documents), and (B) the reasonable and customary out-of-pocket expenses incurred by such Loan Party or such Subsidiary in connection with such transaction (including, without limitation, appraisals, and brokerage, legal, title and recording or transfer tax expenses and commissions) and paid to third parties (other than Affiliates)); and (b) with respect to the sale or issuance of any Equity Interest by any Loan Party or any of its Restricted Subsidiaries, or the incurrence or issuance of any Indebtedness by any Loan Party or any of its Restricted Subsidiaries, the excess of (i) the sum of the cash and Permitted Cash Equivalents received in connection with such transaction minus (ii) the underwriting discounts and commissions, and other reasonable and customary out-of-pocket expenses, incurred by such Loan Party or such Subsidiary in connection therewith.

"Non-Consenting Lender" has the meaning provided therefor in Section 10.1(c).

"Note" means a promissory note made by the Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit C, as each may be amended, supplemented or modified from time to time.

"NPL" means the National Priorities List under CERCLA.

"Obligations" means, collectively, all Loan Agreement Obligations and all Other Liabilities.

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

"option right" has the meaning set forth in clause (a) of the definition of "Change of Control".

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating or LLC agreement; (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement

of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity, and (d) in each case, all shareholder or other equity holder agreements, voting trusts and similar arrangements to which such Person is a party.

"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 solely 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 Liabilities" means any obligation on account of (a) any Cash Management Services furnished to any of the Loan Parties or any of their Restricted Subsidiaries and/or (b) any Bank Product furnished to any of the Loan Parties and/or any of their Restricted Subsidiaries (other than, with respect to any Guarantor, Excluded Swap Obligations of such Guarantor).

"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 Excluded Taxes (other than with respect to an assignment made pursuant to Section 3.6).

"Outstanding Amount" means with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"Participant" has the meaning specified in Section 10.6(d).

"Participant Register" has the meaning provided therefor in Section 10.6(d).

"PBGC" means the Pension Benefit Guaranty Corporation.

"PCAOB" means the Public Company Accounting Oversight Board.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan but excluding a Multiemployer Plan) that is maintained or is contributed to by the Borrower or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Perfection Certificate" means the Perfection Certificate dated as of the Closing Date executed by the Loan Parties.

"Permitted Acquisition" means an Acquisition in which all of the following conditions are satisfied:

(a) any assets acquired shall be utilized in, and if the Acquisition involves a merger, consolidation or acquisition of Equity Interests, the Person which is the subject of such Acquisition shall be engaged in, a business otherwise permitted to be engaged in by the Borrower and its Restricted Subsidiaries under this Agreement;

(b) any Equity Interests of a Person acquired in such transaction shall be of a Person that becomes a Restricted Subsidiary; provided that the aggregate consideration paid in respect of Persons that do not become Guarantors shall not exceed $25,000,000 in the aggregate for all Permitted Acquisitions; and

(c) no Event of Default then exists or would arise as a result of such transaction.

"Permitted Alternative Incremental Facilities Debt" has the meaning set forth in clause (s) of the definition of "Permitted Indebtedness".

"Permitted Cash Equivalents" shall mean:

(a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof having maturities of not more than 360 days from the date of acquisition thereof; provided that the full faith and credit of the United States of America is pledged in support thereof;

(b) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated at least "Prime-1" (or the then equivalent grade) by Moody's or at least "A-1" (or the then equivalent grade) by S&P, in each case with maturities of not more than 180 days from the date of acquisition thereof;

(c) time deposits with, or insured certificates of deposit or bankers' acceptances of, any commercial bank that (i) (A) is a Lender or (B) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, and (ii) has combined capital and surplus of at least $1,000,000,000, in each case with maturities of not more than 180 days from the date of acquisition thereof;

(d) fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above (without regard to the limitation on maturity contained in such clause) and entered into with a financial institution satisfying the criteria described in clause (c) above or with any primary dealer and having a market value at the time that such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such counterparty entity with whom such repurchase agreement has been entered into;

(e) Investments, classified in accordance with GAAP as current assets of the Loan Parties, in any money market fund, mutual fund, or other investment companies that are registered under the Investment Company Act of 1940, as amended, which are administered by financial institutions that have the highest rating obtainable from either Moody's or S&P, and which invest solely in one or more of the types of securities described in clauses (a) through (d) above; and

(f) in the case of any Subsidiary organized other than in the United States, (x) such local currencies in those countries in which such Foreign Subsidiary transacts business from time to time in the ordinary course of business and (y) investments of comparable tenor and credit quality to those described in the foregoing clauses (a) through (e) or the definition of Permitted Cash Equivalents, in each case, customarily utilized in countries in which such Foreign Subsidiary operates for short term cash management purposes.

"Permitted Disposition" means any of the following:

(a) Dispositions of Inventory in the ordinary course of business;

(b) bulk sales or other Dispositions of the Inventory not in the ordinary course of business in connection with Store closings or closings of other locations where Inventory of the Loan Parties is sold at retail (including without limitation, stores of SHC and its Subsidiaries), at arm's length;

(c) non-exclusive licenses of Intellectual Property of a Loan Party or any of its Restricted Subsidiaries in the ordinary course of business and the lapse or abandonment of intellectual property rights in the ordinary course of business which, in the reasonable good faith determination of Borrower, are not material to the conduct of the business of Borrower and its Restricted Subsidiaries taken as a whole;

(d) sales, transfers and other 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 arrangements and similar binding arrangements;

(e) Dispositions of equipment and other property in the ordinary course of business that is worn, damaged, obsolete or, in the judgment of a Loan Party, no longer useful or necessary in its business or that of any Restricted Subsidiary;

(f) sales, transfers and other Dispositions among the Loan Parties or by any Restricted Subsidiary to a Loan Party;

(g) sales, transfers and other Dispositions by any Restricted Subsidiary that is not a Loan Party to another Restricted Subsidiary that is not a Loan Party;

(h) Dispositions that constitute Restricted Payments that are otherwise permitted hereunder;

(i) Dispositions permitted pursuant to Section 7.4 hereof;

(j) the Disposition of defaulted receivables and the compromise, settlement and collection of receivables in the ordinary course of business or in bankruptcy or other proceedings concerning the other account party thereon and not as part of an accounts receivable financing transaction;

(k) leases, licenses or subleases or sublicenses of any real or personal property in the ordinary course of business;

(l) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind to the extent that any of the foregoing could not reasonably be expected to have a Material Adverse Effect;

(m) the sale of Permitted Cash Equivalents in the ordinary course of business;

(n) sales of Inventory determined by the management of the applicable Loan Party not to be saleable in the ordinary course of business of such Loan Party or any of the Loan Parties;

(o) foreclosures on assets or Dispositions of asset pursuant to condemnation proceedings; ; and

(p) Other Dispositions so long as no Default or Event of Default then exists or would arise as a result of such transaction; provided that (i) such Disposition shall be for fair market value as reasonably determined by the Borrower in good faith, and (ii) the Borrower or any of its Restricted Subsidiaries shall receive not less than 75.0% of such consideration in the form of cash or Cash Equivalents (provided, however, that for the purposes of this clause (p)(ii), the following shall be deemed to be cash: (A) the assumption by the transferee of Indebtedness or other liabilities contingent or otherwise of the Borrower or any of its Restricted Subsidiaries (other than Subordinated Debt) and the valid release of the Borrower or such Restricted Subsidiary, by all applicable creditors in writing, from all liability on such Indebtedness or other liability in connection with such Disposition, (B) securities, notes or other obligations received by the Borrower or any of its Restricted Subsidiaries from the transferee that are converted by such Borrower or any of its Restricted Subsidiaries into cash or cash equivalents within 180 days following the closing of such Disposition, (C) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Disposition, to the extent that the Borrower and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Disposition and (D) aggregate non-cash consideration received by the Borrower and its Restricted Subsidiaries for all Dispositions under this clause (p) having an aggregate fair market value (determined as of the closing of the applicable Disposition for which such non-cash consideration is received) not to exceed $10,000,000;

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 6.4;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by applicable Laws, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 6.4;

(c) pledges, deposits or security under workmen's compensation laws, unemployment insurance, employers' health tax, and other social security laws or similar legislation, or other insurance related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety, stay, customs or appeal bonds to which such Person is a party, or deposits as security for the payment of rent, performance and return of money bonds and other similar obligations (including letters of credit issued in lieu of any such bonds or to support the issuance thereof and including those to secure health, safety and environmental obligations), in each case incurred in the ordinary course of business;

(d) pledges or deposits made in the ordinary course of business to secure the performance of tenders, bids, trade contracts and leases (other than Indebtedness for borrowed money), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) Liens in respect of judgments that would not constitute an Event of Default hereunder;

(f) easements, covenants, conditions, restrictions, building code laws, zoning restrictions, rights-of-way, similar encumbrances on real property and such other minor title defects or survey matters that are disclosed by current surveys that, in each case, do not, individually or in the aggregate, materially interfere with (i) the ordinary conduct of business of a Loan Party or (ii) the current use of the real property subject to such encumbrances and/or defects;

(g) Liens existing on the Closing Date listed in the Perfection Certificate and Liens to secure any Permitted Refinancings of the Indebtedness with respect thereto;

(h) Liens which secure Indebtedness permitted under clause (c) of the definition of "Permitted Indebtedness" so long as (i) such Liens and the Indebtedness secured thereby are incurred prior to or within ninety (90) days after the acquisition thereof (or such Liens secure Permitted Refinancing of such Indebtedness), (ii) the Indebtedness secured thereby does not exceed the cost of acquisition of the applicable assets, and (iii) such Liens shall attach only to the assets acquired, improved or refinanced with such Indebtedness, and any replacements, additions or accessions thereto and any proceeds therefrom, and shall not extend to any other property or assets of the Loan Parties;

(i) (1) Liens in favor of the Agent securing the Obligations and (2) Liens securing any Refinancing Debt Securities in respect thereof; provided that such Liens may be either pari passu with the Liens securing the Obligations or rank junior to the Liens securing the Obligations and, in any such case, the beneficiaries thereof (or an agent on their behalf) shall have (i) become party to the ABL Intercreditor Agreement, if then in effect, pursuant to the terms thereof and (ii) entered into a Customary Intercreditor Agreement with the Agent;

(j) landlords' and lessors' statutory Liens in respect of rent not in default;

(k) possessory Liens in favor of brokers and dealers arising in connection with the acquisition or disposition of Investments owned as of the Closing Date and other Permitted Investments, provided that such liens (a) attach only to such Investments and (b) secure only obligations incurred in the ordinary course and arising in connection with the acquisition or disposition of such Investments and not any obligation in connection with margin financing;

(l) Liens arising solely by virtue of any statutory or common law provisions or customary contractual provisions relating to banker's Liens, Liens in favor of securities intermediaries, rights of setoff or similar rights and remedies as to deposit accounts or securities accounts or other funds maintained with depository institutions or securities intermediaries, including rights of setoff relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness or relating to pooled deposit or sweep accounts of the Loan Parties to permit the satisfaction of overdraft or similar obligations incurred in the ordinary course of business;

(m) any interest of a lessor or sublessor under, and Liens arising from, precautionary UCC filings (or equivalent filings) regarding leases and subleases permitted under the Loan Documents;

(n) any interest of, and Liens granted to consignors in the ordinary course of business with respect to the consignment of goods to a Loan Party;

(o) Liens on property in existence at the time such property is acquired or on property of a Subsidiary in existence at the time such Subsidiary is acquired; provided that such Liens are not incurred in connection with or in anticipation of such acquisition and do not attach to any other assets of any Loan Party or any Subsidiary;

(p) Liens in favor of customs and revenues authorities imposed by applicable Laws arising in the ordinary course of business in connection with the importation of goods and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 6.4;

(q) [Reserved];

(r) Liens on Collateral to secure Permitted Indebtedness under clause (s) or (t) of the definition thereof (other than pari passu Liens securing Indebtedness in the form of term loans) and any Permitted Refinancings thereof; provided that such Liens may be either pari passu with the Liens securing the Obligations or rank junior to the Liens securing the Obligations and, in any such case, the beneficiaries thereof (or an agent on their behalf) shall have (i) become party to the ABL Intercreditor Agreement, if then in effect, pursuant to the terms thereof and (ii) entered into a Customary Intercreditor Agreement with the Agent;

(s) Liens securing obligations in an amount not to exceed $15,000,000 in the aggregate;

(t) Liens in favor of issuers of credit cards arising in the ordinary course of business securing the obligation to pay customary fees and expenses in connection with credit card arrangements;

(u) Liens on premium rebates securing financing arrangements with respect to insurance premiums;

(v) Liens on securities that are the subject of repurchase agreements constituting Permitted Cash Equivalents;

(w) Liens on cash or Permitted Cash Equivalents posted as margin to secure Indebtedness incurred pursuant to clause (e) of the definition of "Permitted Indebtedness";

(x) Liens solely on any cash earnest money deposits made by any Loan Party or any of their Subsidiaries in connection with any letter of intent or purchase agreement in respect of any Investment permitted hereunder;

(y) Liens securing Permitted Indebtedness under clause (j) of the definition of "Permitted Indebtedness", and securing cash management and Swap Contracts secured under the documentation governing such Indebtedness, so long as any such Liens on assets of any Loan Party are subject to the ABL Intercreditor Agreement;

(z) Liens on specific items of inventory or other goods and proceeds securing obligations in respect of bankers' acceptances or trade letters of credit issued or created to facilitate the purchase, shipment or storage of such inventory or other goods;

(aa) any encumbrance or restriction (including put and call arrangements) with respect to capital stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(bb) Liens on assets of a Subsidiary other than a Loan Party securing Permitted Indebtedness of such Subsidiary; and

(cc) leases or subleases, licenses or sublicenses (including with respect to intellectual property and software) granted to others in the ordinary course of business not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole.

"Permitted Holder" means ESL Investments, Inc. and any of its Affiliates other than any of their portfolio companies.

"Permitted Indebtedness" means each of the following:

(a) Indebtedness outstanding on the Closing Date listed in the Perfection Certificate and any Permitted Refinancing thereof;

(b) Indebtedness of any Loan Party to any other Loan Party;

(c) purchase money Indebtedness of the Borrower or any Restricted Subsidiary to finance the acquisition of any real or personal property, including Capital Lease Obligations, and 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 Permitted Refinancings thereof, provided, however, that the aggregate principal amount of Indebtedness permitted by this clause (c) shall not exceed the greater of $75,000,000 or 6.25% of the Borrower's consolidated total assets at any time outstanding;

(d) contingent liabilities under surety bonds or similar instruments incurred in the ordinary course of business;

(e) obligations (contingent or otherwise) of any Loan Party or any Restricted Subsidiary thereof existing or arising under any Swap Contract, provided that such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates, commodity prices or foreign exchange rates, and not for purposes of speculation or taking a "market view";

(f) Indebtedness arising from agreements of the Borrower or any Restricted Subsidiary providing for indemnification, adjustment of purchase or acquisition price, deferred purchase price or similar obligations with respect to any Acquisition permitted under Section 7.2 or Disposition permitted by Section 7.5;

(g) Indebtedness of any Person that becomes a Subsidiary of a Loan Party in a Permitted Acquisition, which Indebtedness is existing at the time such Person becomes a Subsidiary of a Loan Party (other than Indebtedness incurred solely in contemplation of such Person's becoming a Subsidiary of a Loan Party);

(h) the Obligations and any Refinancing Debt Securities in respect thereof;

(i) (A) Subordinated Debt of the Borrower or any Guarantor; provided that after giving effect to the incurrence of such Indebtedness, the Consolidated Fixed Charge Coverage Ratio (calculated on a Pro Forma Basis) is greater than or equal to 2.0 to 1.0 and (B) any Permitted Refinancing of Indebtedness incurred pursuant to the foregoing clause (A);

(j) Indebtedness under the ABL Facility and any Permitted Refinancing thereof in an aggregate amount not to exceed the greater of (i) $275,000,000 and (ii) the Borrowing Base at any time outstanding;

(k) other Indebtedness not otherwise permitted hereunder in a principal amount not to exceed $50,000,000 at any time outstanding;

(l) (i) Indebtedness of any Restricted Subsidiary of the Borrower that is not a Loan Party to any other Restricted Subsidiary that is not a Loan Party, (ii) Indebtedness of any Loan Party to any Restricted Subsidiary that is not a Loan Party, provided such Indebtedness is subordinated to the Obligations on terms reasonably satisfactory to the Agent, and (iii) Indebtedness of any Restricted Subsidiary that is not a Loan Party to any Loan Party arising from a Permitted Investment by such Loan Party in such Restricted Subsidiary that is not a Loan Party;

(m) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations (including, in each case, letters of credit issued to provide such bonds, guaranties and similar obligations), in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(n) Indebtedness arising from overdraft facilities and/or 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 or other cash management services (including, but not limited to, intraday, ACH and purchasing card/T&E services) in the ordinary course of business; provided, that (x) such Indebtedness (other than credit or purchase cards) is extinguished within ten Business Days of notification to the applicable Loan Party of its incurrence and (y) such Indebtedness in respect of credit or purchase cards is extinguished within 60 days from its incurrence;

(o) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(p) To the extent constituting Indebtedness, obligations incurred in the ordinary course of business in respect of private label trade letters of credit not constituting Obligations;

(q) [Reserved];

(r) Indebtedness arising from a Guarantee of any Indebtedness otherwise constituting Permitted Indebtedness to the extent the Person providing such Guarantee is not prohibited from directly incurring such Permitted Indebtedness;

(s) (i) Indebtedness (in the form of senior secured, senior unsecured, senior subordinated, or subordinated notes or loans) incurred by the Borrower in an amount not to exceed the Maximum Incremental Facilities Amount; provided that (A) such Indebtedness shall not mature earlier than the Latest Maturity Date, (B) as of the date of the incurrence of such Indebtedness, the Weighted Average Life to Maturity of such Indebtedness shall not be shorter than that of any then outstanding Class of Loans, (C) no Restricted Subsidiary is a borrower or guarantor with respect to such Indebtedness unless such Subsidiary is a Guarantor, and (D) the Borrower has delivered to the Agent a certificate of a Responsible Officer, together with all relevant financial information reasonably requested by the Agent, demonstrating compliance with clauses (A), (B), and (C) (such Indebtedness incurred pursuant to this clause (s) being referred to as "Permitted Alternative Incremental Facilities Debt") and (ii) any Permitted Refinancing thereof;

(t) (i) other Indebtedness of the Borrower or any Restricted Subsidiary; provided that, (A) if such Indebtedness is unsecured, after giving effect to such Indebtedness, the Total Leverage Ratio (calculated on a Pro Forma Basis) as of the end of the most recent Measurement Period is not greater than 4.75:1.00 and (B) if such Indebtedness is secured by any Lien, after giving effect to such secured Indebtedness, the Senior Secured Leverage Ratio (calculated on a Pro Forma Basis) as of the last day of the most recently ended Measurement Period would not be greater than 3.75 to 1.00; provided further that, any Indebtedness incurred under this clause (t) (1) shall not mature prior to the date that is 91 days after the Latest Maturity Date or have a Weighted Average Life to Maturity less than the Weighted Average Life to Maturity of any Class of Loans and (2) shall not have mandatory prepayment, redemption or offer to purchase events more onerous on the Borrower than those applicable to the Initial Term B Loans, ; provided further the maximum aggregate principal amount of Indebtedness that may be incurred pursuant to this clause (t) by Restricted Subsidiaries that are not Loan Parties shall not exceed $25,000,000 and (ii) any Permitted Refinancing thereof;

(u) Indebtedness supported by a letter of credit issued under the ABL Facility, in a principal amount not to exceed the face amount of such letter of credit; and

(v) Indebtedness of Subsidiaries other than Loan Parties not to exceed $25,000,000.

"Permitted Investments" means each of the following:

(a) Permitted Cash Equivalents;

(b) Investments existing on the Closing Date and listed in the Perfection Certificate, but not any increase in the amount thereof or any other modification of the terms thereof, unless committed as of the Closing Date and listed in the Perfection Certificate;

(c) (i) Investments by any Loan Party and its Restricted Subsidiaries in their respective Restricted Subsidiaries outstanding on the Closing Date, (ii) additional Investments by any Loan Party and the Restricted Subsidiaries in Loan Parties, (iii) additional Investments by Restricted Subsidiaries of the Loan Parties that are not Loan Parties in other Restricted Subsidiaries that are not Loan Parties and (iv) additional Investments by the Loan Parties in Restricted Subsidiaries that are not Loan Parties in an aggregate amount invested after the Closing Date not to exceed $25,000,000;

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(e) Guarantees constituting Permitted Indebtedness and Guarantees of operating leases or other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(f) so long as no Default or Event of Default has occurred and is continuing or would result from such Investment, Investments by any Loan Party in Swap Contracts permitted hereunder;

(g) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(h) advances to officers, directors and employees of the Loan Parties and Restricted Subsidiaries in the ordinary course of business in an amount not to exceed $1,000,000 to any individual at any time outstanding or in an aggregate amount not to exceed $2,500,000 at any time outstanding, for ordinary business purposes;

(i) Investments constituting Permitted Acquisitions and Investments held by the Person acquired in such Acquisition at the time of such Acquisition (and not acquired in contemplation of the Acquisition);

(j) Investments arising out of the receipt of non-cash consideration for the sale of assets otherwise permitted under this Agreement;

(k) Investments in Swap Contracts not entered into for speculative purposes;

(l) advances in the form of a prepayment of expenses, so long as such expenses are being paid in accordance with customary trade terms of the applicable Loan Party;

(m) Investments consisting of the licensing or contribution of Intellectual Property pursuant to joint marketing arrangements with other Persons, provided that no such Investment shall impair in any manner the limited license granted to the Agent in such Intellectual Property pursuant to the Loan Documents;

(n) Investments in joint ventures that solely own real properties (and ancillary assets) upon which Stores are located existing as of the Closing Date and entered into hereafter in the ordinary course of business;

(o) other Investments not otherwise specifically described herein not to exceed $20,000,000 at any time outstanding;

(p) Investments from the Available Amount;

(q) Investments in exchange for Qualified Equity Interests;

(r) any Investment in securities or other assets not constituting cash or Permitted Cash Equivalents and received in connection with a Disposition made pursuant to Section 7.5; and

(s) any Investment in any Subsidiary or joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business.

"Permitted Refinancing" means, with respect to any Person, any Indebtedness issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund (collectively, to "Refinance"), the Indebtedness being Refinanced (or previous refinancings thereof constituting a Permitted Refinancing); provided, that (a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so Refinanced (plus unpaid accrued interest and premiums thereon and underwriting discounts, defeasance costs, fees, commissions and expenses), (b) the Weighted Average Life to Maturity of such Permitted Refinancing is greater than or equal to the Weighted Average Life to Maturity of the Indebtedness being Refinanced (c) such Permitted Refinancing shall not have a final maturity earlier than the final maturity of the Indebtedness being refinanced, (d) if the Indebtedness being Refinanced is subordinated in right of payment to the Loan Agreement Obligations, such Permitted Refinancing shall be subordinated in right of payment to such Loan Agreement Obligations on terms at least as favorable to the Agent and the Lenders as those contained in the documentation governing the Indebtedness being Refinanced and (e) no Permitted Refinancing shall have direct or indirect obligors that are not Loan Parties who were not also obligors of the Indebtedness being Refinanced, or greater guarantees or security, than the Indebtedness being Refinanced.

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

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan but excluding a Multiemployer Plan) maintained for employees of the Borrower or any ERISA Affiliate or any such Plan to which the Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Platform" has the meaning specified in Section 6.2.

"Pro Forma Adjustment" means, as to any Measurement Period, with respect to an Acquired Entity or Business or Converted Restricted Subsidiary acquired or converted during or following such Measurement Period, an adjustment to the Consolidated EBITDA of the Borrower for such Measurement Period equal to the sum of, (a) (i) the applicable Acquired EBITDA and (ii) additional amounts that are factually supportable and expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of Regulation S-X of the Securities Act, as interpreted by the SEC and (b) additional pro forma adjustments, determined by the Borrower in good faith, arising out of cost savings initiatives attributable to such transaction and/or the combination of the operations of such Acquired Entity or Business or Converted Restricted Subsidiary with the operations of the Borrower and its Restricted Subsidiaries, not to exceed 10.0% of Consolidated EBITDA (prior to giving effect to such non-S-X adjustments) in the aggregate for the relevant Measurement Period; provided, that (i) such cost savings have been realized or (ii) such initiatives will be implemented following such transaction and are supportable and quantifiable and expected to be realized within the succeeding twelve (12) months. Cost savings pursuant to the foregoing clause (b) may include, without limitation, (w) reduction in personnel expenses, (x) reduction of costs related to administrative functions, (y) reductions of costs related to leased or owned

properties and (z) reductions from the consolidation of operations and streamlining of corporate overhead and shall, in any event, take into account the historical financial statements of the Acquired Entity or Business or Converted Restricted Subsidiary and the consolidated financial statements of the Borrower and its Subsidiaries.

"Pro Forma Basis" and "Pro Forma Effect" mean, with respect to compliance of any Specified Transaction with any test hereunder for an applicable period of measurement, that in calculating such test (A) to the extent applicable, the Pro Forma Adjustment shall have been made and (B) such Specified Transaction, all other Specified Transactions occurring prior to such Specified Transaction, and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement (or as of the last date in the case of a balance sheet item): (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (i) in the case of a Disposition of all or substantially all Equity Interests in any Restricted Subsidiary of the Borrower or any division, product line, or facility used for operations of the Borrower or any of its Restricted Subsidiaries, shall be excluded, and (ii) in the case of a Permitted Acquisition or Investment, shall be included, (b) any retirement of Indebtedness, and (c) any Indebtedness incurred or assumed by the Borrower or any of its Restricted Subsidiaries in connection therewith and if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination.

"Public Lender" has the meaning specified in Section 6.2.

"Qualified Equity Interests" means Equity Interests of the Borrower other than Disqualified Stock.

"Real Estate" means all Leases and all land, together with the buildings, structures, parking areas, and other improvements thereon, now or hereafter owned by any Loan Party, including all easements, rights-of-way, and similar rights relating thereto and all leases, tenancies, and occupancies thereof.

"Recipient" means the Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"Refinance" has the meaning specified in the definition of "Permitted Refinancing".

"Refinancing Debt Securities" means Indebtedness in the form of debt securities constituting Permitted Refinancing Indebtedness incurred in respect of any Loans that is designated by a Responsible Officer of the Borrower as "Refinancing Debt Securities" in a certificate of a Responsible Officer of the Borrower delivered to the Agent on or prior to the date of incurrence.

"Refinancing Term Loans" means Incremental Term Loans that are designated by a Responsible Officer of the Borrower as "Refinancing Term Loans" in a certificate of a Responsible Officer of the Borrower delivered to the Agent on or prior to the date of incurrence.

"Register" has the meaning specified in Section 10.6(c).

"Registered Public Accounting Firm" has the meaning specified by the Securities Laws and shall be independent of the Borrower and its Subsidiaries as prescribed by the Securities Laws.

"Rejection Notice" has the meaning specified in Section 2.5(b)(v).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, counsel, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Repricing Event" means, other than in connection with any transaction involving a Change of Control, (i) any prepayment or repayment of the Initial Term B Loans, in whole or in part, with the proceeds of, or conversion of the Initial Term B Loans into, any new or replacement tranche of term loans bearing interest with an Effective Yield less than the Effective Yield applicable to the Initial Term B Loans (as such comparative yields are determined in the reasonable judgment of the Agent consistent with generally accepted financial practices) but excluding any new or replacement loans incurred in connection with a Change of Control and (ii) any amendment to this Agreement that reduces the Effective Yield" applicable to the Initial Term B Loans.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Required Lenders" means, as of any date of determination, Lenders holding more than 50% of the sum of the (a) Total Outstandings and (b) aggregate unused Commitments; provided that the unused Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for all purposes of making a determination of Required Lenders.

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, controller or assistant treasurer of a Loan Party or any of the other individuals designated in writing to the Agent by an existing Responsible Officer of a Loan Party as an authorized signatory of any certificate or other document to be delivered hereunder. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restricted Payment" means (i) any dividend or other distribution (whether in cash, securities or other property, and the amount of any Restricted Payment made other than in cash being deemed to be the fair market value, as reasonably determined by the Borrower, of the property subject to such Restricted Payment as of the time of such Restricted Payment) with respect to any capital stock or other Equity Interest of any Person or any of its Subsidiaries, or (ii) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent of any thereof). Without limiting the foregoing, "Restricted Payments" with respect to any Person shall also include all payments made by such Person with any proceeds of a dissolution or liquidation of such Person.

"Restricted Subsidiary" means any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"Retained Declined Proceeds" has the meaning specified in Section 2.5(b)(v).

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

"Sarbanes-Oxley" means the Sarbanes-Oxley Act of 2002.

"Sanction(s)" means any international economic sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Securities Laws" means the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, Sarbanes-Oxley, and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or the PCAOB.

"Security Documents" means the Guaranty and Security Agreement, the Control Agreements (as such term is defined in the Guaranty and Security Agreement), the Mortgages and each other security agreement or other instrument or document executed and delivered to the Agent pursuant to this Agreement or any other Loan Document granting a Lien to secure any of the Obligations.

"Senior Secured Leverage Ratio" means, with respect to any Measurement Period, the ratio of (a) Consolidated Total Debt (other than any portion of Consolidated Total Debt that is unsecured) as of the last day of such Measurement Period to (b) Consolidated EBITDA of the Borrower for such Measurement Period.

"Separation" means the spin-off by SHC on the Closing Date of 100% of the Equity Interests of the Borrower in accordance with Borrower's Form 10 filed with the SEC on December 6, 2013, as amended from time to time, as a result of which the Borrower will become a publicly traded company independent from SHC and its Subsidiaries.

"Separation Agreements" means each of (a) the Separation and Distribution Agreement dated April 4, 2014 between SHC and the Borrower, (b) the Retail Operations Agreement dated April 4, 2014 between the Borrower and Sears, Roebuck and Co., (c) the Master Lease Agreement dated April 4, 2014 between Sears, Roebuck and Co. and the Borrower, (d) the Buying Agency Agreement dated April 4, 2014 between the Borrower and Sears Holdings Global Sourcing, Ltd., (e) the Transition Services Agreement between Sears Holdings Management Corporation and the Borrower, (f) the Financial Services Agreement dated April 4, 2014 between the Borrower and Sears Holdings Management Corporation, (g) the Tax Sharing Agreement dated April 4, 2014 between, among others, SHC and the Borrower, (h) the Co-Location Services Agreement between Sears Holdings Management Corporation and the Borrower, (i) the Shop Your Way Retail Establishment Agreement dated April 4, 2014 between Sears Holdings Management Corporation and the Borrower, (j) the Master Sublease Agreement dated April 4, 2014 between Sears, Roebuck and Co. and the Borrower, and (k) the Gift Card Services Agreement dated April 4, 2014 between SHC Promotions LLC and the Borrower.

"Shareholders' Equity" means, as of any date of determination, consolidated shareholders' equity of the Borrower and its Restricted Subsidiaries as of that date determined in accordance with GAAP.

"SHC" has the meaning specified in the recitals hereto.

"Solvent" and "Solvency" means, with respect to any Person and its Subsidiaries on a Consolidated basis on a particular date, that on such date (a) at fair valuation, all of the properties and assets of such Person are greater than the sum of the debts, including contingent liabilities, of such Person, (b) the present fair saleable value of the properties and assets of such Person is not less than the amount that would be required to pay the probable liability of such Person on its debts as they become absolute

and matured, (c) such Person is able to realize upon its properties and assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts beyond such Person's ability to pay as such debts mature, and (e) such Person is not engaged in a business or a transaction, and is not about to engage in a business or transaction, for which such Person's properties and assets would constitute unreasonably small capital after giving due consideration to the prevailing practices in the industry in which such Person is engaged. The amount of all guarantees at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, can reasonably be expected to become an actual or matured liability.

"Specified Indebtedness" means any Indebtedness incurred pursuant to clause (i) of the definition of "Permitted Indebtedness" and any unsecured Indebtedness incurred pursuant to clause (t) of the definition of "Permitted Indebtedness."

"Specified Transaction" means any Investment, Disposition, incurrence or repayment of Indebtedness (including Incremental Term Loans), Restricted Payment, Subsidiary designation or other transaction by the Borrower or any Restricted Subsidiary that by the terms of this Agreement requires satisfaction of a financial test calculated on a "Pro Forma Basis" or after giving "Pro Forma Effect" thereto; provided that any such Specified Transaction (other than a Restricted Payment) having an aggregate value of less than $1,000,000 shall not be calculated on a "Pro Forma Basis" or after giving "Pro Forma Effect."

"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 reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding.

"Store" means any retail store (which may include any real property, fixtures, equipment, inventory and other property related thereto) operated, or to be operated, by any Loan Party.

"Subordinated Debt" means Indebtedness incurred by a Loan Party that is subordinated in right of payment to the prior payment of all Obligations of such Loan Party under the Loan Documents.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and

conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Obligation" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts 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 Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Synthetic Lease Obligation" means the obligations of a Person under any lease that is treated as an operating lease for financial accounting purposes and a financing lease for tax purposes.

"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.

"Term Priority Collateral" has the meaning assigned to such term in the ABL Intercreditor Agreement.

"Total Leverage Ratio" means, with respect to any Measurement Period, the ratio of (a) Consolidated Total Debt as of the last day of such Measurement Period to (b) Consolidated EBITDA of the Borrower for such Measurement Period.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans.

"Trading with the Enemy Act" has the meaning set forth in Section 10.19.

"Transactions" means, collectively, (a) the initial Borrowing hereunder on the Closing Date, (b) the Closing Date Dividend, (c) the effectiveness of the ABL Facility, (d) the Separation and (e) the payment of the fees and expenses incurred in connection with the consummation of the foregoing.

"Type" means, with respect to a Loan, its character as a Base Rate Loan or a LIBOR Rate Loan.

"UCC" or "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the state of New York; provided, however, that if a term is defined in Article 9 of the Uniform Commercial Code differently than in another Article thereof, the term shall have the meaning set forth in Article 9; provided further that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "Uniform Commercial Code" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

"United States" and "U.S." mean the United States of America.

"Unrestricted Subsidiary" means (a) any Subsidiary of the Borrower which at the time of determination shall be designated an Unrestricted Subsidiary pursuant to Section 6.21 and (b) any Subsidiary of an Unrestricted Subsidiary.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 3.1(e)(ii)(B)(III).

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (ii) the then outstanding principal amount of such Indebtedness.

1.1 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(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." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, 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) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations shall mean the repayment in Dollars in full in cash or immediately available funds of all of the Obligations (including the payment of any termination amount then applicable (or which would or could become applicable as a result of the repayment of the other Obligations) under Swap Contracts) other than (i) unasserted contingent indemnification Obligations, (ii) any Obligations relating to Bank Products and (iii) any Obligations relating to Cash Management Services.

1.2 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Pro Forma Basis. Notwithstanding anything to the contrary herein, for purposes of determining compliance with any test contained in this Agreement with respect to any period during which (or after which, but on or prior to the date of determination) any Specified Transaction occurs, the Consolidated Fixed Charge Coverage Ratio, Senior Secured Leverage Ratio and Total Leverage Ratio shall be calculated with respect to such period and such Specified Transaction on a Pro Forma Basis.

1.3 Rounding. Any financial ratios required to be maintained by the Loan Parties pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding up if there is no nearest number).

1.4 Times of Day; Rates. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

The Agent does not warrant, nor accept responsibility, nor shall the Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "LIBOR Rate" or with respect to any comparable or successor rate thereto.

ARTICLE II
THE COMMITMENTS AND CREDIT EXTENSIONS

2.1 The Loans. Subject to the terms and conditions set forth herein, each Initial Term B Lender severally agrees to make a single loan in Dollars (each such loan, an "Initial Term B Loan") to the Borrower on the Closing Date, in an amount not to exceed the amount of such Initial Term B Lender's Initial Term B Loan Commitment. Amounts borrowed under this Section 2.1 and repaid or prepaid may not be reborrowed. Initial Term B Loans may be Base Rate Loans or LIBOR Rate Loans as further provided herein.

2.2 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing shall be either Base Rate Loans or LIBOR Rate Loans as the Borrower may request subject to and in accordance with this Section 2.2. Subject to the other provisions of this Section 2.2, Borrowings of more than one Type may be incurred at the same time.

(b) Each Borrowing, each Conversion of Loans from one Type to the other, and each continuation of LIBOR Rate Loans shall be made upon the Borrower's irrevocable notice to the Agent, which may be given by telephone. Each such notice must be received by the Agent not later than (i) 12:00 p.m. three Business Days prior to the requested date of any Borrowing of, Conversion to or continuation of LIBOR Rate Loans or of any Conversion of LIBOR Rate Loans to Base Rate Loans, and (ii) 3:00 p.m. one Business Day prior to the requested date of any Borrowing of Base Rate Loans. Each telephonic notice by the Borrower pursuant to this Section 2.2(b) must be confirmed promptly by delivery to the Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Each Borrowing of, Conversion to or continuation of LIBOR Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Each Borrowing of or Conversion to Base Rate Loans shall be in minimum amounts of $500,000 or a whole multiple of $100,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Borrowing, a Conversion of Loans from one Type to the other, or a continuation of LIBOR Rate Loans, (ii) the requested date of the Borrowing, Conversion or continuation, as the case may be (which shall be a Business Day), (iii) the Class and principal amount of Loans to be borrowed, Converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be Converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a Conversion or continuation, then the applicable Loans shall be made as, or Converted to, Base Rate Loans. Any such automatic Conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBOR Rate Loans. If the Borrower requests a Borrowing of, Conversion to, or continuation of LIBOR Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(c) Following receipt of a Committed Loan Notice, the Agent shall promptly notify each Lender in writing of the amount of its Applicable Percentage of the applicable Class of Loans, and if no timely notice of a Conversion or continuation is provided by the Borrower, the Agent shall notify each Lender of the details of any automatic Conversion to Base Rate Loans described in Section 2.2(b). In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Agent in immediately available funds at the Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.1, the Agent shall make all funds so received available to the Borrower in like funds as received by the Agent either by (i) crediting the account of the Borrower on the books of the Agent with the amount of such funds or (ii) wire transferring such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Agent by the Borrower.

(d) [Reserved].

(e) Except as otherwise provided herein, a LIBOR Rate Loan may be continued or Converted only on the last day of an Interest Period for such LIBOR Rate Loan. During the existence of a Default or an Event of Default, no Loans may be requested as, Converted to or continued as LIBOR Rate Loans without the consent of the Required Lenders.

(f) The Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for LIBOR Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Agent shall notify the Borrower and the Lenders of any change in the Agent's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(g) After giving effect to all Borrowings, all Conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than six (6) Interest Periods in effect with respect to LIBOR Rate Loans.

2.3 [Reserved].

2.4 [Reserved].

2.5 Prepayments.

(a) Optional Prepayments.

(i) Subject to Section 2.5(a)(ii), the Borrower may, upon irrevocable notice from the Borrower to the Agent, at any time or from time to time voluntarily prepay any Borrowing of any Class of Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Agent not later than (A) 12:00 p.m. three Business Days prior to any date of prepayment of LIBOR Rate Loans and (B) 2:00 p.m. on the date of prepayment of Base Rate Loans; and (ii)(A) any prepayment of LIBOR Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof and (B) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof, or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Class(es) and Type(s) of Loans to be prepaid and, if LIBOR Rate Loans, the Interest Period(s) of such Loans. The Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein (except that any such notice may be conditioned on the receipt of net proceeds from any refinancing indebtedness or the consummation of a Change of Control). Any prepayment of a LIBOR Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.5. Each such prepayment shall be applied to the principal installments of the applicable Class(es) of Loans as directed by the Borrower (it being understood and agreed that if the Borrower does not so direct at the time of such prepayment, such prepayment shall be applied against the scheduled repayments of Loans of the relevant Class under Section 2.7 in direct order of maturity) and shall be paid to the Appropriate Lenders in accordance with their respective Applicable Percentages.

(ii) In the event that the Borrower makes any prepayment of Initial Term B Loans in connection with any Repricing Event or effects any amendment of this Agreement resulting in a Repricing Event with respect to Initial Term B Loans prior to the twelve month anniversary of the Closing Date, the Borrower shall pay a premium in an amount equal to 1.0% of the amount of the Initial Term B Loans being prepaid or the aggregate amount of the applicable Initial Term B Loans outstanding immediately prior to such amendment, respectively, to the Agent, for the ratable account of each of the Lenders with Initial Term B Loans.

(b) Mandatory Prepayments.

(i) Excess Cash Flow. Within five (5) Business Days after financial statements have been delivered pursuant to Section 6.1(a) and the related Compliance Certificate has been delivered pursuant to Section 6.2(a) for each fiscal year of the Borrower, commencing with the first full fiscal year of the Borrower commencing after the Closing Date, the Borrower shall cause to be prepaid an aggregate principal amount of Loans equal to (A) 50% (such percentage as it may be reduced as described below, the "ECF Percentage") of Excess Cash Flow, if any, for the fiscal year covered by such financial statements, minus (B) the sum of all voluntary prepayments of Loans during such fiscal year, to the extent such prepayments are not funded with the proceeds of Indebtedness; provided that (x) the ECF Percentage shall be 25% if the Senior Secured Leverage Ratio as of the last day of the Fiscal Year covered by such financial statements (calculated giving Pro Forma Effect to any Specified Transaction occurring on or prior to such last day of such Fiscal Year) was less than or equal to 3.25:1.00 and greater than 2.75:1.00 and (y) the ECF Percentage shall be 0% if the Senior Secured Leverage Ratio as of the last day of the Fiscal Year covered by such financial statements (calculated giving Pro Forma Effect to any Specified Transaction occurring on or prior to such last day of such Fiscal Year) was less than or equal to 2.75:1.00.

(ii) Casualty Events and Asset Sales.

(A) Subject to Section 2.5(b)(ii)(B), if any Casualty Event or Asset Sale occurs, which in the aggregate results in the realization or receipt by the Borrower or a Restricted Subsidiary of Net Proceeds, the Borrower shall make a prepayment, in accordance with Section 2.5(b)(ii)(C), of an aggregate principal amount of Loans equal to the percentage represented by the quotient of (x) the Outstanding Amount of Loans at such time divided by (y) the sum of the Outstanding Amount of the Loans at such time and the amount of any other Indebtedness outstanding at such time that is secured by a Lien ranking pari passu with the Liens securing the Loans and requiring a prepayment from such Net Proceeds (such percentage, the "Asset Percentage") of all such Net Proceeds realized or received; provided that no such prepayment shall be required pursuant to this Section 2.5(b)(ii)(A) with respect to such portion of such Net Proceeds that the Borrower shall have, on or prior to such date, given written notice to the Agent of its intent to reinvest in accordance with Section 2.5(b)(ii)(B) (which notice may only be provided if no Event of Default has occurred and is then continuing).

(B) With respect to any Net Proceeds realized or received with respect to any Casualty Event or Asset Sale, at the option of the Borrower, the Borrower or any Restricted Subsidiary may reinvest an amount equal to all or any portion of such Net Proceeds in assets useful for its business (other than working capital, except for short-term capital assets, and including Investments) within (x) twelve (12) months following receipt of such Net Proceeds or (y) if the Borrower enters into a legally binding commitment to reinvest such Net Proceeds within twelve (12) months following receipt thereof, within the later of (1) twelve (12) months following receipt thereof or (2) one hundred and eighty (180) days following the date of such legally binding commitment; provided that (i) so long as an Event of Default shall have occurred and be continuing, the Borrower shall not be permitted to make any such reinvestments (other than pursuant to a legally binding commitment that the Borrower entered into at a time when no

Event of Default is continuing) and (ii) if any Net Proceeds are not so reinvested by the deadline specified in clause (x) or (y) above, as applicable, or if any such Net Proceeds are no longer intended to be or cannot be so reinvested at any time after delivery of a notice of reinvestment election, an amount equal to the Asset Percentage of any such Net Proceeds shall be applied, in accordance with Section 2.5(b)(ii)(C), to the prepayment of the Loans as set forth in this Section 2.5.

(C) On each occasion that the Borrower must make a prepayment of the Loans pursuant to this Section 2.5(b)(ii), the Borrower shall, within five (5) Business Days after the date of realization or receipt of such Net Proceeds (or, in the case of prepayments required pursuant to Section 2.5(b)(ii)(B), within five (5) Business Days of the deadline specified in clause (x) or (y) thereof, as applicable, or of the date the Borrower reasonably determines that such Net Proceeds are no longer intended to be or cannot be so reinvested, as the case may be), make a prepayment, in accordance with Section 2.5(b)(v) below, of the principal amount of Loans in an amount equal to the Asset Percentage of such Net Proceeds realized or received.

(iii) Incurrence of Certain Indebtedness. If the Borrower or any of its Restricted Subsidiaries incurs or issues any (x) Refinancing Term Loans or Refinancing Debt Securities or (y) Indebtedness not expressly permitted to be incurred or issued pursuant to Section 7.3, the Borrower shall cause to be prepaid an aggregate principal amount of Loans equal to 100% of all Net Proceeds received therefrom on or prior to the date which is five (5) Business Days after the receipt of such Net Proceeds.

(iv) Each prepayment of Loans pursuant to this Section 2.5(b) shall be applied to the installments thereof pro rata in direct order of maturity pursuant to Section 2.7 following the applicable prepayment event; provided that any mandatory prepayment pursuant to Section 2.5(b)(i), 2.5(b)(ii) or 2.5(b)(iii) shall be applied on a pro rata basis to the Initial Term B Loans and, except to the extent a lesser prepayment is required pursuant to the applicable Incremental Facility Amendment or Extension Offer with respect to any applicable Class of Incremental Term Loans or Extended Term Loans, any Incremental Term Loans and Extended Term Loans; provided, further, that any mandatory prepayment pursuant to Section 2.5(b)(iii) shall be applied, at the discretion of the Borrower, on a pro rata basis to the Initial Term B Loans and, except to the extent a lesser prepayment is required pursuant to the applicable Incremental Facility Amendment or Extension Offer with respect to any applicable Class of Incremental Term Loans or Extended Term Loans, any Incremental Term Loans and Extended Term Loans. Each such prepayment of any Class of Loans shall be paid to the Lenders in accordance with their respective Applicable Percentages subject to clause (v) of this Section 2.5(b).

(v) The Borrower shall use commercially reasonable efforts to notify the Agent in writing of any mandatory prepayment of Loans required to be made pursuant to clauses (i), (ii) and (iii) of this Section 2.5(b) by 2:00 p.m. at least three (3) Business Days prior to the date of such prepayment. Each such notice shall specify the date of such prepayment and provide a reasonably detailed calculation of the amount of such prepayment. The Agent will promptly notify each Appropriate Lender of the contents of the Borrower's prepayment notice and of such Appropriate Lender's Applicable Percentage of the prepayment with respect to any Class of Loans. Each Appropriate Lender may reject all or a portion of its Applicable Percentage of any mandatory prepayment (such declined amounts, the "Declined Proceeds") of Loans required to be made pursuant to clause (i) or (ii) of this Section 2.5(b) by providing written notice (each, a "Rejection Notice") to the Agent and the Borrower no later than 5:00 p.m. three (3) Business Days after the date of such Lender's receipt of notice from the Agent regarding such prepayment. Each Rejection Notice from a given Lender shall specify the principal amount of the mandatory prepayment of Loans to be rejected by such Lender. If a Lender fails to deliver a Rejection Notice to the Agent within the time frame specified above or such Rejection Notice fails to specify the principal amount of the Loans to be rejected, any such failure will be deemed an acceptance of the total amount of such mandatory repayment of Loans. Any Declined Proceeds shall be retained by the Borrower ("Retained Declined Proceeds").

(vi) Notwithstanding any other provisions of this Section 2.5, (A) to the extent that repatriation to the United States of any portion of Excess Cash Flow attributable to a Foreign Subsidiary or any Net Proceeds of such a Foreign Subsidiary is (x) prohibited or delayed by applicable local law (including local laws with respect to financial assistance, corporate benefit, restrictions on up-streaming of cash intra-group and fiduciary and statutory duties of the directors of the relevant Foreign Subsidiaries) or (y) restricted by applicable material constituent documents of any non wholly-owned Foreign Subsidiary (so long as such restrictions were not implemented for the purpose of avoiding such mandatory repayment requirements), the amount of such portion of Excess Cash Flow or Net Proceeds so affected will not be required to be applied to repay Loans at the times provided in this Section 2.5 but may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law or applicable constituent documents will not permit repatriation to the United States, and, if within one year following the date on which the respective repayment would otherwise have been required, such repatriation of any portion of such affected amount of Excess Cash Flow or Net Proceeds is permissible under the applicable local law or applicable material constituent documents (even if such cash is not actually repatriated at such time), an amount equal to such amount will be promptly (and in any event not later than two Business Days or such longer time period as the Agent may agree) applied (net of costs, expenses or taxes incurred by the Borrower and its Restricted Subsidiaries arising exclusively as a result of compliance with this provision) by the Borrower to the repayment of the Loans pursuant to this Section 2.5 to the extent provided herein and (B) to the extent that the Borrower has determined in good faith, and can so demonstrate to the reasonable satisfaction of the Agent, that repatriation of any portion of Excess Cash Flow would incur a material tax liability (taking into account any foreign tax credit or benefit that is anticipated in connection with such repatriation), the amount of such portion of Excess Cash Flow or Net Proceeds so affected may be retained by the applicable Foreign Subsidiary; provided that, in the case of each of clauses (A) and (B), (i) the Borrower hereby agrees to use commercially reasonable efforts (x) to overcome or eliminate any such restrictions on repatriation, (y) to minimize or eliminate any such costs or tax liabilities, and (z) to use the other cash resources of the Borrower and its Subsidiaries (subject to this clause (vi)), so that an amount equal to the full amount of such Excess Cash Flow or Net Proceeds will otherwise be subject to repayment under this Section 2.5 to the extent provided herein, (ii) the non-application of any portion of Excess Cash Flow or Net Proceeds amount pursuant to this clause (vi) shall not constitute an Event of Default (and such amounts shall be available for the working capital purposes of the applicable Foreign Subsidiary, in each case, subject to the repayment provisions in this clause (vi). For the avoidance of doubt, it is understood and agreed that (x) the Borrower shall be required to first use all Excess Cash Flow (other than the amounts thereof affected as described in preceding clauses (A) and (B) of this clause (vi)) in order to make the full amount of the mandatory repayment required to be made on the relevant payment date pursuant to Section 2.5(b)(i) before the preceding provisions of this clause (vi) shall apply, and (y) nothing in this clause (vi) shall require the Borrower to cause any amounts to be repatriated to the United States (whether or not such amounts are used in or excluded from the determination of the amount of any mandatory repayments hereunder).

2.6 Termination or Reduction of Commitments.

(a) [Reserved].

(b) The aggregate Initial Term B Loan Commitments shall be automatically and permanently reduced to zero on the Closing Date upon the funding of the Initial Term B Loans.

2.7 Repayment of Obligations. The Borrower shall repay to the Agent for the ratable account of the Lenders (i) on the last Business Day of each March, June, September and December, commencing with June 30, 2014, an aggregate principal amount equal to 0.25% of the aggregate principal amount of the Initial Term B Loans funded on the Closing Date and (ii) on the Maturity Date for the Initial Term B Loans, the aggregate principal amount of all Initial Term B Loans outstanding on such date; provided that payments required by this Section 2.7 above shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.5. In the event any Incremental Term Loans or Extended Term Loans are made, such Incremental Term Loans or Extended Term Loans, as applicable, shall be repaid by the Borrower in the amounts and on the dates set forth in the Incremental Facility Amendment or Extension Offer with respect thereto and on the applicable Maturity Date thereof.

2.8 Interest.

(a) Subject to the provisions of Section 2.8(b) below, (i) each LIBOR Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Adjusted LIBOR Rate for such Interest Period plus the Applicable Margin for LIBOR Rate Loans; and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin for Base Rate Loans.

(b) If any Event of Default exists, then the Agent may, and upon the request of the Required Lenders shall, notify the Borrower that all outstanding Loan Agreement Obligations shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate and thereafter (for so long as such Event of Default is continuing) such Loan Agreement Obligations shall bear interest at the Default Rate to the fullest extent permitted by Law. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Except as provided in Section 2.8(b), interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.9 Fees.

(a) [Reserved].

(b) Other Fees. The Borrower shall pay to the Arranger and the Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest. All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the LIBOR Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of interest shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt. The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by the Agent in the ordinary course of business. In addition, each Lender may record in such Lender's internal records, an appropriate notation evidencing the date and amount of each Loan from such Lender, each payment and prepayment of principal of any such Loan, and each payment of interest, fees and other amounts due in connection with the Loan Agreement Obligations due to such Lender. The accounts or records maintained by the Agent and each Lender shall be conclusive absent manifest error of the amount of the Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Loan Agreement Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Agent in respect of such matters, the accounts and records of the Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Agent, the Borrower shall execute and deliver to such Lender (through the Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto. Upon receipt of an affidavit of a Lender as to the loss, theft, destruction or mutilation of such Lender's Note and upon cancellation of such Note, the Borrower will issue, in lieu thereof, a replacement Note in favor of such Lender, in the same principal amount thereof and otherwise of like tenor.

2.12 Payments Generally; Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made without deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Agent, for the account of the respective Lenders to which such payment is owed, at the Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Agent after 2:00 p.m. shall, at the option of the Agent, be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day (other than with respect to payment of a LIBOR Loan), and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Agent. Unless the Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of LIBOR Rate Loans that such Lender will not make available to the Agent such Lender's share of such Borrowing, the Agent may assume that such Lender has made such share available on such date in accordance with Section 2.2 (or in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.2) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Agent, then the applicable Lender and the Borrower severally agree to pay to the Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation plus any administrative processing or similar fees customarily charged by the Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the

Borrower and such Lender shall pay such interest to the Agent for the same or an overlapping period, the Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Agent.

(ii) Payments by Borrower; Presumptions by Agent. Unless the Agent shall have received notice from the Borrower prior to the time at which any payment is due to the Agent for the account of any of the Lenders hereunder that the Borrower will not make such payment, the Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds 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 Agent, at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation. A notice of the Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Agent because the conditions to the applicable Loan set forth in Article IV are not satisfied or waived in accordance with the terms hereof (subject to the provisions of the last paragraph of Section 4.1 hereof), the Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans and to make payments hereunder are several and not joint. The failure of any Lender to make any Loan or to make any payment hereunder on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment hereunder.

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of, interest on, or other amounts with respect to, any of the Loan Agreement Obligations resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loan Agreement Obligations greater than its pro rata share thereof as provided herein (including as in contravention of the priorities of payment set forth in Section 8.3), then the Lender receiving such greater proportion shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Loan Agreement Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably and in the priorities set forth in Section 8.3, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by the Loan Parties pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Restricted Subsidiary thereof (as to which the provisions of this Section shall apply unless such assignment has been approved by the Required Lenders).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation. The provisions of this Section 2.13 shall not apply to any payments received by any Lender in respect of any Affiliated Loan Purchase.

2.14 [Reserved].

2.15 [Reserved].

2.16 [Reserved].

2.17 Incremental Term Loans.

(a) At any time and from time to time, subject to the terms and conditions set forth herein, the Borrower may, by notice to the Agent (whereupon the Agent shall promptly deliver a copy to each of the Lenders), request to increase the amount of Initial Term B Loans or add one or more additional tranches of term loans (any such Initial Term B Loans or additional tranche of term loans, the "Incremental Term Loans"); provided that at the time of each such request and upon the effectiveness of each Incremental Facility Amendment no Event of Default has occurred and is continuing or shall result therefrom. Notwithstanding anything to contrary herein, the aggregate principal amount of all Incremental Term Loans (other than Refinancing Term Loans) outstanding at any time (determined at the time of incurrence) shall not exceed the Maximum Incremental Facilities Amount. Each Facility of Incremental Term Loans (an "Incremental Facility") shall be in an aggregate principal amount that is not less than $25,000,000 unless otherwise agreed by the Agent, provided that such amount may be less than the applicable minimum amount if such amount represents the entirety of the remaining Maximum Incremental Facilities Amount. Each Incremental Facility shall have the same guarantees as, and be secured on a pari passu basis by the same Collateral securing, all of the other Obligations under this Agreement and the other Loan Documents.

(b) Any Incremental Term Loans (i) may participate on a pro rata basis or a less than pro rata basis (but not greater than a pro rata basis) in any voluntary or mandatory repayments or prepayments hereunder, in each case as specified in the applicable Incremental Facility Amendment, and (ii) other than with respect to amortization, pricing or maturity date, shall otherwise have the same terms as the Initial Term B Loans or such other terms as are reasonably satisfactory to the Agent, provided that (A) except in the case of Refinancing Term Loans, if the Effective Yield payable to Lenders with respect to any Incremental Term Loans made on or prior to the date that is twelve (12) months after the Closing Date exceeds the Effective Yield of the Initial Term B Loans by more than 0.50%, then the Applicable

Margin relating to the Initial Term B Loans shall be adjusted upwards by an amount equal to such excess minus 0.50%, (B) any Incremental Term Loan shall not have a final maturity date earlier than the Maturity Date applicable to the Initial Term B Loans and (C) any Incremental Term Loan shall not have a Weighted Average Life to Maturity that is shorter than the remaining Weighted Average Life to Maturity of the Initial Term B Loans.

(c) Each notice from the Borrower pursuant to this Section 2.17 shall set forth the requested amount and proposed terms of the relevant Incremental Term Loans. Any Person selected by the Borrower that elects to extend Incremental Term Loans shall be an Eligible Assignee and, unless a Lender, an Affiliate of a Lender or an Approved Fund of a Lender, shall be reasonably acceptable to the Agent (any such Person being called an "Additional Lender") and, if not already a Lender, shall become a Lender under this Agreement pursuant to an amendment (an "Incremental Facility Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, such Additional Lender and the Agent. Any Incremental Facility Amendment shall not require the consent of any Lenders other than the Additional Lenders with respect to such Incremental Facility Amendment. No Lender shall be obligated to provide any Incremental Term Loans, unless it so agrees. Commitments in respect of any Incremental Term Loans shall become Commitments under this Agreement. An Incremental Facility Amendment may, without the consent of any other Lenders, effect such amendments to any Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Agent, to effect the provisions of this Section 2.17. The effectiveness of any Incremental Facility Amendment shall, unless otherwise agreed to by the Agent and the Additional Lenders, be subject to the accuracy in all material respects on the date thereof of the representations and warranties contained in Article V of this Agreement and in any other Loan Document (except (i) to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date, (ii) in the case of any representation and warranty qualified by materiality, in which case they shall be true and correct in all respects); provided that the Lenders providing an Incremental Facility, the proceeds of which are to be used primarily to finance a Permitted Acquisition, may agree to waive this requirement as part of customary "Sungard" limitations. The proceeds of any Incremental Term Loans may be used for general corporate purposes (including, without limitation, Permitted Acquisitions).

2.18 Extensions of Loans.

(a) Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, an "Extension Offer") made from time to time by the Borrower to all Lenders of any Class of Loans on a pro rata basis (based on the aggregate outstanding principal amount of the respective Loans of the applicable Class) and on the same terms to each such Lender, the Borrower is hereby permitted to consummate from time to time transactions with individual Lenders that accept the terms contained in such Extension Offers to extend the maturity date of each such Lender's Loans of the applicable Class and otherwise modify the terms of such Loans pursuant to the terms of the relevant Extension Offer (including, without limitation, by increasing the interest rate or fees payable in respect of such Loans and/or modifying the amortization schedule in respect of such Lender's Loans) (each, an "Extension," and each group of Loans as so extended, as well as the initial Term B Loans (not so extended), being a separate Class of Loans from the Class of Loans from which they were converted, it being understood that an Extension may be in the form of an increase in the amount of any other then outstanding Class of Loans otherwise satisfying the criteria set forth below), so long as the following terms are satisfied: (i) no Event of Default shall have occurred and be continuing at the time the Extension Offer is delivered to the Lenders, (ii) except as to interest rates, fees, amortization and final maturity (which shall, subject to immediately succeeding clauses, be determined between the Borrower and set forth in the relevant Extension Offer), the Loans of any Lender that agrees to an extension with respect to such Loans extended pursuant to any Extension ("Extended Term Loans") shall have the same terms as the Class of Loans subject to such Extension

Offer, other than terms which take effect after the Latest Maturity Date in effect immediately prior to such Extension, (iii) the final maturity date of any Extended Term Loans shall be no earlier than the then Latest Maturity Date, (iv) the amortization schedule applicable to Extended Term Loans resulting from an Extension Offer with respect to the Initial Term B Loans shall not include any principal repayment on such Extended Term Loans prior to the date that such a repayment would have been made had the Initial Term B Loans not been subject to such Extension, (v) the Weighted Average Life to Maturity of any Extended Term Loans shall be no shorter than the remaining Weighted Average Life to Maturity of the Loans extended thereby, (vi) any Extended Term Loans may participate on a pro rata basis or a less than pro rata basis (but not greater than a pro rata basis) in any voluntary or mandatory repayments or prepayments hereunder, in each case as specified in the respective Extension Offer, (vii) if the aggregate principal amount of the Class of Loans (calculated on the face amount thereof) in respect of which Lenders shall have accepted the relevant Extension Offer shall exceed the maximum aggregate principal amount of Loans of such Class offered to be extended by the Borrower pursuant to such Extension Offer, then the Loans of such Class of such Lenders shall be extended ratably up to such maximum amount based on the respective principal amounts (but not to exceed actual holdings of record) with respect to which such Lenders have accepted such Extension Offer, (viii) all documentation in respect of such Extension shall be consistent with the foregoing, (ix) any applicable Minimum Extension Condition shall be satisfied unless waived by the Borrower and (x) the Minimum Tranche Amount shall be satisfied unless waived by the Agent.

(b) With respect to all Extensions consummated by the Borrower pursuant to this Section 2.18, (i) such Extensions shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.5 or Section 2.13 and (ii) no Extension Offer is required to be in any minimum amount or any minimum increment, provided that (x) the Borrower may at its election specify as a condition (a "Minimum Extension Condition") to consummating any such Extension that a minimum amount (to be determined and specified in the relevant Extension Offer in the Borrower's sole discretion and waivable by the Borrower) of Loans of any or all applicable Classes be tendered, and (y) no Class of Extended Term Loans shall be in an amount of less than $50,000,000 and (such amount, the "Minimum Tranche Amount"), unless such Minimum Tranche Amount is waived by the Agent. The Agent and the Lenders hereby consent to the transactions contemplated by this Section 2.18 (including, for the avoidance of doubt, payment of any interest, fees or premium in respect of any Extended Term Loans on the such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement (including, without limitation, Sections 2.5, 2.12 and 2.13) or any other Loan Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section 2.18.

(c) No consent of any Lender or the Agent shall be required to effectuate any Extension, other than the consent of each Lender agreeing to such Extension with respect to one or more of its Loans (or a portion thereof). All Extended Term Loans and all obligations in respect thereof shall be Obligations under this Agreement and the other Loan Documents that are secured by the Collateral on a pari passu basis with all other applicable Obligations under this Agreement and the other Loan Documents. The Lenders hereby irrevocably authorize the Agent to enter into amendments to this Agreement and the other Loan Documents with the Borrower as may be necessary in order to establish new Classes in respect of Loans so extended and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Agent and the Borrower in connection with the establishment of such new Classes, in each case on terms consistent with this Section 2.18. Without limiting the foregoing, in connection with any Extensions the respective Loan Parties shall (at their expense) amend (and the Agent is hereby directed to amend) any Mortgage that has a maturity date prior to the then Latest Maturity Date so that such maturity date is extended to the then Latest Maturity Date (or such later date as may be advised by local counsel to the Agent).

(d) In connection with any Extension, the Borrower shall provide the Agent at least five (5) Business Days' (or such shorter period as may be agreed by the Agent) prior written notice thereof, and shall agree to such procedures (including, without limitation, regarding timing, rounding and other adjustments and to ensure reasonable administrative management of the credit facilities hereunder after such Extension), if any, as may be established by, or acceptable to, the Agent, in each case acting reasonably to accomplish the purposes of this Section 2.18.

ARTICLE III
TAXES, YIELD PROTECTION AND ILLEGALITY

3.1 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) 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 Laws. If any applicable Laws (as determined in the good faith discretion of the Agent or Loan Party, as applicable) require the deduction or withholding of any Tax from any such payment by the Agent or a Loan Party, then the Agent or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party, the Agent or any other applicable withholding agent shall be required by any applicable Laws to withhold or deduct any Taxes from any payment, then (A) such applicable withholding agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such applicable withholding agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.1) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrower. Without limitation or duplication of the provisions of subsection (a) above, the Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) The Loan Parties shall, and each Loan Party does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof 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 3.1) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and 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 Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(ii) Each Lender shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) the Agent against any Taxes and any related losses, claims, liabilities and expenses (including fees, charges and disbursements of any counsel to the Agent) arising from the failure of the Agent to properly withhold Tax from amounts paid to or for the account of such Lender for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective) (but only to the extent that any Loan Party has not already indemnified or reimbursed the Agent for any such Taxes that are Indemnified Taxes or Other Taxes and without limiting the obligation of the Loan Parties to do so) and (y) the Agent and the Loan Parties, as applicable against any Excluded Taxes attributable to such Lender that are payable or paid by the Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, in each case 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 Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due to the Agent under this clause (ii).

(d) Evidence of Payments. Upon request by the Borrower or the Agent, as the case may be, after any payment of Taxes by the Borrower or by the Agent to a Governmental Authority as provided in this Section 3.1, the Borrower shall deliver to the Agent or the Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Agent, as the case may be.

(e) Status of Recipients; Tax Documentation.

(i) Any Recipient 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 Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Recipient, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Recipient 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 3.1(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Recipient's reasonable judgment such completion, execution or submission would subject such Recipient to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Recipient.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the 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 the Borrower or the 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 eligible to do so, deliver to the Borrower and the 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 the Borrower or the Agent), whichever of the following is applicable:

(I) 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 an applicable tax treaty;

(II) executed originals of IRS Form W-8ECI;

(III) (x) a certificate substantially in the form of Exhibit F-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 the 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

(IV) 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 F-2 or Exhibit F-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 F-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally eligible to do so, deliver to the Borrower and the 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 the Borrower or the 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 the Borrower or the 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 the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the 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 the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA, to determine whether such Lender has complied with such Lender's obligations under FATCA, or to determine the amount, if any, 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.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.1 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender. If any Recipient 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 by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.1, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.1 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (f), in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this subsection (f) the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This subsection (f) shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Survival. Each party's obligations under this Section 3.1 shall survive the resignation or replacement of the 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 other Loan Agreement Obligations.

3.2 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund LIBOR Rate Loans, or to determine or charge interest rates based upon the LIBOR Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Agent, (i) any obligation of such Lender to make or continue LIBOR Rate Loans or to Convert Base Rate Loans to LIBOR Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the LIBOR Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Agent without reference to the LIBOR Rate component of the Base Rate, in each case, until such Lender notifies the Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Agent), prepay or, if applicable, Convert all LIBOR Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Agent without reference to the LIBOR Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBOR Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBOR Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the LIBOR Rate, the Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the LIBOR Rate component

thereof until the Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the LIBOR Rate. Upon any such prepayment or Conversion, the Borrower shall also pay accrued interest on the amount so prepaid or Converted.

3.3 Inability to Determine Rates. If in connection with any request for a LIBOR Rate Loan or a Conversion to or continuation thereof: (a) the Agent determines that (i) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and Interest Period of such LIBOR Rate Loan, or (ii) adequate and reasonable means do not exist for determining the LIBOR Rate for any requested Interest Period with respect to a proposed LIBOR Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to this clause (a), "Impacted Loans"), or (b) the Agent or the Required Lenders determine that for any reason the LIBOR Rate for any requested Interest Period with respect to a proposed LIBOR Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such LIBOR Rate Loan, the Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain LIBOR Rate Loans shall be suspended (to the extent of the affected LIBOR Rate Loans or Interest Periods) and (y) in the event of a determination described in the preceding sentence with respect to the LIBOR Rate component of the Base Rate, the utilization of the LIBOR Rate component in determining the Base Rate shall be suspended, in each case until the Agent upon the instruction of the Required Lenders revokes such notice or the condition giving rise to such suspension has terminated. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of LIBOR Rate Loans (to the extent of the affected LIBOR Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

Notwithstanding the foregoing, if the Agent has made the determination described in clause (a)(i) of the first sentence of this Section, the Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Agent revokes the notice delivered with respect to the Impacted Loans under clause (a)(i) of the first sentence of this Section, (2) the Agent or the Required Lenders notify the Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Agent and the Borrower written notice thereof.

3.4 Increased Costs; Reserves on LIBOR Rate Loans.

(a) Increased Costs Generally. If any Change in Law occurring after the date that such Lender first became a Lender shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.4(e) or otherwise reflected in the LIBOR Rate);

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Excluded Taxes and (C) Other Taxes) on its loans, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or LIBOR Rate Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any LIBOR Rate Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law occurring after the date that such Lender first became a Lender affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital or liquidity of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall include a written statement setting forth in reasonable detail the basis for calculating such amount or amounts and be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section 3.4 shall not constitute a waiver of such Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on LIBOR Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits, additional interest on the unpaid principal amount of each LIBOR Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as

determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least 10 days' prior notice (with a copy to the Agent) of such additional interest from such Lender, together with a written statement setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this subsection (e). If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

3.5 Compensation for Losses. Upon demand of any Lender (with a copy to the Agent), which demand shall include a written statement, setting forth in reasonable detail the basis for calculating amounts owed to such Lender pursuant to this Section 3.5, from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense actually incurred, without duplication of any amounts to which a Lender is otherwise entitled pursuant to the other provisions of this Article III, by it as a result of:

(a) any continuation, Conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or Convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a LIBOR Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.14;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained (but excluding any loss of anticipated profits). The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.5, each Lender shall be deemed to have funded each LIBOR Rate Loan made by it at the LIBOR Rate for such Loan by a matching deposit or other borrowing in the London interbank market for a comparable amount and for a comparable period, whether or not such LIBOR Rate Loan was in fact so funded.

3.6 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.4, or requires the Borrower to pay any additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.1, or if any Lender gives a notice pursuant to Section 3.2, 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 judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.1 or 3.4, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.2, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.4, has invoked the provisions of Section 3.2, or if the Borrower is required to pay any additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.1 and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 3.6(a) that eliminates such increased compensation or other additional amounts, the Borrower may replace such Lender in accordance with Section 10.14.

3.7 Survival. All of the Borrower's obligations under this Article III shall survive termination of the Commitments, repayment of all other Loan Agreement Obligations hereunder, and resignation of the Agent.

ARTICLE IV
CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.1 Conditions of Initial Credit Extension. The obligation of each Lender to make its Initial Term B Loan hereunder is subject to satisfaction of the following conditions precedent:

(a) The Agent's receipt of the following, each of which shall be originals, telecopies or other electronic image scan transmission (e.g., "pdf" or "tif" via e-mail) (followed promptly by originals) unless otherwise specified, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date):

(i) counterparts of this Agreement each properly executed by a Responsible Officer of the signing Loan Party and the Lenders in such number as the Agent may request;

(ii) a Note executed by the Borrower in favor of each Lender requesting a Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Agent may require evidencing (A) the authority of each Loan Party to enter into this Agreement and the other Loan Documents to which such Loan Party is a party or is to become a party and (B) the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to become a party and each in form and substance reasonably satisfactory to the Agent;

(iv) copies of each Loan Party's Organization Documents and such other documents and certifications as the Agent may reasonably request as to good standing;

(v) a favorable opinion of each of (i) Wachtell, Lipton, Rosen & Katz, (ii) local counsel in such jurisdictions as the Agent may reasonably request and (iii) general counsel to the Loan Parties, addressed to the Agent and each Lender, as to such matters concerning the Loan Parties and the Loan Documents as the Agent may reasonably request, in form and substance reasonably satisfactory to the Agent;

(vi) a certificate of a Responsible Officer of the Borrower certifying (A) that the conditions specified in this Section 4.1 have been satisfied, (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material

Adverse Effect, (C) to the Solvency of the Loan Parties as of the Closing Date after giving effect to the Transactions, and (D) to the knowledge of such Responsible Officer, that all consents, licenses or approvals required in connection with the execution, delivery and performance by the Loan Parties of the Loan Documents to which they are party, if any, have been obtained and are in full force and effect;

(vii) evidence reasonably satisfactory to the Agent that all insurance required to be maintained pursuant to the Loan Documents and all endorsements in favor of the Agent required under the Loan Documents have been obtained and are in effect;

(viii) a release from the agent under the SHC Credit Agreement reasonably satisfactory in form and substance to the Agent evidencing that the Loan Parties liable in respect of the SHC Credit Agreement immediately prior to the Separation have been or concurrently with the Closing Date are being released as guarantors under the SHC Credit Agreement and the other "Loan Documents" (as defined in the SHC Credit Agreement), and all Liens securing obligations of such Loan Parties under the SHC Credit Agreement have been or concurrently with the Closing Date are being released;

(ix) the Security Documents (other than Mortgages and Control Agreements (as such term is defined in the Guaranty and Security Agreement) to be delivered post-closing) and all other Loan Documents (to the extent to be executed on the Closing Date), each duly executed by the applicable Loan Parties;

(x) the ABL Intercreditor Agreement, fully executed by the ABL Agent, the Agent, and acknowledged by the Loan Parties;

(xi) results of searches or other evidence reasonably satisfactory to the Agent (in each case dated as of a date reasonably satisfactory to the Agent) indicating the absence of Liens on the assets of the Loan Parties, except for Liens permitted by Section 7.1 and Liens for which termination statements satisfactory to the Agent are being tendered concurrently with such extension of credit or other arrangements satisfactory to the Agent for the delivery of such termination statements have been made;

(xii) the Agent shall have received an upfront fee in Dollars on the Closing Date in an amount equal to 0.50% of the principal amount of the Initial Term B Loans for the account of each Initial Term B Lender.

(xiii) (A) all documents and instruments, including Uniform Commercial Code financing statements reasonably requested by the Agent to be filed, registered or recorded to create or perfect the Liens intended to be created under the Loan Documents and (B) control agreements to the extent required under the Security Documents; and

(xiv) such other assurances, certificates, documents, consents or opinions as the Agent reasonably may require.

(b) The Agent shall have received evidence reasonably satisfactory to it that the Separation shall be consummated on the Closing Date.

(c) Substantially concurrently with the effectiveness of this Agreement, the ABL Facility shall become effective.

(d) All fees required to be paid to the Agent or the Arranger on or before the Closing Date shall have been paid in full, and all fees required to be paid to the Lenders on or before the Closing Date shall have been paid in full.

(e) The Borrower shall have paid all fees, charges and disbursements of counsel to the Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the Closing Date (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Agent).

(f) The Agent and the Lenders shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Act.

(g) [Reserved].

(h) The representations and warranties of each Loan Party contained in Article V or in any other Loan Document, shall be true and correct in all material respects on and as of the Closing Date, except (i) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and (ii) in the case of any representation and warranty qualified by materiality, in which case they shall be true and correct in all respects.

(i) No Default or Event of Default shall exist, or would result from the application of the proceeds thereof.

(j) The Agent shall have received a Committed Loan Notice in accordance with the requirements hereof.

Without limiting the generality of the provisions of Section 9.4, for purposes of determining compliance with the conditions specified in this Section 4.1, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

To induce the Agent and the Lenders to enter into this Agreement and to make Loans hereunder, the Borrower, on behalf of each Loan Party, represents and warrants to the Agent and the Lenders that:

5.1 Existence, Qualification and Power. Each Loan Party (a) is a corporation, limited liability company, partnership or limited partnership, duly incorporated, organized or formed, validly existing and, where applicable, in good standing under the Laws of the jurisdiction of its incorporation, organization or formation, (b) has all requisite power and authority and all requisite governmental licenses, permits, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, where applicable, in good standing under the Laws of each jurisdiction

where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. The Perfection Certificate sets forth, as of the Closing Date, each Loan Party's name as it appears in official filings in its state of incorporation or organization, its state of incorporation or organization, organization type, organization number, if any, issued by its state of incorporation or organization, and its federal employer identification number.

5.2 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is or is to be a party, has been duly authorized by all necessary corporate or other organizational action, and does not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) except where such conflict would not reasonably be expected to have a Material Adverse Effect, conflict with or result in any breach, termination, or contravention of, or constitute a default under (i) any Separation Agreement or any Material Indebtedness to which such Person is a party or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; (c) result in or require the creation of any Lien upon any asset of any Loan Party (other than Liens in favor of the Agent under the Security Documents and Liens permitted by Section 7.1); or (d) except where such violation would not reasonably be expected to have a Material Adverse Effect, violate any Law.

5.3 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except for (a) the perfection or maintenance of the Liens created under the Security Documents or (b) such as have been obtained or made and are in full force and effect.

5.4 Binding Effect. This Agreement has been, and each other Loan Document, when delivered, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, 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.

5.5 Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b) The unaudited Consolidated balance sheet of the Borrower and its Subsidiaries dated November 1, 2013, and the related Consolidated statements of income or operations, Shareholders' Equity and cash flows for the Fiscal Quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

5.6 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of its Restricted Subsidiaries or against any of its properties or revenues that either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.7 [Reserved].

5.8 Ownership of Property; Liens.

(a) Each of the Loan Parties has good record and marketable title in fee simple to or valid leasehold interests in, all Real Estate necessary or used in the ordinary conduct of its business, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of the Loan Parties has good and marketable title to, valid leasehold interests in, or valid licenses to use all personal property and assets used in the conduct of its business except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) The Perfection Certificate sets forth the address of all Real Estate (excluding Leases) that is owned by the Loan Parties and indicates each piece of Real Estate constituting a Mortgaged Property. The Perfection Certificate sets forth the address of all Leases of the Loan Parties, together with the name of each lessor and its contact information with respect to each such Lease as of the Closing Date. As of the Closing Date, each of such Leases is in full force and effect and the Loan Parties are not in default of the terms thereof except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.9 Environmental Compliance.

(a) No Loan Party (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, except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: none of the properties currently or formerly owned or operated by any Loan Party is listed or proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list or is adjacent to any such property; there are no and never have been any underground or above-ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any property currently owned or operated by any Loan Party or, to the best of the knowledge of the Loan Parties, on any property formerly owned or operated by any Loan Party; there is no asbestos or asbestos-containing material on any property currently owned or operated by any Loan Party; and Hazardous Materials have not been released, discharged or disposed of on any property currently or formerly owned or operated by any Loan Party.

(c) Except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, no Loan Party is undertaking, and no Loan Party has completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law. All Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or formerly owned or operated by any Loan Party have been disposed of in a manner not reasonably expected to result in a Material Adverse Effect.

5.10 Insurance. In accordance with Section 6.7 hereof, the properties of the Loan Parties are insured with financially sound and reputable insurance companies which are not Affiliates of the Loan Parties, in such amounts (after giving effect to any self-insurance compatible with the following standards), with such deductibles and covering such risks (including, without limitation, worker's compensation, commercial general liability, insurance on real and personal property and directors and officers liability insurance) as are reasonably determined by the Borrower and customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Loan Parties operate. The Perfection Certificate sets forth a description of all insurance maintained by or on behalf of the Loan Parties as of the Closing Date. As of the Closing Date, each insurance policy listed in the Perfection Certificate is in full force and effect and all premiums in respect thereof that are due and payable have been paid.

5.11 Taxes. The Loan Parties have filed all Federal, state and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings being diligently conducted, for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Loan Party that would, if made, have a Material Adverse Effect. As of the Closing Date, no Loan Party or any Subsidiary thereof is a party to any tax sharing agreement other than in connection with the Separation Agreements.

5.12 ERISA Compliance.

(a) Except as would not reasonably be expected to have a Material Adverse Effect, (i) each Plan and, to the knowledge of the Loan Parties, any Multiemployer Plan is in compliance with the applicable provisions of ERISA, the Code and other Federal or state laws, and (ii) each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of the Loan Parties, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan and, to the knowledge of the Loan Parties, any Multiemployer Plan, in each case that would reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or would reasonably be expected to result in a Material Adverse Effect.

(c) Except as would not reasonably be expected to have a Material Adverse Effect, (i) no ERISA Event has occurred, and neither the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that would reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan or Multiemployer Plan; (ii) the Borrower and each ERISA Affiliate meet all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 80% or higher; (iv) neither the Borrower nor any ERISA Affiliate has incurred any unsatisfied liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither the Borrower nor any ERISA Affiliate has engaged in a transaction described in Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that would reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

5.13 Subsidiaries; Equity Interests. As of the Closing Date, the Loan Parties have no Subsidiaries other than those disclosed in the Perfection Certificate, which sets forth the legal name, jurisdiction of incorporation or formation and authorized Equity Interests of each such Subsidiary. All of the outstanding Equity Interests in the Loan Parties (other than the Borrower) and such Subsidiaries have been validly issued, are fully paid and non-assessable and, as of the Closing Date, are owned by the Persons specified and in the amounts specified in the Perfection Certificate free and clear of all Liens other than Liens permitted by Section 7.1. Except as set forth in the Perfection Certificate, there are no outstanding rights to purchase any Equity Interests in any Subsidiary as of the Closing Date. As of the Closing Date, the Loan Parties have no equity investments in any other corporation or entity other than those specifically disclosed in the Perfection Certificate. The copies of the Organization Documents of each Loan Party and each amendment thereto provided pursuant to Section 4.1 are true and correct copies of each such document as of the Closing Date, each of which was valid and in full force and effect as of the Closing Date.

5.14 Margin Regulations; Investment Company Act.

(a) No Loan Party is engaged or will be engaged, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. None of the proceeds of the Loans shall be used directly or indirectly for the purpose of purchasing or carrying any margin stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry any margin stock or for any other purpose that might cause any of the Loans to be considered a "purpose credit" within the meaning of Regulations T, U, or X issued by the FRB.

(b) None of the Loan Parties or any Restricted Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

5.15 Disclosure. The reports, financial statements, certificates and other written information (other than as set forth below and other than information of a general economic or industry nature) furnished by or on behalf of any Loan Party to any Agent or any Lender in connection with the Transactions and the negotiation of this Agreement or delivered hereunder or under any other Loan Document, 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 and *pro forma* financial information, the Borrower represents only that such information was prepared in good

faith based upon assumptions believed to be reasonable at the time of preparation; it being understood that such financial information as it relates to future events is not to be viewed as fact and that such projections may vary from actual results and that such variances may be material.

5.16 Compliance with Laws. Each of the Loan Parties is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

5.17 Intellectual Property; Licenses, Etc. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, the Loan Parties own, or possess the right to use, all of the Intellectual Property, licenses, permits and other authorizations that are reasonably necessary for the operation of their respective businesses, without, to the knowledge of the Loan Parties, conflict with the rights of any other Person or infringement upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Loan Parties, threatened, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.18 Labor Matters. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, (i) there are no strikes, lockouts, slowdowns or other labor disputes against any Loan Party pending or, to the knowledge of any Loan Party, threatened; (ii) the hours worked by and payments made to employees of the Loan Parties comply with the Fair Labor Standards Act and any other applicable federal, state, local or foreign Law dealing with such matters; (iii) no Loan Party has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state Law; and (iv) all payments due from any Loan Party, or for which any claim may be made against any Loan Party, on account of wages and employee health and welfare insurance and other benefits, have been paid or properly accrued in accordance with GAAP as a liability on the books of such Loan Party. Except as set forth on Schedule 5.18, as of the Closing Date, no Loan Party is a party to or bound by any collective bargaining agreement. As of the Closing Date, there are no representation proceedings pending or, to any Loan Party's knowledge, threatened to be filed with the National Labor Relations Board, and no labor organization or group of employees of any Loan Party has made a pending demand for recognition. There are no complaints, unfair labor practice charges, grievances, arbitrations, unfair employment practices charges or any other claims or complaints against any Loan Party pending or, to the knowledge of any Loan Party, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment of any employee of any Loan Party which would individually or in the aggregate reasonably be expected to result in a Material Adverse Effect. The consummation of the transactions contemplated by the Loan Documents will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Loan Party is bound.

5.19 Security Documents.

(a) The Guaranty and Security Agreement creates in favor of the Agent, for the benefit of the Credit Parties referred to therein, a legal, valid, continuing and enforceable security interest in the Collateral (as defined in the Guaranty and Security Agreement), subject to applicable bankruptcy, insolvency, reorganization, 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. Upon the

making of the filings contemplated in the Guaranty and Security Agreement and/or the obtaining of "control" (as defined in the UCC) of the Collateral under the Guaranty and Security Agreement, the Agent will have a perfected Lien on, and security interest in, to and under all right, title and interest of the Loan Parties thereunder in all Collateral that may be perfected under the UCC (in effect on the date this representation is made) by filing, recording or registering a financing statement or analogous document (including without limitation the proceeds of such Collateral subject to the limitations relating to such proceeds in the UCC) or by obtaining control, in each case prior and superior in right to any other Person (other than Permitted Encumbrances which by operation of Law or the ABL Intercreditor Agreement or any Customary Intercreditor Agreement would have priority to the Liens securing the Obligations).

(b) Each Mortgage creates, or when executed will create, in favor of the Agent, for the benefit of the Credit Parties referred to therein, a legal, valid, continuing and enforceable security interest in the applicable Mortgaged Property, subject to applicable bankruptcy, insolvency, reorganization, 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. Upon the recording of each Mortgage, the Agent will have a perfected Lien on, and security interest in, to and under all right, title and interest of the Loan Parties thereunder in the applicable Mortgaged Property, in each case prior and superior in right to any other Person (other than Permitted Encumbrances that by operation of Law or the ABL Intercreditor Agreement or any Customary Intercreditor Agreement would have priority to the Liens securing the Obligations).

5.20 Solvency. As of the Closing Date, after giving effect to the Transactions, the Loan Parties, on a Consolidated basis, are Solvent.

5.21 OFAC. None of the Borrower, any of its Restricted Subsidiaries, or any of the Borrower's directors or officers, nor, to the knowledge of the Borrower, any directors or officers of any of the Borrower's Restricted Subsidiaries, (i) is currently the subject of any Sanctions, or (ii) is organized or residing in any Designated Jurisdiction. No Loan, nor the proceeds from any Loan, has been or will be used by the Borrower or its Restricted Subsidiaries, directly or indirectly, (A) to lend, contribute to, provide financing for or otherwise fund any activity or business in any Designated Jurisdiction, (B) to fund any activity or business of any Person organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or (C) in any other manner that will result in any violation by any party to any Loan Document (including any Lender, the Arranger or the Agent) of Sanctions. The Borrower and each of its Restricted Subsidiaries is in compliance, in all material respects, with the Act.

5.22 [Reserved].

5.23 Separation.

(a) The Loan Parties have delivered to the Agent a complete and correct copy of each Separation Agreement, including all schedules and exhibits thereto, as of the Closing Date. Such Separation Agreements sets forth the entire agreement and understanding of the parties thereto relating to the subject matter thereof, and there are no other agreements, arrangements or understandings, written or oral, relating to the matters covered thereby, in each case as of the Closing Date. The execution, delivery and performance of each such Separation Agreement has been duly authorized by all necessary action on the part of each Loan Party party thereto. No authorization or approval or other action by, and no notice to filing with or license from, any Governmental Authority is required for the consummation of the transactions contemplated by the Separation Agreements other than such as have been obtained on or prior to the Closing Date. The Separation Agreements are, as of the Closing Date, the legal, valid and binding obligation of each Loan Party party thereto and, to the best knowledge of any Loan Party, the other parties thereto, enforceable against such parties in accordance with their terms.

(b) Contemporaneously with the Closing Date, all aspects of the Separation have been effected in all material respects in accordance with terms of the Separation Agreements and applicable Law. All consents and approvals of, and filings and registrations with, and all other actions in respect of, all Governmental Authorities required in order to consummate the Separation have been obtained, given, filed or taken and are in full force and effect contemporaneously with the Closing Date.

5.24 Foreign Corrupt Practices Act.

(a) Except as disclosed to the Arranger on or prior to the Closing Date, none of the Borrower, any of its Subsidiaries or, to the knowledge of the Borrower, any director, officer, agent, employee, or other person acting on behalf of the Borrower or any of its Subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; or (iii) violated the Foreign Corrupt Practices Act of 1977 as amended.

(b) No part of the proceeds of the Loans will be used by the Borrower or any Subsidiary, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in any case in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

5.25 Casualty. Since the date of the Audited Financial Statements, the businesses and properties of the Loan Parties and their Restricted Subsidiaries, considered as a whole, have not been affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other Casualty Event (whether or not covered by insurance) that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

ARTICLE VI
AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Loan Agreement Obligation hereunder shall remain unpaid or unsatisfied (other than contingent indemnification claims for which a claim has not been asserted), the Borrower shall, and shall (except in the case of the covenants set forth in Sections 6.1, 6.2, and 6.3) cause each of its Restricted Subsidiaries to:

6.1 Financial Statements. Deliver to the Agent:

(a) as soon as available, but in any event within 95 days after the end of each Fiscal Year of the Borrower (commencing with the fiscal year ended January 31, 2014), a Consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such Fiscal Year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by a report and opinion of a Registered Public Accounting Firm of nationally recognized standing reasonably acceptable to the Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit;

(b) as soon as available, but in any event within 50 days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Borrower (commencing with the Fiscal Quarter ended May 2, 2014), a Consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such Fiscal Quarter, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such Fiscal Quarter and for the portion of the Borrower's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) the corresponding Fiscal Quarter of the previous Fiscal Year and (B) the corresponding portion of the previous Fiscal Year, all in reasonable detail, such Consolidated statements to be certified by a Responsible Officer of the Borrower as fairly presenting the financial condition, results of operations, Shareholders' Equity and cash flows of the Borrower and its Subsidiaries as of the end of such Fiscal Quarter in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes;

(c) [Reserved];

(d) as soon as available, but in any event no more than 60 days after the end of each Fiscal Year of the Borrower, forecasts prepared by management of the Borrower, in form reasonably satisfactory to the Agent, consisting of a projected balance sheet, income statement and cash flows of the Borrower and its Subsidiaries on a monthly basis for the immediately following Fiscal Year (including the Fiscal Year in which the Maturity Date occurs).

6.2 Certificates; Other Information. Deliver to the Agent:

(a) concurrently with the delivery of the financial statements referred to in Sections 6.1(a) and (b), (i) a duly completed Compliance Certificate signed by a Responsible Officer of the Borrower, and in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, a statement of reconciliation conforming such financial statements to GAAP, (ii) to the extent applicable, related consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements, in reasonable detail (it being understood that full financial statements for any applicable Unrestricted Subsidiaries shall not be required), (iii) in the case of a Compliance Certificate delivered in connection with the delivery of financial statements referred to in Section 6.1(a), reasonably detailed calculations, beginning with the financial statements for the fiscal year of the Borrower ending January 30, 2015, of Excess Cash Flow for such fiscal year, (iv) a reasonably detailed calculation of the Net Proceeds received during the applicable period by or on behalf of the Borrower or any Restricted Subsidiary in respect of any event described in Section 2.5(b)(ii) and the portion of such Net Proceeds that has been invested or are intended to be reinvested in accordance with Section 2.5(b)(ii)(B).

(b) [Reserved];

(c) promptly upon receipt, copies of any report submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by its Registered Public Accounting Firm in connection with any Internal Control Event or any other event that would reasonably be expected, individually or in the aggregate with other events, to result in a Material Adverse Effect;

(d) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of the Loan Parties, and copies of all annual, regular, periodic and special reports and registration statements which any Loan Party may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934;

(e) [Reserved];

(f) [Reserved];

(g) upon request of the Agent after the end of each Fiscal Year of the Loan Parties, evidence of insurance renewals as required under Section 6.7 hereunder in form and substance reasonably acceptable to the Agent;

(h) promptly after the Agent's request therefor, copies of all documents evidencing Material Indebtedness;

(i) [Reserved]; and

(j) promptly, such additional information regarding the business affairs, financial condition or operations of any Loan Party or any Restricted Subsidiary, or compliance with the terms of the Loan Documents, as the Agent (on its own behalf or on behalf of any Lender) may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.1 or Section 6.2 may be delivered by electronic mail or by posting to a website and, if so delivered by posting to a website, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 10.2; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent and including, without limitation, the website of the SEC). The Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Loan Parties with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Loan Parties hereby acknowledge that (a) the Agent and/or the Arranger will make available to the Lenders materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Loan Parties or their securities) (each, a "Public Lender"). The Loan Parties hereby agree that so long as any Loan Party is the issuer of any outstanding debt or equity securities that are registered or issued pursuant to a private offering or is actively contemplating issuing any such securities they will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Loan Parties shall be deemed to have authorized the Agent, the Arranger and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Loan Parties or their securities for purposes of the Securities Laws (provided, however, that to the extent

such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.8); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor"; and (z) the Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

6.3 Notices. Promptly notify the Agent upon obtaining knowledge:

(a) of the occurrence of any Default or Event of Default;

(b) of any matter that has resulted or would reasonably be expected to result in a Material Adverse Effect,

(c) of any breach or non-performance of, or any default under, any of the Separation Agreements described in clauses (a), (b), (c), (e), (g) or (j) of the definition thereof or with respect to Material Indebtedness of any Loan Party or any Restricted Subsidiary thereof;

(d) of receipt by any Loan Party or any Restricted Subsidiary thereof of a notice or other correspondence from any Governmental Authority (including, without limitation, the SEC (or comparable agency in any applicable non-U.S. jurisdiction)) concerning any proceeding, investigation or possible investigation or other inquiry by such Governmental Authority regarding financial or other operational results of any Loan Party or any Restricted Subsidiary thereof or any other matter, in each case which, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(e) of any dispute, litigation, investigation, proceeding or suspension between any Loan Party or any Restricted Subsidiary thereof and any Governmental Authority; or the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Restricted Subsidiary thereof, including pursuant to any applicable Environmental Laws, in each case which would be reasonably expected to result in a Material Adverse Effect;

(f) of the occurrence of any ERISA Event; and

(g) of any material change in accounting policies or financial reporting practices by any Loan Party or any Restricted Subsidiary thereof;

(h) of the filing of any Lien for unpaid Taxes against any Loan Party in excess of $5,000,000; and

(i) of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any interest in a material portion of the Collateral under power of eminent domain or by condemnation or similar proceeding or if any material portion of the Collateral is damaged or destroyed. Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto.

6.4 Payment of Taxes. Pay and discharge before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property (ii) all payments required to be made to any Pension Plan, and (iii) all lawful claims that, if unpaid, might by law become a Lien upon its property; provided that neither the Borrower nor any of its Subsidiaries shall be

required to pay or discharge any such tax, assessment, charge or claim (x) that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors or (y) if such non-payments, either individually or in the aggregate, would not be reasonably expected to have a Material Adverse Effect.

6.5 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization or formation except in a transaction permitted by Section 7.4 or 7.5; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its Intellectual Property, except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

6.6 Maintenance of Properties. Except, in each case, where the failure to do so would not reasonably be expected to have a Material Adverse Effect: (a) maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; and (b) make all necessary repairs thereto and renewals and replacements thereof.

6.7 Maintenance of Insurance.

(a) Maintain or cause to be maintained with financially sound and reputable insurance companies and not Affiliates of the Loan Parties, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business and operating in the same or similar locations or as is required by Law, of such types and in such amounts (after giving effect to any self-insurance compatible with the following standards) as are customarily carried under similar circumstances by such other Persons.

(b) Maintain for themselves and their Restricted Subsidiaries, a Directors and Officers insurance policy, and a "Blanket Crime" policy with responsible companies in such amounts as are customarily carried by business entities engaged in similar businesses similarly situated, and will upon request by the Agent furnish the Agent certificates evidencing renewal of each such policy.

(c) If any portion of any Mortgaged Property is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), (i) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (ii) deliver to the Agent evidence of such compliance in form and substance reasonably acceptable to the Agent, including, without limitation, evidence of annual renewals of such insurance.

(d) Cause commercial general liability policies to be endorsed to name the Agent as an additional insured.

(e) Cause business interruption and property policies, if any, to name the Agent as a loss payee and to use commercially reasonable efforts to cause such policies to be endorsed or amended to include (i) a provision that, from and after the Closing Date, the insurer shall pay all proceeds otherwise payable to the Loan Parties under the policies directly to the Agent, and (ii) a provision to the effect that none of the Loan Parties, the Agent, the Agent or any other party shall be a co-insurer.

(f) Use commercially reasonable efforts to cause each such policy referred to in subsections (d) and (e) above to also provide that it shall not be canceled, modified or non-renewed (i) by reason of nonpayment of premium except upon not less than ten (10) days' prior written notice thereof by the insurer to the Agent (giving the Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason except upon not less than thirty (30) days' prior written notice thereof by the insurer to the Agent.

6.8 Compliance with Laws. Comply in all material respects with the requirements of all Laws (including all Environmental Laws and the Act, anti-money laundering laws and OFAC) and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been set aside and maintained by the Loan Parties in accordance with GAAP and (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.9 Books and Records; Accountants.

(a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Loan Parties or such Restricted Subsidiary, as the case may be; and (ii) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Loan Parties or such Restricted Subsidiary, as the case may be.

(b) At all times retain a Registered Public Accounting Firm and, on request of the Agent, instruct such Registered Public Accounting Firm to cooperate with, and be available to, the Agent or its representatives to discuss the Loan Parties' financial performance, financial condition, operating results, controls, and such other matters, within the scope of the retention of such Registered Public Accounting Firm, as may be raised by the Agent.

6.10 Inspection Rights. Permit representatives and independent contractors of the Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, the insurance policies maintained by or on behalf of the Loan Parties and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and Registered Public Accounting Firm, at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower.

6.11 Additional Guarantors. Promptly notify the Agent at the time that any Person becomes a Subsidiary or any Person that is an Unrestricted Subsidiary becomes a Restricted Subsidiary, and cause any such Person that is a wholly-owned Domestic Subsidiary that is a Restricted Subsidiary to (a) promptly thereafter (and in any event within fifteen (15) days of such Person becoming a Subsidiary or a Restricted Subsidiary, as the case may be, or such later date as the Agent may agree) (i) become a Guarantor by executing and delivering to the Agent a Joinder Agreement or such other documents as the Agent shall reasonably deem appropriate for such purpose, (ii) grant a Lien to the Agent on such Person's assets of the same type that constitute Collateral to secure the Obligations (excluding any Material Real Estate) and take such actions as may be required under the Security Documents to perfect such Lien, and (iii) deliver to the Agent documents of the types referred to in clauses (iii) and (iv) of Section 4.1(a), (b) promptly thereafter (and in any event within ninety (90) days of such Person becoming a Subsidiary or a Restricted Subsidiary, as the case may be, or such later date as the Agent may agree), (i) grant a Lien to the Agent on such Person's Material Real Estate to secure the Obligations and take such actions as may

be required under the Security Documents to perfect such Lien and (ii) if reasonably requested by the Agent, deliver documents of the types referred to in Schedule 6.15 and, (c) if reasonably requested by the Agent, deliver customary opinions of counsel to such Person in connection with the foregoing clauses (a) and (b), in each case in form, content and scope reasonably satisfactory to the Agent. In no event shall compliance with this Section 6.11 waive or be deemed a waiver or consent to any transaction giving rise to the need to comply with this Section 6.11 if such transaction was not otherwise expressly permitted by this Agreement.

6.12 [Reserved].

6.13 Information Regarding the Collateral. Furnish to the Agent at least five (5) days prior written notice of any change in: (i) any Loan Party's name; (ii) the location of any Loan Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Term Loan Collateral (including the establishment of any such new office); (iii) any Loan Party's organizational structure or jurisdiction of incorporation or formation; or (iv) any Loan Party's Federal Taxpayer Identification Number or organizational identification number assigned to it by its state of organization.

6.14 [Reserved].

6.15 Post-Closing Actions Relating to Collateral. Notwithstanding anything to the contrary contained in this Agreement or the Security Documents, the parties hereto acknowledge and agree that the Borrower and the other Loan Parties shall take the actions specified in Schedule 6.15 as promptly as reasonably practicable, and in any event within the periods after the Closing Date specified in Schedule 6.15. The provisions of Schedule 6.15 shall be deemed incorporated by reference herein as fully as if set forth herein in their entirety.

6.16 Further Assurances.

(a) Execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), that may be required under any Law, or which the Agent may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of the Loan Parties.

(b) If any material assets of the type which constitute Collateral under the Security Documents (including, without limitation, any Material Real Estate) are acquired by any Loan Party after the Closing Date (other than assets constituting Collateral under the Security Documents that become subject to the perfected Lien under the Security Documents upon acquisition thereof), notify the Agent thereof, and the Loan Parties will cause such assets to be subjected to a Lien securing the Obligations and will take such actions as shall be necessary or shall be reasonably requested by the Agent to grant and perfect such Liens, including actions described in Section 6.15 and subsection (a) of this Section 6.16, all at the expense of the Loan Parties. In no event shall compliance with this subsection (b) waive or be deemed a waiver or consent to any transaction giving rise to the need to comply with this subsection (b) if such transaction was not otherwise expressly permitted by this Agreement.

6.17 [Reserved].

6.18 [Reserved].

6.19 Maintenance of Ratings. Use commercially reasonable efforts to maintain a rating of the Facilities and a corporate debt rating for the Borrower by each of S&P and Moody's (but not to obtain or maintain a specific rating).

6.20 Conference Calls. In the case of the Borrower, upon the request of the Agent or the Required Lenders, participate in a conference call of the Agent and the Lenders once during each Fiscal Year at such time as may be agreed to by the Borrower and the Agent.

6.21 Designation of Subsidiaries. The Borrower may at any time designate any Restricted Subsidiary of the Borrower as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) immediately before and after such designation, no Default shall have occurred and be continuing and on a Pro Forma Basis, the Total Leverage Ratio as of the end of the most recent Measurement Period is not greater than 5.25:1.00 and (ii) no Subsidiary may be designated as an Unrestricted Subsidiary if it is a "Restricted Subsidiary" for the purpose of the ABL Facilities . The designation of any Subsidiary as an Unrestricted Subsidiary after the Closing Date shall constitute an Investment by the Borrower therein at the date of designation in an amount equal to the fair market value of the Borrower's or its Subsidiary's (as applicable) Investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (x) the incurrence at the time of designation of any Indebtedness or Liens of such Subsidiary existing at such time and (y) a return on any Investment by the Borrower in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value of the Unrestricted Subsidiary so designated at the date of such designation. Any such designation shall be evidenced to the Agent by filing with the Agent a certificate of a Responsible Officer certifying that such designation or revocation complied with the foregoing conditions.

ARTICLE VII
NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Loan Agreement Obligation hereunder shall remain unpaid or unsatisfied (other than contingent indemnification claims for which a claim has not been asserted), the Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, directly or indirectly:

7.1 Liens. Create, incur, assume or suffer to exist any Lien upon any Collateral, whether now owned or hereafter acquired, other than, Permitted Encumbrances.

7.2 Investments. Make any Investments, except Permitted Investments.

7.3 Indebtedness. Create, incur, assume, guarantee, suffer to exist or otherwise become or remain liable with respect to, any Indebtedness, except Permitted Indebtedness.

7.4 Fundamental Changes. Merge, dissolve, liquidate or consolidate with or into another Person, except that:

(a) any Subsidiary which is not a Loan Party may merge or consolidate with (i) a Loan Party, provided that the Loan Party shall be the continuing or surviving Person or the non-Loan Party surviving such merger shall execute such documentation as the Agent may reasonably request to confirm its assumption of the obligations of such Loan Party under the Loan Documents, or (ii) any one or more other Restricted Subsidiaries which are not Loan Parties, provided that when any Restricted Subsidiary is merging with another Subsidiary, the continuing or surviving Person shall be a Restricted Subsidiary;

(b) any Loan Party may merge into or consolidate with another Loan Party, provided that in any merger involving the Borrower, the Borrower shall be the continuing or surviving Person;

(c) in connection with a Permitted Acquisition, any Subsidiary of a Loan Party may merge with or into or consolidate with any other Person or permit any other Person to merge with or into or consolidate with it; provided that (i) the Person surviving such merger shall be a wholly-owned Subsidiary of a Loan Party and such Person shall become a Loan Party to the extent required in accordance with the provisions of Section 6.11 hereof, and (ii) in the case of any such merger to which any Loan Party is a party, such Loan Party is the surviving Person or the Person surviving such merger shall execute such documentation as the Agent may reasonably request to confirm its assumption of the obligations of such Loan Party under the Loan Documents;

(d) any Restricted Subsidiary may liquidate or dissolve into its parent entity to the extent the Borrower reasonably determines that the continued existence of such Subsidiary is no longer in the best interests of the Borrower and its Restricted Subsidiaries; and

(e) so long as no Default or Event of Default shall have occurred and be continuing prior to or immediately after giving effect thereto, in connection with a Permitted Disposition of a Restricted Subsidiary, such Subsidiary may merge or consolidate into any Person that is not a Subsidiary.

7.5 Dispositions. Make any Disposition, except Permitted Dispositions.

7.6 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except the following:

(a) each Restricted Subsidiary of a Loan Party may make Restricted Payments to the holder of its Equity Interests, provided that any such Restricted Payment to a Person that is not a Loan Party shall not exceed such Person's ratable share of the Restricted Payments so made;

(b) the Loan Parties and each Restricted Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock or other Equity Interests of such Person, other than Disqualified Stock;

(c) the Borrower may make the Closing Date Dividend;

(d) the Borrower or any Restricted Subsidiary may pay (or make Restricted Payments to allow any direct or indirect parent thereof to pay) for the repurchase, retirement or other acquisition or retirement for value of Equity Interests of it or any direct or indirect parent thereof held by any future, present or former employee, director, manager, officer or consultant (or any Affiliates, spouses, former spouses, other immediate family members, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) of the Borrower (or any direct or indirect parent of the Borrower) or any of its Subsidiaries pursuant to any employee, management, director or manager equity plan, employee, management, director or manager stock option plan or any other employee, management, director or manager benefit plan or any agreement (including any stock subscription or shareholder agreement) with any employee, director, manager, officer or consultant of the Borrower or any Subsidiary; provided that such payments do not exceed $2,000,000 in any calendar year, provided that any unused portion of the preceding basket for any calendar year may be carried forward to succeeding calendar years, so long as the aggregate amount of all Restricted Payments made pursuant to this subsection (d) in any calendar year

(after giving effect to such carry forward) shall not exceed $5,000,000; provided further that cancellation of Indebtedness owing to the Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries from members of management of the Borrower, any of the Borrower's direct or indirect parent companies or any of the Borrower's Restricted Subsidiaries in connection with a repurchase of Equity Interests of any of the Borrower's direct or indirect parent companies will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of this Agreement;

(e) the Borrower or any of its Restricted Subsidiaries may make additional Restricted Payments, in cash or in kind, in an amount (or with a value) not to exceed the Available Amount, provided that, the time of any such Restricted Payment, (i) no Event of Default shall have occurred and be continuing or would result therefrom and (ii) after giving effect thereto, the Senior Secured Leverage Ratio as of the end of the most recently ended Measurement Period (calculated on a Pro Forma Basis as if such Restricted Payment had occurred at the beginning of such four-quarter period) would be less than 3.25:1.00;

(f) the redemption, repurchase, retirement or other acquisition of any Equity Interests of the Borrower in exchange for, or out of the proceeds of the substantially concurrent issuance or sale (other than to a Restricted Subsidiary or to an employee stock ownership plan) of Equity Interests of the Borrower (other than Disqualified Stock) so long as the proceeds thereof are excluded from the Available Amount;

(g) repurchases of Equity Interests deemed to occur (i) upon exercise of stock options, stock appreciation rights or warrants if such Equity Interests represent a portion of the exercise price of such options, stock appreciation rights or warrants or (ii) for purposes of satisfying any required tax withholding obligation upon the exercise or vesting of a grant or award that was granted or awarded to an employee or director;

(h) the repurchase, redemption or other acquisition for value of Equity Interests of Borrower deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of Borrower or its Subsidiaries, in each case, permitted under this Agreement; and

(i) other Restricted Payments, in cash or in kind, not to exceed $25,000,000 in the aggregate.

7.7 Prepayments of Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Specified Indebtedness, except (a) as long as no Default or Event of Default then exists, regularly scheduled or mandatory repayments, repurchases, redemptions or defeasances of Specified Indebtedness, (b) Permitted Refinancings of any such Indebtedness, (c) as long as no Event of Default exists or would result therefrom, up to $40,000,000 of aggregate Specified Indebtedness, (d) the conversion (or exchange) of any Specified Indebtedness to, or the payment of any Specified Indebtedness from the proceeds of the issuance of, Equity Interests and (e) so long as no Event of Default has occurred and is continuing or would result therefrom and after giving effect thereto, the Senior Secured Leverage Ratio as of the end of the most recently ended Measurement Period (calculated on a Pro Forma Basis as if such Restricted Payment had occurred at the beginning of such four-quarter period) would be less than 3.25:1:00, payments of Specified Indebtedness from the Available Amount.

7.8 Change in Nature of Business.

Engage in any line of business substantially different from the business conducted by the Loan Parties and their Restricted Subsidiaries on the Closing Date or any business substantially related or incidental thereto.

7.9 Transactions with Affiliates. Enter into, renew, extend or be a party to any transaction of any kind with any Affiliate of any Loan Party, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Loan Parties or such Restricted Subsidiary as would be obtainable by the Loan Parties or such Restricted Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate, provided that the foregoing restriction shall not apply to (a) transactions between or among the Loan Parties, (b) transactions described in the Separation Agreements, (c) transactions described in the Borrower's Form 10 under the Section titled "Certain Relationships and Related Party Transactions," (d) advances for commissions, travel and other similar purposes in the ordinary course of business to directors, officers and employees, (e) the payment of reasonable fees and out-of-pocket costs to directors, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of the Borrower or any of its Restricted Subsidiaries, (f) the provision of ordinary course administrative services to Subsidiaries that are not Loan Parties, (g) Restricted Payments otherwise permitted under this Agreement, (h) as long as no Change of Control results therefrom, any issuances of securities of the Borrower (other than Disqualified Stock) or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans (in each case in respect of Equity Interests in the Borrower) of the Borrower or any of its Restricted Subsidiaries, (i) the existence of, or the performance by the Loan Parties or any Restricted Subsidiary, of the obligations under the terms of any agreement to which it is a party as of the Closing Date, as set forth on Schedule 7.9, and (j) any transaction or series of related transactions involving one or more payments by the Borrower or its Restricted Subsidiaries of less than $1,000,000 in the aggregate.

7.10 Burdensome Agreements. Enter into or permit to exist any Contractual Obligation (other than this Agreement, the ABL Facility or any other Loan Document) that limits the ability of any Restricted Subsidiary to make Restricted Payments or other distributions to any Loan Party or to otherwise transfer property to or invest in a Loan Party, except for encumbrances and restrictions under Contractual Obligations existing under or by reason of (i) this Agreement, the ABL Facility and the other Loan Documents and the documents governing the Other Liabilities; (ii) any restrictions with respect to the Borrower or a Restricted Subsidiary imposed pursuant to (A) an agreement that has been entered into in connection with the disposition of all or any portion of the equity interests or assets of the Borrower or such Restricted Subsidiary or (B) contracts for the sale of assets that impose restrictions solely on the assets to be sold; (iii) the provisions contained in any Permitted Indebtedness (and in any refinancing of such indebtedness so long as no more restrictive than those contained in the respective Indebtedness so refinanced); (iv) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or a Restricted Subsidiary of the Borrower entered into in the ordinary course of business and customary provisions contained in other leases, sub-leases, licenses or sub-licenses and other agreements, in each case, entered into in the ordinary course of business; (v) customary provisions restricting assignment of any contract entered into by the Borrower or any Restricted Subsidiary of the Borrower; (vi) any agreement or instrument of a Person acquired as permitted hereunder, which restriction is not applicable to any Person or the properties or assets of any Person, other than the Person or the properties or assets of the Person acquired pursuant to the respective acquisition and so long as the respective encumbrances or restrictions were not created (or made more restrictive) in connection with or in anticipation of the respective acquisition; (vii) customary provisions restricting the assignment of licensing agreements, management agreements or franchise agreements entered into by the Borrower or any of its Restricted Subsidiaries in the ordinary course of business; (viii) restrictions on the transfer of assets securing purchase money obligations and capitalized lease obligations which are permitted hereunder;

(ix) customary net worth provisions contained in real property leases entered into by Restricted Subsidiaries of the Borrower, so long as the Borrower has determined in good faith that such net worth provisions could not reasonably be expected to impair the ability of the Borrower and its Restricted Subsidiaries to meet their ongoing obligations; (x) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and (xi) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating solely to such joint venture.

7.11 Use of Proceeds. Use the proceeds of any Loan, whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund Indebtedness originally incurred for such purpose.

7.12 Amendment of Organization Documents and Indebtedness. Amend, modify or waive any of a Loan Party's rights under (a) its Organization Documents in a manner materially adverse to the Agent and the Lenders, or (b) any Indebtedness if such amendment, modification or waiver would be in violation of any intercreditor agreement among the Agent and the holder of such Indebtedness.

7.13 Fiscal Year. Change the Fiscal Year of any Loan Party, except as required by GAAP or to coincide with the calendar year; provided, however, that the Borrower may, upon written notice to the Agent, change its Fiscal Year to any other fiscal year reasonably acceptable to the Agent, in which case the Borrower and the Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary to reflect such change in Fiscal Year.

7.14 Sanctions. Directly or indirectly (including through any Subsidiary or joint venture), use the proceeds of any Loan to fund any activities or business (i) with any individual or entity that is the subject of Sanctions, (ii) in any Designated Jurisdiction, or (iii) in any other manner that will result in a violation by any party to any Loan Document (including the Lenders, Arranger and Agent) of Sanctions.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

8.1 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower or any other Loan Party fails to pay (i) when and as required to be paid, any amount of principal of any Loan, or (ii) within three (3) days after the same is due, any amount of interest due on any Loan, or any fee due hereunder, or any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Sections 6.3(a), 6.5 (with respect to the Borrower) or Article VII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days; or

(d) Representations and Warranties. Any representation, warranty, or certification made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect in any material respect when made or deemed made; or

(e) Cross-Default. Any Loan Party (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Indebtedness, or (B) fails to observe or perform any other agreement or condition relating to any such Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs (excluding the sale or other disposition of collateral with respect to Material Indebtedness giving rise to a repayment obligation in respect thereof), the effect of which default or other event is to cause, or to permit the holder or holders of such Material Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or cash collateral in respect thereof to be demanded, prior to its stated maturity; provided that no ABL Financial Covenant Default shall constitute an Event of Default under this clause (e) until the earlier to occur of (x) the acceleration of the Indebtedness under the ABL Facility and (y) the exercise of any remedies by the ABL Agent or the lenders under the ABL Facility in respect of any Collateral; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any Restricted Subsidiary thereof (except, in the case of any Restricted Subsidiary, to the extent the aggregate assets or revenue of all Restricted Subsidiaries subject to such event is not in excess of 5% of the Borrower's consolidated total revenue or consolidated total assets) institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or a proceeding shall be commenced or a petition filed, without the application or consent of such Person, seeking or requesting the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed and the appointment continues undischarged, undismissed or unstayed for 60 calendar days or an order or decree approving or ordering any of the foregoing shall be entered; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Judgments. There is entered against any Loan Party or any Restricted Subsidiary thereof (except, in the case of any Restricted Subsidiary, to the extent the aggregate assets or revenue of all Restricted Subsidiaries subject to such event is not in excess of 5% of the Borrower's consolidated total revenue or consolidated total assets) one or more judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding $35,000,000 (to the extent not covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), and (i) enforcement proceedings are commenced by any creditor upon such judgment or order, or (ii) there is a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect; or

(h) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which would reasonably be expected to result in a Material Adverse Effect, or (ii) a Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan which would reasonably be expected to result in a Material Adverse Effect; or

(i) Invalidity of Loan Documents. (i) Any material provision of any Loan Document, at any time after its execution and delivery and for any reason, ceases to be in full force and effect; or any Loan Party or any Affiliate contests in any manner the validity or enforceability of any material provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any material provision of any Loan Document, or purports to revoke, terminate or rescind any material provision of any Loan Document or seeks to avoid, limit or otherwise adversely affect any Lien purported to be created under any Security Document; or (ii) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party or any other Person not to be, a valid and perfected Lien on any portion of the Collateral with an aggregate fair market value exceeding $15,000,000, with the priority required by the applicable Security Document; or

(j) Change of Control. There occurs any Change of Control.

8.2 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Agent may, or, at the request of the Required Lenders shall, take any or all of the following actions:

(a) declare the Commitments of each Lender to be terminated, whereupon such Commitments shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other Loan Agreement Obligations to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Loan Parties;

(c) whether or not the maturity of the Loan Agreement Obligations shall have been accelerated pursuant hereto, proceed to protect, enforce and exercise all rights and remedies of the Agent under this Agreement, any of the other Loan Documents or Law, including, but not limited to, by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement and the other Loan Documents or any instrument pursuant to which the Loan Agreement Obligations are evidenced, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Agent;

provided, however, that upon the occurrence of any Default or Event of Default with respect to the Borrower under Section 8.1(f), the obligation of each Lender to make Loans shall automatically terminate and the unpaid principal amount of all outstanding Loans, all interest accrued thereon and all other Loan Agreement Obligations shall automatically become due and payable, in each case without further act of the Agent or any Lender.

No remedy herein is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of Law.

8.3 Application of Funds. After the exercise of remedies provided for in Section 8.2 (or after the Obligations have automatically become immediately due and payable), any amounts received on account of the Obligations shall be applied by the Agent in the following order, subject in each case to the ABL Intercreditor Agreement and any applicable Customary Intercreditor Agreement:

First, to payment of that portion of the Obligations constituting fees, indemnities, Credit Party Expenses and other amounts (including fees, charges and disbursements of counsel to the Agent and amounts payable under Article III) payable to the Agent;

Second, to payment of that portion of the Obligations constituting indemnities (including indemnities due under Section 10.4 hereof), Credit Party Expenses, and other amounts (other than principal, interest and fees) payable to the Lenders (including Credit Party Expenses to the respective Lenders and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to payment of all other Obligations and fees, ratably among the Credit Parties in proportion to the respective amounts described in this clause Third payable to them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Loan Parties or as otherwise required by Law.

Notwithstanding the foregoing, (a) amounts received from the Borrower or any Guarantor that is not an "Eligible Contract Participant" (as defined in the Commodity Exchange Act) shall not be applied to the obligations that are Excluded Swap Obligations (it being understood, that in the event that any amount is applied to Obligations other than Excluded Swap Obligations as a result of this clause (a), to the extent permitted by applicable law, the Agent shall make such adjustments as it determines are appropriate to distributions from amounts received from "Eligible Contract Participants" to ensure, as nearly as possible, that the proportional aggregate recoveries with respect to obligations of the holders of any Excluded Swap Obligations are the same as the proportional aggregate recoveries with respect to other obligations) and (b) Other Liabilities under Cash Management Services shall be excluded from the application described above if the Agent has not received written notice thereof, together with such supporting documentation as the Agent may request, from the applicable Cash Management Service provider. Each Cash Management Service provider not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Agent pursuant to the terms of Article IX hereof for itself and its Affiliates as if a "Lender" party hereto.

ARTICLE IX
THE AGENT

9.1 Appointment and Authority. Each of the Lenders (in its capacity as a Lender) hereby irrevocably appoints Bank of America to act on its behalf as the administrative agent and collateral agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof (including, without limitation, acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations), together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent and the other Credit Parties, and no Loan Party or any Subsidiary thereof shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.2 Rights as a Lender. The Person serving as the 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 Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Loan Parties or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

9.3 Exculpatory Provisions. The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Applicable Lenders, provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Loan Parties or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity.

The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Applicable Lenders (as the Agent shall believe in good faith shall be necessary under the circumstances as provided in Sections 10.1 and 8.2) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a final and non-appealable judgment of a court of competent jurisdiction.

The Agent shall not be deemed to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Agent by a Loan Party or a Lender. In the event that the Agent obtains such actual knowledge or receives such a notice, the Agent shall give prompt notice thereof to the Lenders. Upon the occurrence of a Default or an Event of Default, the Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Applicable Lenders. Unless and until the Agent shall have received such direction, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to any such Default or Event of Default as it shall deem advisable in the best interest of the Credit Parties. In no event shall the Agent be required to comply with any such directions to the extent that the Agent believes that its compliance with such directions would be unlawful.

The 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 this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or

Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

9.4 Reliance by Agent. The 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 (including, but not limited to, any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received written notice to the contrary from such Lender prior to the making of such Loan. The Agent may consult with legal counsel (who may be counsel for any Loan Party), 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.

9.5 Delegation of Duties. The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the 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 the Agent. The Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.6 Resignation of Agent. The Agent may at any time give written notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above; provided that if the Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Collateral held by the Agent on behalf of the Lenders under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor

unless otherwise agreed between the Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.4 shall continue in effect for the benefit of such retiring 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 the retiring Agent was acting as Agent hereunder.

9.7 Non-Reliance on Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information 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 other Loan Document or any related agreement or any document furnished hereunder or thereunder. The Agent shall not have any duty or responsibility to provide any Credit Party with any other credit or other information concerning the affairs, financial condition or business of any Loan Party that may come into the possession of the Agent.

9.8 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Bookrunners or Arrangers listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity as the Agent or a Lender hereunder.

9.9 Agent May File Proofs of Claim; Credit Bidding. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Loan Parties) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Agent and the other Credit Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Agent, such Credit Parties and their respective agents and counsel and all other amounts due the Lenders, the Agent and such Credit Parties under Sections 2.9 and 10.4) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Agent and to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.9 and 10.4.

Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Credit Party any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Credit Party or to authorize the Agent to vote in respect of the claim of any Credit Party in any such proceeding.

The Credit Parties hereby irrevocably authorize the Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner, subject to any applicable intercreditor agreement, purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which a Loan Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Credit Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (i) through (x) of Section 10.1(a) of this Agreement, and (iii) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Credit Party or any acquisition vehicle to take any further action.

9.10 Collateral and Guaranty Matters. The Credit Parties irrevocably authorize the Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Loan Agreement Obligations (other than contingent obligations for which no claim has been asserted), (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of (to a Person that is not a Loan Party) as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, or (iii) if approved, authorized or ratified in writing by the Applicable Lenders in accordance with Section 10.1;

(b) to subordinate, make senior or make pari passu any Lien on any property granted to or held by the Agent under any Loan Document to or with the Lien of any other Person on such property, as contemplated by clauses (i), (r) and (y) of the definition of "Permitted Encumbrances" and to enter into the intercreditor agreements contemplated under clauses (i), (r) and (y) of the definition of "Permitted Encumbrances" or otherwise under this Agreement; and

(c) to release any Guarantor from its obligations under the Loan Documents if such Person ceases to be a Restricted Subsidiary or becomes an Unrestricted Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Agent at any time, the Applicable Lenders will confirm in writing the Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty and Security Agreement pursuant to this Section 9.10 and its authority to give the releases set forth in Section 10.22. The Agent agrees upon the request of the Borrower and at the Borrower's expense to negotiate in good faith and enter into any ABL Intercreditor Agreement or Customary Intercreditor Agreement permitted under this Agreement in connection with the incurrence by the Borrower or any Restricted Subsidiary of the applicable secured Indebtedness.

9.11 Notice of Transfer. The Agent may deem and treat a Lender party to this Agreement as the owner of such Lender's portion of the Loan Agreement Obligations for all purposes, unless and until, and except to the extent, an Assignment and Assumption shall have become effective as set forth in Section 10.6.

9.12 Agency for Perfection. Each Credit Party hereby appoints each other Credit Party as agent for the purpose of perfecting Liens for the benefit of the Credit Parties, in assets which, in accordance with Article 9 of the UCC or any other Law of the United States can be perfected only by possession or control. Should any Credit Party (other than the Agent) obtain possession or control of any such Collateral, such Credit Party shall notify the Agent thereof, and, promptly upon the Agent's request therefor shall deliver such Collateral to the Agent or otherwise deal with such Collateral in accordance with the Agent's instructions.

9.13 Indemnification of Agent. Without limiting the obligations of Loan Parties hereunder, to the extent that the Loan Parties for any reason fails to indefeasibly pay any amount required under Section 10.4 to be paid by them to the Agent (or any sub-agent thereof), the Lenders shall indemnify the Agent, any sub-agent thereof and any Related Party, as the case may be ratably according to their Applicable Percentages, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent, any sub-agent thereof and their Related Parties in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted to be taken by the Agent, any sub-agent thereof and their Related Parties in connection therewith; provided, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's, any sub-agent's and their Related Parties' gross negligence or willful misconduct as determined by a final and nonappealable judgment of a court of competent jurisdiction.

9.14 Relation among Lenders. 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 Agent) authorized to act for, any other Lender.

ARTICLE X
MISCELLANEOUS

10.1 Amendments, Etc.

(a) No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders or by the Agent, with the consent of the Required Lenders, and the Borrower or the applicable Loan Party, as the case may be, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(i) increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.2) without the written consent of such Lender;

(ii) as to any Lender, postpone any date fixed by this Agreement or any other Loan Document for (i) any scheduled payment (including on the Maturity Date) of principal, interest, fees or other amounts due hereunder or under any of the other Loan Documents without the written consent of such Lender, or (ii) any scheduled or mandatory reduction or termination of the Commitments hereunder or under any other Loan Document, without the written consent of such Lender;

(iii) as to any Lender, reduce the principal of, or the rate of interest specified herein on, any Loan held by such Lender, or (subject to clause (ii) of the second proviso to this Section 10.1(a)) any fees or other amounts payable hereunder or under any other Loan Document to or for the account of such Lender, without the written consent of such Lender; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest at the Default Rate;

(iv) as to any Lender, change Section 8.3 in a manner that would alter the priorities set forth therein or the pro rata sharing of payments required thereby without the written consent of such Lender;

(v) change any provision of this Section 10.1 or the definition of "Required Lenders," or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(vi) except as expressly permitted hereunder or under any other Loan Document, release all or substantially all of the value of the Guarantees of the Obligations by the Guarantors without the written consent of each Lender;

(vii) except for Permitted Dispositions or as provided in Section 9.10, release all or substantially all of the Collateral from the Liens of the Security Documents without the written consent of each Lender;

(viii) [Reserved];

(ix) [Reserved]; and

(x) except as expressly permitted herein or in any other Loan Document, subordinate the Loan Agreement Obligations hereunder or the Liens granted hereunder or under the other Loan Documents, to any other Indebtedness or Lien, as the case may be without the written consent of each Lender;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Lenders required above, affect the rights or duties of any Agent under this Agreement or any other Loan Document; (ii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto; and (iii) any amendment or waiver that by its terms affects the rights or duties of Lenders holding Loans or Commitments of a particular Class (but not the Lenders holding Loans or Commitments of any other Class) will require only the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto if such Class of Lenders were the only Class of Lenders. Notwithstanding anything to the contrary herein,

no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

(b) Notwithstanding anything to the contrary in this Agreement or any other Loan Document, (x) no provider or holder of any Bank Products or Cash Management Services shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as the provider or holder of such agreements or products or the Other Liabilities owing thereunder, nor shall the consent of any such provider or holder be required (other than in their capacities as Lenders, to the extent applicable) for any matter hereunder or under any of the other Loan Documents, including as to any matter relating to the Collateral or the release of Collateral or any Loan Party, and (y) any Loan Document may be amended and waived with the consent of the Agent at the request of the Borrower without the need to obtain the consent of any other Lender if such amendment or waiver is delivered in order (i) to comply with local Law or advice of local counsel, (ii) to cure ambiguities or defects or (iii) to cause any Loan Document to be consistent with this Agreement and the other Loan Documents.

(c) If any Lender does not consent (a "Non-Consenting Lender") to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender, each affected Lender or all Lenders with respect to a certain Class of Loans, as applicable, and that has been approved by the Required Lenders (or the requisite percentage Lenders of the applicable Class), the Borrower may replace such Non-Consenting Lender with respect to this Agreement or with respect to the Class of Loans or Commitments that is the subject of such related amendment, waiver, consent or release, as applicable, in accordance with Section 10.14; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this paragraph).

(d) Notwithstanding any provision herein to the contrary, this Agreement may be amended with the written consent of the Required Lenders, the Agent and the Borrower (i) to add one or more additional revolving credit or term loan facilities to this Agreement, and to permit the extensions of credit and all related obligations and liabilities arising in connection therewith from time to time outstanding to share (on a basis subordinated to the existing facilities hereunder) in the benefits of this Agreement and the other Loan Documents with the obligations and liabilities from time to time outstanding in respect of the existing facilities hereunder, and (ii) in connection with the foregoing, to permit, as deemed appropriate by the Agent and approved by the Lenders, the Lenders providing such additional credit facilities to participate in any required vote or action required to be approved by the Required Lenders or by any other number, percentage or class of Lenders hereunder.

(e) Notwithstanding and in addition to the foregoing, the Agent may, with the consent of the Borrower only, amend, modify or supplement any Loan Document to cure any ambiguity, omission, defect or inconsistency therein, so long as such amendment, modification or supplement does not adversely affect the rights of any Credit Party.

10.2 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (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 telecopier or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to a Loan Party or the Agent, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.2; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. Each of the Agent and the Borrower may, in its 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.

Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Loan Party, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Loan Parties' or the Agent's transmission of Borrower Materials through the Internet.

(d) Change of Address, Etc. Each of the Loan Parties and the Agent may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower and the Agent. In addition, each Lender agrees to notify the Agent from time to time to ensure that the Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of the Securities Laws.

(e) Reliance by Agent and Lenders. The Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices) purportedly given by or on behalf of the Loan Parties even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Loan Parties. All telephonic notices to and other telephonic communications with the Agent may be recorded by the Agent, and each of the parties hereto hereby consents to such recording.

10.3 No Waiver; Cumulative Remedies. No failure by any Credit Party to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided herein and in the other Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default or Event of Default, regardless of whether any Credit Party may have had notice or knowledge of such Default or Event of Default at the time.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at Law in connection with such enforcement shall be instituted and maintained exclusively by, the Agent in accordance with Section 8.2 for the benefit of all the Lenders; provided, however, that the foregoing shall not prohibit (a) the Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents or (b) any Lender from exercising setoff rights in accordance with Section 10.9 (subject to the terms of Section 2.13); and provided, further, that if at any time there is no Person acting as Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Agent pursuant to Section 8.2 and (ii) in addition to the matters set forth in clause (b) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

10.4 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay all Credit Party Expenses.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Agent (and any sub-agent thereof), the Lenders, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless (on an after tax basis) from, any and all losses, claims, causes of action, damages, liabilities, settlement payments, costs, and related expenses (including the reasonable fees, charges and out-of-pocket disbursements of one counsel for all Indemnitees and, if necessary, one firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all indemnified persons (and, in the case of an actual or perceived conflict of interest, where the Indemnitee affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Indemnitee)), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or the administration of this Agreement and the other Loan Documents, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Loan Party 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 the Borrower or any other Loan Party or any of the Loan Parties' directors, shareholders or creditors, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; 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 non-appealable judgment to have resulted from (1) the gross negligence or willful misconduct of such Indemnitee, or (2) in respect of disputes solely among Indemnitees that do not result from an act or omission of a Loan Party (other than claims against an Indemnitee acting in its capacity as agent or arranger or similar role under this Agreement). Without limiting the provisions of Section 3.1(c), this Section 10.4(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Law, the Loan Parties shall not assert, and hereby waive, any claim against any Indemnitee, 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, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof.

(d) Payments. All amounts due under this Section shall be payable on demand therefor.

(e) Limitation of Liability. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission

systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 10.2(e) shall survive the resignation of any Agent, the assignment of any Commitment or Loan by any Lender, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Loan Agreement Obligations.

10.5 Payments Set Aside. To the extent that any payment by or on behalf of the Loan Parties is made to any Credit Party, or any Credit Party exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Credit Party in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Agent upon demand its Applicable Percentage (without duplication) of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Loan Agreement Obligations and the termination of this Agreement.

10.6 Successors and Assigns.

(a) Successors and Assigns Generally. 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, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder or under any other Loan Document without the prior written consent of the Agent and each Lender (unless otherwise permitted pursuant to this Agreement), and, subject to Section 10.7, no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). 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, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Credit Parties) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans of any Class at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans) or, if the Commitment is not then in effect, the principal outstanding balance of the 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 Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $1,000,000 unless each of the Agent and, so long as no Default or Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Proportionate Amounts. 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 with respect to the Loans or the Commitment assigned;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) a Default or Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund with respect to such Lender; provided that, to the extent the consent of the Borrower is required, it shall be reasonable for the Borrower to withhold consent based on the nature of the proposed assignee's business; and provided further that, to the extent the consent of the Borrower is required, the Borrower shall be deemed to have consented to such assignment if the Borrower has been given ten (10) Business Days' prior notice of such assignment and has not objected to such assignment within such period; and

(B) the consent of the Agent, (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500, provided, however, that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it shall not be a Lender, shall deliver to the Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Loan Parties or any of the Loan Parties' Subsidiaries or Affiliates (including any Permitted Holder), (B) to any Defaulting Lender or any of its Subsidiaries or Affiliates, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this clause (vi), then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement 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 of Sections 3.1, 3.4, 3.5, and 10.4 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection (b) 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 subsection (d) of this Section.

(c) Register. The Agent, acting solely for this purpose as an agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal

amounts (and stated interest) of the Loans 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 Loan Parties, the Agent 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 Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice. Notwithstanding the foregoing, in no event shall the Agent be obligated to ascertain, monitor or inquire as to whether any Lender is an Affiliated Lender nor shall the Agent be obligated to monitor the aggregate amount of Loans held by Affiliated Lenders. Upon request by the Agent, the Borrower shall promptly (and in any case, not less than 5 Business Days (or shorter period as agreed to by the Agent) prior to the proposed effective date of any amendment, consent or waiver pursuant to Section 10.1) provide to the Agent, a complete list of all Affiliated Lenders holding Loans at such time.

(d) Participations. (i) Any Lender may at any time, without the consent of, or notice to, the Loan Parties or the Agent, sell participations to any Person (other than a Defaulting Lender, a natural Person or the Loan Parties or any of the Loan Parties' Affiliates or Subsidiaries (including any Permitted Holder)) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Loan Parties, the Agent, the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any Participant shall agree in writing to comply with all confidentiality obligations set forth in Section 10.8 as if such Participant was a Lender hereunder.

(ii) 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, waiver or other modification described in clauses (i) through (iv) and (vii) of the first proviso to Section 10.1(a) that affects such Participant. Subject to subsection (e) of this Section, the Loan Parties agree that each Participant shall be entitled to the benefits of Sections 3.1, 3.4 and 3.5 (subject to the requirements and limitations of those Sections, it being understood that any documentation required to be provided under Section 3.1(e) shall be provided to the participating Lender) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.9 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender.

(iii) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, 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 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 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 Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.1 or 3.4 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (not to be unreasonably withheld or delayed).

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Purchases by Affiliated Lenders. Any Affiliated Lender may purchase an assignment of outstanding Loans during the period commencing on the Closing Date and ending on the Business Day immediately preceding the Maturity Date with respect to such Loan or Loans, on the following basis:

(i) any such purchase of Loans shall be consummated as an assignment otherwise in accordance with the provisions of this Section 10.6 pursuant to an Assignment and Assumption;

(ii) any such purchase of Loans may be made by the applicable Affiliated Lender from time to time from one or more Lenders of such Affiliated Lender's choosing and need not be from all Lenders; and

(iii) the Affiliated Lenders shall not hold in the aggregate more than 30% of the Loans at any one point in time.

10.7 Affiliated Lenders.

Notwithstanding anything in the Agreement or any other Loan Documents to the contrary, with respect to any Loans at any time held by an Affiliated Lender, such Affiliated Lender shall have no right whatsoever, in its capacity as a Lender with respect to such Loans then held by such Affiliated Lender, whether or not the Borrower is subject to a bankruptcy or other insolvency proceeding, so long as such Lender is an Affiliated Lender, to (a) consent to any amendment, modification, waiver, consent or other action with respect to, or otherwise vote on any matter related to, or vote in connection with any direction delivered to the Agent by the Required Lenders pursuant to, any of the terms of the Agreement or any other Loan Documents; provided that the Agent shall automatically deem any Loans held by such Affiliated Lender to be voted pro rata according to the Loans of all other Lenders in the aggregate (other than any Affiliated Lenders) in connection with any such amendment, modification, waiver, consent, other action or direction (including all voting and consent rights arising out of any bankruptcy or other insolvency proceedings (except for voting on any plan of reorganization or refraining from voting on any plan of reorganization, in which case the Agent shall vote or refrain from voting such Loans of such Affiliated Lender in its sole discretion)); provided, further, that no such amendment, modification, waiver, consent, other action or direction referred to above shall deprive such Affiliated Lender of its share of any payments or other recoveries which the Lenders are entitled to share on a pro rata basis under the Loan Documents and provided, further that an Affiliated Lender shall have the right, in its capacity as a Lender, to consent to any amendment, modification, waiver, consent or other action with respect to, or otherwise vote on any matter related to, or vote in connection with any direction delivered to the Agent regarding,

any matter that requires the consent of each Lender or each affected Lender or adversely affects such Affiliated Lender disproportionately in any material respect as compared to other Lenders; (b) require any Agent or other Lender to undertake any action (or refrain from taking any action) with respect to the Agreement or any other Loan Documents (other than to require the Agent to distribute any payments received by it from the Borrower to which such Affiliated Lender is entitled pursuant to the terms of the Loan Documents), (c) attend any meeting (live or by any electronic means) in such Affiliated Lender's capacity as a Lender with any Agent or other Lender or receive any information from any Agent or other Lender or (d) have access to the Platform.

10.8 Treatment of Certain Information; Confidentiality.

Each Credit Party party to any Loan Document agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (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 required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; provided that any Person that discloses any Information pursuant to this clause (c) shall notify the Borrower in advance of such disclosure (if permitted by Law) or shall provide the Borrower with prompt written notice of such disclosure (if permitted by Law), (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any 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 and obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to Section 2.17 or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) 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 Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower (unless such disclosure is known to the Agent, Lender or Affiliate to have violated a confidentiality obligation).

For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or any 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.

Each of the Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

10.9 Right of Setoff. If an Event of Default shall have occurred and be continuing or if any Lender shall have been served with a trustee process or similar attachment relating to property of a Loan Party, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Agent or the Required Lenders, 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, in whatever currency) or other property at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the Loan Agreement Obligations now or hereafter existing under this Agreement or any other Loan Document to such Lender, regardless of the adequacy of the Collateral, and irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application , pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Borrower and the Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.10 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by Law (the "Maximum Rate"). If the Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans and other Obligations (other than Other Liabilities not then due and owing) or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.11 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents 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 4.1, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

10.12 Survival. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties

have been or will be relied upon by the Credit Parties, regardless of any investigation made by any Credit Party or on their behalf and notwithstanding that any Credit Party may have had notice or knowledge of any Default or Event of Default at the time of making of any Loan, and shall continue in full force and effect as long as any Loan or any other Loan Agreement Obligation hereunder shall remain unpaid or unsatisfied. Further, the provisions of Sections 3.1, 3.4, 3.5 and 10.4 and Article IX shall survive and remain in full force and effect regardless of the repayment of the Loan Agreement Obligations or the termination of the Commitments or the termination of this Agreement or any provision hereof.

10.13 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.13, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Agent, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.14 Replacement of Lenders. If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.6, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender (if permitted by Law) and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.6; provided that the consent of the assigned Lender shall not be required in connection with any such assignment and delegation), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.1 and 3.4) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Agent the assignment fee specified in Section 10.6(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.5) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.4 or payments required to be made pursuant to Section 3.1, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

10.15 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE AGENT, ANY LENDER OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION 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 IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY CREDIT PARTY 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) WAIVER OF VENUE. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY 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 LOAN 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) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.2. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

10.16 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY 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 OR 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 PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON 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 AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.17 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby, the Loan Parties each acknowledge and agree that: (i) the credit facility provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Loan Parties, on the one hand, and the Credit Parties, on the other hand, and each of the Loan Parties is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, each Credit Party is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Loan Parties or any of their respective Affiliates, stockholders, creditors or employees or any other Person; (iii) none of the Credit Parties has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Loan Parties with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether any of the Credit Parties has advised or is currently advising any Loan Party or any of its Affiliates on other matters) and none of the Credit Parties has any obligation to any Loan Party or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (iv) the Credit Parties and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and none of the Credit Parties has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) the Credit Parties have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each of the Loan Parties hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against each of the Credit Parties with respect to any breach or alleged breach of agency or fiduciary duty.

10.18 USA PATRIOT Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Agent, as applicable, to identify each Loan Party in accordance with the Act. Each Loan Party is in compliance, in all material respects, with the Act. No part of the proceeds of the Loans will be used by the Loan Parties, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended. The Loan Parties shall, promptly following a request by the Agent or any Lender, provide all documentation and other information that the Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

10.19 Foreign Asset Control Regulations. The Borrower hereby represents that neither of the advance of the Loans nor the use of the proceeds of any thereof will violate the Trading With the Enemy Act (50 U.S.C. § 1 et seq., as amended) (the "Trading With the Enemy Act") or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) (the "Foreign Assets Control Regulations") or any enabling legislation or executive order relating thereto (which for the avoidance of doubt shall include, but shall not be limited to (a) Executive Order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Executive Order") and (b) the Act. Furthermore, none of the Borrower or its Affiliates (a) 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 (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person" or in any manner violative of any such order.

10.20 Time of the Essence. Time is of the essence of the Loan Documents.

10.21 Press Releases.

(a) Each Credit Party executing this Agreement agrees that neither it nor its Affiliates will in the future issue any press releases or other public disclosure using the name of the Agent or its Affiliates or referring to this Agreement or the other Loan Documents without at least two (2) Business Days' prior notice to the Agent and without the prior written consent of the Agent unless (and only to the extent that) such Credit Party or Affiliate is required to do so under Law and then, in any event, such Credit Party or Affiliate will consult with the Agent before issuing such press release or other public disclosure.

(b) Each Loan Party consents to the publication by the Agent or any Lender of advertising material relating to the financing transactions contemplated by this Agreement using any Loan Party's name, product photographs, logo or trademark. The Agent or such Lender shall provide a draft reasonably in advance of any advertising material to the Borrower prior to the publication thereof. The Agent reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

10.22 Releases.

(a) Any Lien on any property granted to or held by the Agent under any Loan Document shall terminate upon termination of the Commitments and payment in full of all Obligations (other than (A) contingent obligations for which claims have not been asserted and (B) unless the Obligations have been accelerated as a result of the occurrence of any Event of Default or the Loan Parties are liquidating substantially all of their assets, subject to the first proviso hereto, Obligations in respect of Bank Products and Cash Management Services, except as to amounts that are due and payable thereunder for which the Agent has received a written notice from the applicable Lender or Affiliate of a Lender); provided, however, that in connection with the termination of the Commitments and satisfaction of the Loan Agreement Obligations as set forth above, the Agent may require such unsecured indemnities it shall reasonably deem necessary or appropriate to protect the Credit Parties against loss on account of credits previously applied to the Obligations that may subsequently be reversed or revoked; provided, further, that any such Liens granted pursuant to the Loan Documents shall be reinstated if at any time payment, or any part thereof, of any Loan Agreement Obligation is rescinded or must otherwise be restored by any Credit Party upon the bankruptcy or reorganization of any Loan Party. At the request and sole expense of any

Loan Party following any such termination, the Agent shall deliver to such Loan Party any Collateral held by the Agent under any Loan Document, and execute and deliver to such Loan Party such documents as such Loan Party shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Loan Party to a Person that is not a Loan Party in a transaction permitted by this Agreement, then such Collateral shall be released from the Liens created by the Loan Documents without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to such Loan Party or its transferee, as the case may be, and the Agent, at the request and sole expense of such Loan Party, shall execute and deliver to such Loan Party all releases or other documents reasonably necessary or desirable to evidence the release of the Liens created by the Loan Documents on such Collateral. At the request and sole expense of the Borrower, the Agent shall release any Loan Party from its obligations under the Loan Documents, including the Guaranty and Security Agreement, and shall execute and deliver to the Loan Parties all releases or other documentation reasonably necessary or desirable to evidence such release, and/or in the event that all the equity interest of such Loan Party shall be sold, transferred or otherwise disposed of to a Person that is not a Loan Party, or shall be designated an Unrestricted Subsidiary, in a transaction permitted by this Agreement.

10.23 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

10.24 Attachments. The exhibits, schedules and annexes attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail.

10.25 Electronic Execution of Assignments and Certain Other Documents. The words “execute,” “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the date first above written.

BORROWER:

LANDS' END, INC., as Borrower

By: /s/ Michael Rosera
Name: Michael Rosera
Title: Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer

BANK OF AMERICA, N.A.,
as Agent

By: /s/ Heather Lamberton
Name: Heather Lamberton
Title: Managing Director

[ ],
as Lender

By: _____
Name:
Title:

Schedule 2.1

Commitments

Initial Term B Lender	Initial Term B Loan Commitment
Bank of America, N.A.	**$ 515,000,000**
Total	**$ 515,000,000**

Schedule 5.18

Collective Bargaining Agreements

None.

Schedule 6.15

Post-Closing Actions Relating to Collateral

Within ninety (90) days after the Closing Date, or such later date as the Agent may agree in its sole discretion, the Agent shall have received each of the following documents with respect to each Mortgaged Property:

(i) **Mortgages.** One or more counterparts of fee Mortgages, duly executed and acknowledged by the holder of such fee interest in such Mortgaged Property, in favor of the Agent for its benefit and the benefit of the Credit Parties, in proper form for recording in the land records in the jurisdiction in which such Mortgaged Property is located (the "Land Records"), in form and substance satisfactory to the Agent and sufficient to create a valid and enforceable first priority mortgage lien on such Mortgaged Property in favor of the Agent for its benefit and the benefit of the Credit Parties, securing the Obligations, subject only to Permitted Encumbrances, together with evidence that a counterpart of such Mortgage has been delivered to the Title Company (as hereinafter defined) for recording in the Land Records;

(ii) **Title Insurance.** A lender's policy of title insurance (or commitment to issue such a policy having the effect of a policy of title insurance) issued by a nationally recognized title insurance company reasonably acceptable to the Agent (the "Title Company") insuring (or committing to insure) the lien of the applicable Mortgage as valid and enforceable first priority mortgage lien on the Mortgaged Property described therein (each, a "Title Policy") which insures the Agent that such Mortgage creates a valid and enforceable first priority mortgage lien on such Mortgaged Property, in an amount not less than the fair market value of such Mortgaged Property as reasonably determined, in good faith, by the Borrower and reasonably acceptable to the Agent (it being agreed that in lieu of any current appraisal, a current real property tax assessment may be used for such purpose), free and clear of all defects and encumbrances except Permitted Encumbrances, together with such endorsements (or in the case of zoning, zoning reports from a nationally recognized provider) as the Agent reasonably requests (or where such endorsements are not available, opinions of special counsel, architects or other professionals reasonably acceptable to the Agent), including, without limitation, to the extent available at commercially reasonably rates, a "tie-in" or "cluster" endorsement, if available under applicable law (*i.e.*, policies which insure against losses regardless of location or allocated value of the insured property up to a stated maximum coverage amount), endorsements on matters relating to usury, first loss, last dollar, zoning, contiguity, future advances, doing business, non-imputation, public road access, survey, variable rate, environmental lien, subdivision, separate tax lot revolving credit, so-called comprehensive coverage over covenants and restrictions and for any and all other matters that the Agent may request. Such Title Policy shall not include an exception for mechanics' liens, and shall provide for affirmative insurance and such reinsurance (including direct access agreements) as the Agent may reasonably request;

(iii) **Consents**. With respect to each Mortgaged Property, such consents, approvals, amendments, supplements, estoppels, tenant subordination agreements or other instruments as the Agent shall reasonably request; provided, that this clause (iii) shall be deemed satisfied if the Borrower shall have used commercially reasonable efforts to obtain any such consents, approvals, amendments, supplements, estoppels, tenant subordination agreements or other instruments from any Person other than a Subsidiary of the Borrower, notwithstanding that such Person may not have delivered any such consents, approvals, amendments, supplements, estoppels, tenant subordination agreements or other instruments;

(v) **Survey.** A survey of each Mortgaged Property, which, for the avoidance of doubt, can be an existing survey accompanied by an officer's certificate stating that there have been no material changes to such Mortgaged Property since the date of the survey, so long as such new survey or existing survey with certificate of no material change is in such form as shall (x) be required by the Title Company to issue the so-called comprehensive and other survey-related endorsements and to remove the standard survey exceptions from the Title Policy with respect to such Mortgaged Property and (y) comply with the minimum detail requirements of the American Land Title Association and as shall be reasonably requested by the Agent, which survey shall locate all improvements, public streets and recorded easements affecting such Mortgaged Property;

(vi) **Fixture Filings**. Proper fixture filings under the Uniform Commercial Code on Form UCC-1 for filing under the Uniform Commercial Code in the appropriate jurisdiction in which the Mortgaged Properties are located, necessary desirable to perfect the security interests in fixtures purported to be created by the Mortgages in favor of the Agent for its benefit and the benefit of the Credit Parties; provided, however, that to the extent local counsel opines that any Mortgage would constitute a valid and effective fixture filing in the jurisdiction in which the applicable Mortgaged Property is located, in form and substance satisfactory to the Agent, a fixture filing on Form UCC-1 shall not be required with respect to such Mortgaged Property;

(vii) **Counsel Opinions**. Opinions addressed to the Agent for its benefit and for the benefit of the Credit Parties of (i) local counsel in each jurisdiction where the Mortgaged Property is located (A) with respect to the enforceability and perfection of the Mortgage and (B) if and to the extent such local counsel usually and customarily provides such opinions, with respect to the sufficiency of the Mortgage as a fixture filing, the applicability of Mortgage recording, stamp or documentary taxes, and the applicability of any usury laws of the jurisdiction, and (ii) counsel for the Borrower regarding due authorization, execution and delivery of the Mortgages, in each case, in form and substance reasonably satisfactory to the Agent;

(viii) **Flood Hazard Determinations**. With respect to each Mortgaged Property, a "Life-of Loan" Federal Emergency Management Agency Standard Flood Hazard Determination (together with any required notice about special flood hazard area status and flood disaster assistance duly executed by the applicable Loan Party relating thereto) and, if the area in which any improvements located on any Mortgaged Property is designated a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), evidence of flood insurance, in favor of the Agent for its benefit and the benefit of the Credit Parties in an amount that would be considered sufficient under the Flood Insurance Laws and otherwise in form and substance reasonably satisfactory to the Agent (any such flood determinations to be ordered by the Agent, with reimbursement of any costs from the Borrower);

(x) **Real Estate Collateral Fees and Expenses.** Evidence reasonably satisfactory to the Agent of payment by the Borrower of all Title Policy premiums, search and examination charges, escrow charges and related charges, mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Mortgages, fixture filings and other documents and issuance of the Title Policies and endorsements contemplated by clause (ii) above.

Schedule 7.9

Transactions with Affiliates

1. General Indemnity Agreement, dated May 23, 2013, by and between Sears Holdings Corporation, Lands' End, Inc., and Aspen American Insurance Company.

2. License & Apparel Agreement between Lands' End Business Outfitters, a division of Lands' End, Inc., and Sears, Roebuck and Co., as amended, effective November 2009 through July 2018.

Schedule 10.2

Agent's Office; Certain Addresses for Notices

Agent

Bank of America, N.A.
Mail Code: NC1-002-15-36
Bank of America Plaza
101 S. Tryon St.
Charlotte, NC 28255-0001
Attention: Priscilla L. Baker
Telephone: (980) 386-3475
Facsimile: (704) 409-0918
E-mail: priscilla.l.baker@baml.com

ABA# 026009593
Account: Corporate Credit Services
Account No.: 1366212250600
Ref. Lands' End

with a copy to:

Cahill Gordon & Reindel LLP
80 Pine Street
New York, NY 10005
Attention: Corey Wright, Esq.
Telephone: (212) 701-3000
Facsimile: (212) 269-5420
E-mail: cwright@cahill.com

The Borrower and the Other Loan Parties

c/o Lands' End, Inc.
1 Lands' End Ln
Dodgeville WI 53595
Attention: Michael P. Rosera, Chief Financial Officer
Telephone: (608) 935 4806
Facsimile: (608) 935 6888
E-mail: mike.rosera@landsend.com
Website: www.landsend.com

with a copy to:

c/o Lands' End, Inc.
1 Lands' End Ln
Dodgeville WI 53595
Attention: Karl Dahlen, Vice President, General Counsel and Secretary
Telephone: (608) 935 6995
Facsimile: (608) 935 6550
E-mail: karl.dahlen@landsend.com

EXHIBIT A

FORM OF COMMITTED LOAN NOTICE

Date: _____, _____

To: Bank of America, N.A., as Agent

Ladies and Gentlemen:

Reference is made to the Term Loan Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "**Credit Agreement**") by and among (i) **Lands' End, Inc.**, a Delaware corporation (the "**Borrower**"), (ii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for the benefit of the Credit Parties referred to therein and (iii) the lenders from time to time party thereto (individually, a "**Lender**" and, collectively, the "**Lenders**"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

1. The Borrower hereby requests [a Borrowing]|[a Conversion of Loans from one Type to the other]|[a continuation of LIBOR Rate Loans][1]:

(a) On (a Business Day)[2]

(b) In the principal amount of $ [3]

(c) Comprised of a [Base Rate]|[LIBOR Rate] (Type of Loan)[4] [Initial Term B]|[Extended Term]|[Incremental Term]|[Loan made pursuant to any other Class of Commitments] (Class of Loan) Loan

---

1 A Borrowing must be a borrowing consisting of simultaneous Loans of the same Type and, in the case of LIBOR Rate Loans, must have the same Interest Period.

2 Each notice of a Borrowing, Conversion of Loans from one Type to the other, or a continuation of LIBOR Rate Loans must be received by the Agent not later than (i) 12:00 p.m. three (3) Business Days prior to the requested date of any Borrowing of LIBOR Rate Loans, and (ii) 3:00 p.m. one (1) Business Day prior to the requested date of any Borrowing of Base Rate Loans. Notice may be given by telephone, but must be confirmed promptly in writing in accordance with Section 2.2(b) of the Credit Agreement.

3 Each Borrowing, conversion to, or continuation of LIBOR Rate Loans must be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Each Borrowing of or conversion to Base Rate Loans must be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof.

4 Loans may be either Base Rate Loans or LIBOR Rate Loans. If the Type of Loan is not specified, then the applicable Loans will be made as Base Rate Loans.

(d) For LIBOR Rate Loans: with an Interest Period of month(s)[5]

The Borrower hereby represents and warrants that (a) the Borrowing requested herein complies with Sections 2.2(b) and 2.2(g) of the Credit Agreement, and (b) the conditions specified in Section 4.1 (as to Borrowings requested on the Closing Date only) of the Credit Agreement have been satisfied on and as of the date specified in Item 1(a) above.

LANDS' END, INC.

By: _____
Name: _____
Title: _____

5 The Borrower may request a Borrowing of LIBOR Rate Loans with an Interest Period of one, two, three or six months (or 12 months, if requested by the Borrower and consented to by all the Appropriate Lenders). If no election of Interest Period is specified, then the Borrower will be deemed to have specified an Interest Period of one month.

EXHIBIT B

FORM OF ABL INTERCREDITOR AGREEMENT

[See attached]

EXHIBIT C

FORM OF NOTE

NOTE

$_____ _____, 20_____

FOR **VALUE RECEIVED**, the undersigned (the "**Borrower**") promises to pay to (the "**Lender**") or its registered assigns, c/o Bank of America, N.A., Mail Code: NC1-002-15-36, Bank of America Plaza, 101 S. Tryon Street, Charlotte, North Carolina 28255-0001, the principal sum of ($), or, if less, the aggregate unpaid principal balance of Loans made by the Lender to or for the account of the Borrower pursuant to the Term Loan Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated and in effect from time to time, the "**Credit Agreement**") by and among (i) the Borrower, (ii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for its own benefit and the benefit of the other Credit Parties referred to therein and (iii) the lenders from time to time party thereto, with interest at the rate and payable in the manner stated therein.

This is a "**Note**" to which reference is made in the Credit Agreement and is subject to all terms and provisions thereof. The principal of, and interest on, this Note shall be payable at the times, in the manner, and in the amounts as provided in the Credit Agreement and shall be subject to prepayment and acceleration as provided therein. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Agent's books and records concerning the Loans, the accrual of interest thereon, and the repayment of such Loans, shall be prima facie evidence of the indebtedness to the Lender hereunder.

No delay or omission by the Agent or the Lender in exercising or enforcing any of the Agent's or such Lender's powers, rights, privileges, remedies or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any Event of Default shall operate as a waiver of any other Event of Default, nor as a continuing waiver of any such Event of Default.

The Borrower waives presentment, demand, notice, and protest, and also waives any delay on the part of the holder hereof.

This Note shall be binding upon the Borrower and its successors, assigns and representatives, and shall inure to the benefit of the Lender and its successors, endorsees and assigns.

The liabilities of the Borrower and of any Guarantor of this Note are joint and several, *provided, however*, the release by the Agent or the Lender, in each case, pursuant to the Credit Agreement, of any one or more such Persons shall not release any other Person obligated on account of this Note. Each reference in this Note to the Borrower, and any Guarantor, is to such Person individually and also to all such Persons jointly. No Person obligated on account of this Note may seek contribution from any other Person also obligated unless and until all of the Obligations have been paid in full in cash.

THIS NOTE AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS NOTE OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENTS, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

THE BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE AGENT, THE LENDER OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS NOTE OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND THE BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. THE BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION 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 NOTE OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY CREDIT PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS NOTE OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO ABOVE. THE BORROWER 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.

The Borrower makes the following waiver knowingly, voluntarily, and intentionally, and understands that the Agent and the Lender, in the establishment and maintenance of their respective relationship with the Borrower contemplated by this Note, are each relying thereon.

THE BORROWER AND THE LENDER, BY ITS ACCEPTANCE HEREOF, HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY 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 NOTE OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE BORROWER (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT THE AGENT AND THE LENDER HAVE BEEN INDUCED TO ENTER INTO THE CREDIT AGREEMENT AND THIS NOTE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS HEREIN.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed as of the date set forth above.

LANDS' END, INC., as the Borrower

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

To: Bank of America, N.A., as Agent Date: _____

Mail Code: NC1-002-15-36

Bank of America Plaza

101 S. Tryon Street

Charlotte, North Carolina 28255-0001

Attention: Priscilla L. Baker

Re: Term Loan Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "**Credit Agreement**") by and among Lands' End, Inc., a Delaware corporation (the "**Borrower**"), the several banks and other financial institutions or entities from time to time party thereto as Lenders, and Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for the benefit of the Credit Parties referred to therein. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

The undersigned, a duly authorized and acting Responsible Officer of the Borrower, hereby certifies to you as follows:

1. No Default.

To the knowledge of the undersigned Responsible Officer, since (the date of the last similar certification) and except as set forth in Appendix I, no Default or Event of Default has occurred and is continuing. [[*If a Default or Event of Default has occurred and is continuing since the date of the last similar certification*] The Borrower proposes to take action as set forth in Appendix I with respect to such Default or Event of Default.]

2. Financial Calculations. Attached hereto as Appendix II are reasonably detailed calculations necessary to determine:

[Use following clause (a) for Fiscal Year-end financial statements beginning with the Fiscal Year of the Borrower ending January 30, 2015]

(a) Excess Cash Flow; and

(b) the Net Proceeds received by or on behalf of the Borrower or any Restricted Subsidiary in respect of any event described in Section 2.5(b)(ii) of the Credit Agreement and the portion of such Net Proceeds that has been invested or are intended to be reinvested in accordance with Section 2.5(b)(ii)(B) of the Credit Agreement.

3. Financial Statements.

[Use following paragraph (a) for Fiscal Quarter-end financial statements]

(a) Attached hereto as Appendix III (or, if not attached, delivered to the Agent in accordance with the penultimate paragraph of Section 6.2 of the Credit Agreement) are a Consolidated balance sheet of the Borrower and its Subsidiaries as at the end of the Fiscal Quarter ended , and the related consolidated statements of income or operations, shareholders' equity and cash flows for such Fiscal Quarter and for the portion of the Borrower's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) the corresponding Fiscal Quarter of the previous Fiscal Year and (B) the corresponding portion of the previous Fiscal Year, all in reasonable detail, which Consolidated statements fairly present the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries as of the end of such Fiscal Quarter in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes.

[Use following paragraph (b) for Fiscal Year-end financial statements]

(b) Attached hereto as Appendix III (or, if not attached, delivered to the Agent in accordance with the penultimate paragraph of Section 6.2 of the Credit Agreement) are a Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the Fiscal Year ended , and the related consolidated statements of income or operations, shareholders' equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of a Registered Public Accounting Firm of nationally recognized standing reasonably acceptable to the Agent, which report and opinion have been prepared in accordance with generally accepted auditing standards and are not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit.

(c) Attached hereto as Appendix IV are, to the extent applicable, related consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries from the consolidated financial statements delivered herewith, in reasonable detail (it being understood that full financial statements for any applicable Unrestricted Subsidiary shall not be required).

4. No Accounting Changes. There has been no change in GAAP or the application thereof since the date of the audited financial statements furnished to the Agent for the Fiscal Year ending [ ], other than as disclosed on Appendix V hereto and a statement of reconciliation conforming the financial statements delivered herewith to GAAP.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, I have executed this certificate as of the date first written above.

By: _____
Name: _____
Title: [Responsible Officer of Borrower]

APPENDIX I

Except as set forth below, no Default or Event of Default presently exists. [*If a Default or Event of Default exists, describe the nature of the Default in reasonable detail and the steps being taken or contemplated by the Borrower to be taken on account thereof.*]

APPENDIX II

Calculation of Excess Cash Flow

Calculation of Excess Cash Flow for the Fiscal Year ending :

1. The sum, without duplication, of:
   (a) Consolidated Net Income for such Fiscal Year: _____

   plus

   (b) an amount equal to the amount of all non-cash charges (including depreciation and amortization and compensation expense arising from equity awards) to the extent deducted in arriving at such Consolidated Net Income: _____

   plus

   (c) decreases in Consolidated Working Capital for such Fiscal Year (other than any such decreases arising from acquisitions by the Borrower and its Restricted Subsidiaries completed during such Fiscal Year or the application of purchase accounting): _____

   plus

   (d) an amount equal to the aggregate net loss on Dispositions by the Borrower and its Restricted Subsidiaries during such Fiscal Year (other than Dispositions in the ordinary course of business) to the extent deducted in arriving at such Consolidated Net Income: _____

   plus

   (e) cash receipts in respect of Swap Contracts during such Fiscal Year to the extent not otherwise included in Consolidated Net Income: _____

   plus

   (f) the amount of tax expense deducted in determining Consolidated Net Income for such Fiscal Year to the extent it exceeds the amount of cash taxes (including penalties and interest) paid or tax reserves set aside or payable (without duplication) in such Fiscal Year: _____

   (g) Total:

2. The sum, without duplication, of:
   (a) an amount equal to the amount of all non-cash credits included in arriving at such Consolidated Net Income and non-cash gains to the extent included in arriving at such Consolidated Net Income: _____

Plus

(b) without duplication of amounts deducted pursuant to clause (j) below in prior Fiscal Years, the amount of Capital Expenditures or acquisitions made in cash during such Fiscal Year, except to the extent that such Capital Expenditures or acquisitions were financed with the proceeds of an incurrence or issuance of Indebtedness or Equity Interests of the Borrower or its Restricted Subsidiaries: _____

plus

(c) the aggregate amount of all principal payments of Indebtedness of the Borrower and its Restricted Subsidiaries (including (A) the principal component of Capital Lease Obligations and (B) the amount of repayments of Loans pursuant to Section 2.7 of the Credit Agreement but excluding (X) all other prepayments of Loans and (Y) all prepayments in respect of any revolving credit facility, except, in the case of this clause (Y), to the extent there is an equivalent permanent reduction in commitments thereunder) made during such Fiscal Year, except to the extent financed with the proceeds of an incurrence or issuance of Indebtedness or Equity Interests of the Borrower or its Restricted Subsidiaries: _____

plus

(d) an amount equal to the aggregate net gain on Dispositions by the Borrower and its Restricted Subsidiaries during such Fiscal Year (other than Dispositions in the ordinary course of business) to the extent included in arriving at such Consolidated Net Income: _____

plus

(e) increases in Consolidated Working Capital for such Fiscal Year (other than any such increases arising from acquisitions by the Borrower and its Restricted Subsidiaries completed during such Fiscal Year or the application of purchase accounting): _____

plus

(f) cash payments by the Borrower and its Restricted Subsidiaries during such Fiscal Year in respect of long-term liabilities of the Borrower and its Restricted Subsidiaries other than Indebtedness (including such Indebtedness specified in clause (c) above): _____

plus

(g) without duplication of amounts deducted pursuant to clause (k) below in prior Fiscal Years, the amount of Investments and acquisitions made during such Fiscal Year pursuant to clauses (h), (i), (n) and (o) of the definition of "Permitted Investments" in the Credit Agreement, except to the extent that such Investments and acquisitions were financed with the proceeds of an incurrence or issuance of Indebtedness of the Borrower or its Restricted Subsidiaries: _____

plus

(h) the amount of Restricted Payments paid during such Fiscal Year pursuant to Section 7.6 of the Credit Agreement (other than Section 7.6(a) (solely in respect of amounts paid to the Borrower or any of its Restricted Subsidiaries), (b), (c), (e) and (f) thereof) except to the extent that such Restricted Payments were financed with the proceeds of an incurrence or issuance of Indebtedness of the Borrower or its Restricted Subsidiaries: _____

plus

(i) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by the Borrower and its Restricted Subsidiaries during such Fiscal Year that are required to be made in connection with any prepayment of Indebtedness except to the extent that such amounts were financed with the proceeds of an incurrence or issuance of Indebtedness of the Borrower or its Restricted Subsidiaries: _____

plus

(j) without duplication of amounts deducted from Excess Cash Flow in prior Fiscal Years, the aggregate consideration required to be paid in cash by the Borrower or any of its Restricted Subsidiaries pursuant to binding contracts (the "Contract Consideration") entered into prior to or during such Fiscal Year relating to Permitted Acquisitions, Capital Expenditures or acquisitions to be consummated or made during the Fiscal Year of the Borrower following the end of such Fiscal Year except to the extent intended to be financed with the proceeds of an incurrence or issuance of other Indebtedness of the Borrower or its Restricted Subsidiaries[6]: _____

plus

6 Provided that to the extent the aggregate amount utilized to finance such Permitted Acquisitions, Capital Expenditures or acquisitions during such Fiscal Year is less than the Contract Consideration, the amount of such shortfall shall be added to the calculation of Excess Cash Flow at the end of such Fiscal Year.

(k) the amount of cash taxes (including penalties and interest) paid or tax reserves set aside or payable (without duplication) in such Fiscal Year to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such Fiscal Year: _____

plus

(l) cash expenditures in respect of Swap Contracts during such Fiscal Year to the extent not deducted in arriving at such Consolidated Net Income: _____

plus

(m) cash payments during such Fiscal Year in respect of non-cash items expensed in a prior Fiscal Year but not reducing Excess Cash Flow as calculated for such prior Fiscal Year: _____

(n) Total: _____

3. EXCESS CASH FLOW AS OF THE FISCAL YEAR ENDED (Amount equal to the excess of Line 1(g) over Line 2(n)): _____

Calculation of Net Proceeds

Calculation of Net Proceeds for the [Fiscal Year][Fiscal Quarter] ending :

1. Net Proceeds received by or on behalf of the Borrower or any Restricted Subsidiary in respect of any event described in Section 2.5(b)(ii) of the Credit Agreement for such [Fiscal Year/Fiscal Quarter] (see detailed calculation of Net Proceeds attached hereto): _____

2. Portion of Line 1 that has been invested or is intended to be reinvested in accordance with Section 2.5(b)(ii)(B) of the Credit Agreement: _____

APPENDIX III

[Attach financial statements.]

APPENDIX V

[If changes in GAAP or the application thereof have occurred since [*the date of the most recently delivered financial statements to the Agent prior to the date of this Certificate*], describe the nature of such changes in reasonable detail and the effect, if any, of each such change in GAAP or in application thereof in the determination of the calculation of the financial statements described in the Credit Agreement.]

EXHIBIT E

FORM OF 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 [the][each][7] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each][8] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][9] hereunder are several and not joint.][10] Capitalized terms used but not defined herein shall have the meanings given to them in the Term Loan Credit Agreement identified below (as amended, restated, supplemented and/or modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [the][each] 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][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] 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][the respective Assignors] under the respective facilities identified below 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)][the respective Assignors (in their respective capacities as Lenders)] 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, but not limited to, 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 by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]:

---

7 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

8 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

9 Select as appropriate.

10 Include bracketed language if there are either multiple Assignors or multiple Assignees.

[Each] Assignor represents it [is][is not] an Affiliated Lender.

2. Assignee[s]:

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]]

[Each] Assignee represents it [is][is not] an Affiliated Lender.

3. Borrower: Lands' End, Inc.

4. Agent: Bank of America, N.A., as the Agent under the Credit Agreement.

5. Credit Agreement: Term Loan Credit Agreement dated as of April 4, 2014, by and among (i) Lands' End, Inc., (ii) Bank of America, N.A., as Agent, and (iii) the lenders from time to time party thereto.

7. Assigned Interest[s]:

Assignor[s][11]	Assignee[s][12]	Aggregate Amount of Commitment/Loans for all Lenders[13]	Amount of Commitment/ Loans Assigned[14]	Percentage Assigned of Commitment/ Loans[15]
		$	$	%
		$	$	%

[7. Trade Date:][16]

11 List each Assignor, as appropriate.
12 List each Assignee, as appropriate.
13 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
14 Subject to minimum amount requirements pursuant to Section 10.6(b)(i) of the Credit Agreement and subject to proportionate amount requirements pursuant to Section 10.6(b)(ii) of the Credit Agreement.
15 Set forth, to at least 9 decimals, as a percentage of the Commitments/Loans of all Lenders thereunder.
16 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: , 20 [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE DATE OF DELIVERY OF THIS ASSIGNMENT AND ASSUMPTION FOR 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][17] Accepted:

BANK OF AMERICA, N.A., as
Agent

By: _____
Name: _____
Title: _____

17 To the extent that the Agent's consent is required under Section 10.6(b)(iii)(B) of the Credit Agreement.

[Consented to:][18]

LANDS' END, INC.

By: _____
Name: _____
Title: _____

18 To the extent required under Section 10.6(b)(iii)(A) of the Credit Agreement.

ANNEX 1 TO ASSIGNMENT AND ASSUMPTION

Reference is made to the Term Loan Credit Agreement, dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "Credit Agreement") by and among (i) Lands' End, Inc., a Delaware corporation (the "Borrower"), (ii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "Agent") and (iii) the lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"). All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (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 (iv) it is [not] an Affiliated Lender; 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 Loan Parties or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Loan Parties or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) 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, (ii) it meets all the requirements to be an Eligible Assignee under the Credit Agreement (subject to such consents, if any, as may be required by Section 10.6(b)(iii) of the Credit Agreement), (iii) 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][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.1 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the 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 Assignment and Assumption and to purchase [the][such] Assigned Interest, (vii) attached hereto is any documentation required to be delivered by it pursuant to the terms of Section 3.1 the Credit Agreement, duly completed and executed by [the][such] Assignee, [and] (viii) it is [not] an Affiliated Lender[, and (ix) as of the Effective Date, after giving effect to the assignment of the Assigned Interest pursuant to this Assignment and Assumption, the aggregate principal amount of all Loans held by all Affiliate Lenders does not exceed [ ]% of the aggregate principal amount of the Loans outstanding][19]; and (b) [acknowledges the

19 Assignees who are not Affiliated Lenders may remove.

limitation on the rights of Lenders that are Affiliate Lenders set forth in the Credit Agreement, including Section 10.6 and 10.7 thereof and (c)][20] agrees that (i) it will, independently and without reliance upon the Agent, [the][any] 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 Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued up to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

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.

4. Fees. Unless waived by the Agent in accordance with Section 10.6(b)(iv) of the Credit Agreement, this Assignment and Assumption shall be delivered to the Agent with a processing and recordation fee of $3,500.

20 Assignees who are not Affiliated Lenders may remove.

EXHIBIT F-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 Term Loan Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "**Credit Agreement**") by and among (i) **Lands' End, Inc.**, a Delaware corporation (the "**Borrower**"), (ii) the Lenders party thereto from time to time and (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for its own benefit and the benefit of the other Credit Parties referred to therein. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

Pursuant to the provisions of Section 3.1(e) 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 the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and the Borrower 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, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any material respect, the undersigned shall promptly so inform the Borrower and the Agent in writing and deliver promptly to the Borrower and the Agent an updated certificate or other appropriate documentation (including any new documentation reasonably requested by the Agent) or promptly notify the Borrower and the Agent in writing of its inability to do so, and (2) the undersigned shall have at all times furnished the Borrower and the 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.

[NAME OF LENDER]

By: _____

Name: _____

Title: _____

Date: _____ __, 20[ ]

EXHIBIT F-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 Term Loan Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "**Credit Agreement**") by and among (i) **Lands' End, Inc.**, a Delaware corporation (the "**Borrower**"), (ii) the Lenders party thereto from time to time and (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for its own benefit and the benefit of the other Credit Parties referred to therein. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

Pursuant to the provisions of Section 3.1(e) 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 the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the 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, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any material respect, the undersigned shall promptly so inform such Lender in writing and deliver promptly to such Lender an updated certificate or other appropriate documentation (including any new documentation reasonably requested by such Lender) or promptly notify such Lender in writing of its inability to do so, 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.

[NAME OF PARTICIPANT]

By: _____

Name: _____

Title: _____

Date: _____ __, 20[ ]

EXHIBIT F-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 Term Loan Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "**Credit Agreement**") by and among (i) **Lands' End, Inc**., a Delaware corporation (the "**Borrower**"), (ii) the Lenders party thereto from time to time and (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for its own benefit and the benefit of the other Credit Parties referred to therein. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

Pursuant to the provisions of Section 3.1(e) 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 the 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 the 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, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any material respect, the undersigned shall promptly so inform such Lender in writing and deliver promptly to such Lender an updated certificate or other appropriate documentation (including any new documentation reasonably requested by such Lender) or promptly notify such Lender in writing of its inability to do so, 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.

[NAME OF PARTICIPANT]

By: _____
Name: _____
Title: _____

Date: _____ __, 20[ ]

EXHIBIT F-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 Term Loan Credit Agreement dated as of April 4, 2014 (as amended, modified, supplemented or restated hereafter, the "**Credit Agreement**") by and among (i) **Lands' End, Inc**., a Delaware corporation (the "**Borrower**"), (ii) the Lenders party thereto from time to time and (iii) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the "**Agent**") for its own benefit and the benefit of the other Credit Parties referred to therein. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

Pursuant to the provisions of Section 3.1(e) 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 the 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 the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and the Borrower 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, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any material respect, the undersigned shall promptly so inform the Borrower and the Agent in writing and deliver promptly to the Borrower and the Agent an updated certificate or other appropriate documentation (including any new documentation reasonably requested by the Borrower or the Agent) or promptly notify the Borrower and the Agent in writing of its inability to do so, and (2) the undersigned shall have at all times furnished the Borrower and the 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.

[NAME OF LENDER]

By: _____

Name: _____

Title: _____

Date: _____ __, 20[ ]

Exhibit 4.3

GUARANTY AND SECURITY AGREEMENT

by

LANDS' END, INC.
as Domestic Borrower

and

THE OTHER GRANTORS PARTY HERETO
FROM TIME TO TIME

and

BANK OF AMERICA, N.A.,
as Agent

Dated as of April 4, 2014

TABLE OF CONTENTS

GUARANTY AND SECURITY AGREEMENT

GUARANTY AND SECURITY AGREEMENT dated as of April 4, 2014 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "Agreement") made by (i) LANDS' END, INC., a Delaware corporation having an office at 1 Lands' End Lane, Dodgeville, Wisconsin 53533 (the "Domestic Borrower"), and (ii) THE GUARANTORS LISTED ON THE SIGNATURE PAGES HERETO (the "Original Guarantors") AND THE OTHER GUARANTORS FROM TIME TO TIME PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT (the "Additional Guarantors," and together with the Original Guarantors, the "Guarantors"), as pledgors, assignors and debtors (the Domestic Borrower, together with the Guarantors, in such capacities and together with any successors in such capacities, the "Grantors," and each, a "Grantor"), in favor of BANK OF AMERICA, N.A., having an office at 100 Federal Street, 9th Floor, Boston, Massachusetts 02110, in its capacity as administrative agent and collateral agent for the Credit Parties (as defined in the Credit Agreement defined below) pursuant to the Credit Agreement, as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Agent").

RECITALS:

A. The Domestic Borrower, the Agent, and the Lenders party thereto, among others, have, in connection with the execution and delivery of this Agreement, entered into that certain Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement").

B. The Grantors will receive substantial benefits from the execution, delivery and performance of the Obligations and each is, therefore, willing to enter into this Agreement.

C. This Agreement is given by each Grantor in favor of the Agent for the benefit of the Credit Parties to secure the payment and performance of all of the Obligations.

D. It is a condition to the obligations of the Lenders to make the Loans under the Credit Agreement and a condition to the L/C Issuer's issuing Letters of Credit under the Credit Agreement that each Grantor execute and deliver the applicable Loan Documents, including this Agreement.

AGREEMENT:

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor and the Agent hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. Definitions.

(a) Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC.

(b) Capitalized terms used but not otherwise defined herein that are defined in the Credit Agreement shall have the meanings given to them in the Credit Agreement.

(c) The following terms shall have the following meanings:

"Additional Guarantors" shall have the meaning assigned to such term in the Preamble hereof.

"Agent" shall have the meaning assigned to such term in the Preamble hereof.

"Agreement" shall have the meaning assigned to such in the Preamble hereof.

"CFC" means a Person that is a controlled foreign corporation under Section 957 of the Code.

"Claims" shall mean any and all property taxes and other taxes, assessments and special assessments, levies, fees and all governmental charges imposed upon or assessed against, and all claims (including, without limitation, landlords', carriers', mechanics', workmen's, repairmen's, laborers', materialmen's, suppliers' and warehousemen's Liens and other claims arising by operation of law) against, all or any portion of the Collateral.

"Collateral" shall have the meaning assigned to such term in SECTION 3.1 hereof.

"Control Agreements" shall mean, collectively, the Blocked Account Agreements and the Securities Account Control Agreements.

"Copyrights" shall mean, collectively, with respect to each Grantor, all copyrights (whether statutory or common Law, whether established or registered in the United States or any other country or any political subdivision thereof whether registered or unregistered and whether published or unpublished) and all copyright registrations and applications made by such Grantor, in each case, whether now owned or hereafter created or acquired by or assigned to such Grantor, including, without limitation, the registrations and applications listed in Schedule III to the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Grantor's use of such copyrights, (ii) renewals, supplements and extensions thereof, (iii) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present or future infringements thereof.

"Credit Agreement" shall have the meaning assigned to such term in Recital A hereof.

"Distributions" shall mean, collectively, with respect to each Grantor, all Restricted Payments from time to time received, receivable or otherwise distributed to such Grantor in respect of or in exchange for any or all of the Pledged Securities or Intercompany Notes.

"Domestic Borrower" shall have the meaning assigned to such term in the Preamble hereof.

"Excluded Property" shall mean the following:

(a) any license, permit, lease, contract or other agreement or instrument held by any Grantor if the grant of a security interest in such lease, contract, agreement or instrument shall constitute or result in (A) the abandonment, invalidation or unenforceability of any right, title or interest of such Grantor therein or result in such Grantor's loss of use of such asset or (B) a breach or termination (or any right of termination) pursuant to the terms of, or a default under, any such license, permit, lease, contract or other agreement or instrument (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of the relevant jurisdiction or any other applicable Law or principles of equity);

(b) any assets or property to the extent the creation of a security interest therein or thereon is prohibited by applicable Law or by an enforceable contractual obligation binding on such assets that existed at the time of the acquisition thereof and was not created or made binding on the assets in contemplation of or in connection with the acquisition of such assets (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable Law or principles of equity);

(c) U.S. intent-to-use trademark applications prior to the filing and acceptance of a verified statement of use or an amendment to allege use with the United States Patent and Trademark Office with respect thereto;

(d) voting Equity Interests in excess of 65% of the total voting Equity Interests of any Subsidiary that is a CFC, or that owns no material assets other than Equity Interests in one or more CFCs;

(e) any fee-owned real property other than Material Real Estate, and all leasehold interests in real property; and

(f) any specifically identified asset with respect to which the Agent has confirmed in writing to the Grantors its reasonable determination, in consultation with the Domestic Borrower, that the costs or other consequences (including adverse tax consequences) of providing a security interest is excessive in view of the practical benefits to be obtained by the Credit Parties;

provided, however, that in each case described in clauses (a) and (b) of this definition, such property shall constitute "Excluded Property" only to the extent and for so long as such license, permit, lease, contract, agreement, instrument or applicable Law or contractual obligation validly prohibits the creation of a Lien on such property in favor of the Agent and, upon the termination of such prohibition (howsoever occurring), such property shall cease to constitute "Excluded Property"; provided further, that "Excluded Property" shall not include the right to receive any proceeds arising therefrom or any Proceeds, substitutions or replacements of any Excluded Property (unless such Proceeds, substitutions or replacements would otherwise constitute Excluded Property).

"Grantor" shall have the meaning assigned to such term in the Preamble hereof.

"Guarantors" shall have the meaning assigned to such term in the Preamble hereof.

"Intellectual Property" shall mean, collectively, the Patents, Trademarks, Copyrights, Licenses and other intellectual property, including all goodwill relating thereto, and all know-how, trade secrets, designs, customer and supplier lists, proprietary information, inventions, methods, procedures, formulae, descriptions, compositions, technical data, drawings, specifications, name plates, catalogs, confidential information and the right to limit the use or disclosure thereof by any Person, pricing and cost information, business and marketing plans and proposals, consulting agreements, engineering contracts and such other assets which relate to such goodwill.

"Intercompany Notes" shall mean, with respect to each Grantor, all intercompany notes described on Schedule I hereto and each intercompany note hereafter acquired by such Grantor and all certificates, instruments or agreements evidencing such intercompany notes.

"Letters of Credit" unless the context otherwise requires, shall have the meaning given to such term in the UCC.

"Licenses" shall mean, collectively, with respect to each Grantor, all license and distribution agreements with any other Person with respect to any Patent, Trademark or Copyright or any other patent, trademark or copyright or other intellectual property, whether such Grantor is a licensor or licensee, distributor or distributee under any such license or distribution agreement, together with any and all (i) renewals, extensions, supplements and amendments thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including, without limitation,

damages and payments for past, present or future breach or violations thereof, (iii) rights to sue for past, present and future breach or violations thereof and (iv) other rights to use, exploit or practice any or all of the Patents, Trademarks or Copyrights or any other patent, trademark or copyright or other intellectual property subject to the foregoing.

"Original Guarantors" shall have the meaning assigned to such term in the Preamble hereof.

"Patents" shall mean, collectively, with respect to each Grantor, all patents issued or assigned to and all patent applications made by such Grantor (whether established or registered or recorded in the United States or any other country or any political subdivision thereof), including, without limitation, those patents and patent applications listed in Schedule III to the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Grantor's use of any of the foregoing, (ii) inventions, discoveries, designs and improvements described or claimed therein, (iii) reissues, divisions, continuations, extensions and continuations-in-part thereof, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including, without limitation, damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

"Perfection Certificate" shall mean that certain Perfection Certificate dated as of the date hereof, executed and delivered by each Grantor in favor of the Agent for the benefit of the Credit Parties, and each other Perfection Certificate (which shall be in form and substance reasonably acceptable to the Agent) executed and delivered by the applicable Grantor in favor of the Agent for the benefit of the Credit Parties contemporaneously with the execution and delivery of a Joinder Agreement executed in accordance with Section 6.11 of the Credit Agreement, in each case, as the same may be amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance with the Credit Agreement.

"Pledge Amendment" shall have the meaning assigned to such term in SECTION 6.1 hereof.

"Pledged Securities" shall mean (except, in each case, to the extent constituting Excluded Property), collectively, with respect to each Grantor, all Equity Interests held by such Grantor in any issuer now existing or hereafter acquired or formed, including, without limitation, all Equity Interests described in Schedule III hereof, together with all rights, privileges, authority and powers of such Grantor relating to such Equity Interests issued by any such issuer under the Organization Documents of any such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Grantor in the entries on the books of any financial intermediary pertaining to such Equity Interests, from time to time acquired by such Grantor in any manner, and all other Investment Property owned by such Grantor.

"Securities Account Control Agreement" shall mean an agreement in form and substance reasonably satisfactory to the Agent with respect to the obtaining of control for purposes of perfection of any Securities Account of a Grantor.

"Securities Collateral" shall mean, collectively, the Pledged Securities and the Intercompany Notes.

"Trademarks" shall mean, collectively, with respect to each Grantor, all trademarks (including service marks), slogans, logos, certification marks, trade dress, uniform resource locations (URLs), domain names, corporate names and trade names, whether registered or unregistered, owned by or assigned to such Grantor and all registrations and applications for the foregoing (whether statutory or common Law and whether established or registered in the United States or any other country or any political subdivision thereof), including, without limitation, the registrations and applications listed in Section III to the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Grantor's use of any of the foregoing, (ii) extensions and renewals thereof, (iii) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages, claims and payments for past, present or future infringements, dilution or violation thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present and future infringements, dilution or violation thereof.

"UCC" or "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that if a term is defined in Article 9 of the Uniform Commercial Code differently than in another Article thereof, the term shall have the meaning set forth in Article 9; provided further that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "Uniform Commercial Code" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

SECTION 1.2. Interpretation. The rules of interpretation specified in Article I of the Credit Agreement shall be applicable to this Agreement.

SECTION 1.3. Perfection Certificate. The Agent and each Grantor agree that the Perfection Certificate, and all schedules, amendments, restatements and supplements thereto are and shall at all times remain a part of this Agreement.

ARTICLE II

GUARANTY

SECTION 2.1. Guaranty.

Each Grantor (other than the Domestic Borrower) irrevocably and unconditionally guaranties, jointly with the other Grantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment when due (whether at the stated maturity, by required prepayment, by acceleration or otherwise) and performance by the Borrowers and each other applicable Loan Party of all Obligations, including all such Obligations which shall become due but for the operation of any Debtor Relief Law. The Domestic Borrower irrevocably and unconditionally guaranties, severally, as a primary obligor and not merely as a surety, the due and punctual payment when due (whether at the stated maturity, by required prepayment, by acceleration or otherwise) and performance by the other Borrowers and each other applicable Loan Party of all Obligations, including all such Obligations which shall become due but for the operation of any Debtor Relief Law. Each Grantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon this Agreement notwithstanding any extension or renewal of any Obligation.

SECTION 2.2. Obligations Not Affected.

To the fullest extent permitted by applicable Law, each Grantor waives presentment to, demand of payment from, and protest to, any Loan Party of any of the Obligations, and also waives notice of acceptance of this guaranty, notice of protest for nonpayment and all other notices of any kind. To the fullest extent permitted by applicable Law, the obligations of each Grantor hereunder shall not be discharged or impaired or otherwise affected by (a) any rescission, waiver, amendment or modification of, or any release from, any of the terms or provisions of this Agreement, any other Loan Document or any other agreement delivered or given in connection herewith or therewith, with respect to any Loan Party or with respect to the Obligations, (b) the failure to perfect any security interest in, or the release of, any of the Collateral held by or on behalf of the Agent or any other Credit Party, or (c) the lack of legal existence of any Loan Party or legal obligation to discharge any of the Obligations by any Loan Party for any reason whatsoever, including, without limitation, in any insolvency, bankruptcy or reorganization of any Loan Party.

SECTION 2.3. Security.

Each of the Grantors hereby acknowledges and agrees that the Agent and each of the other Credit Parties may (a) take and hold security for the payment of this guaranty and the Obligations and exchange, enforce, waive and release any such security, (b) apply such security and direct the order or manner of sale thereof as they in their sole discretion may determine (subject to any limitations contained herein), and (c) release or substitute any one or more endorsees, the Domestic Borrower or other obligors, in each case without affecting or impairing in any way the liability of any Grantor hereunder.

SECTION 2.4. Guaranty of Payment.

Each of the Grantors further agrees that this guaranty constitutes a guaranty of payment and performance when due of all Obligations and not of collection and, to the fullest extent permitted by applicable Law, waives any right to require that any resort be had by the Agent or any other Credit Party to any of the Collateral or other security held for payment of the Obligations or to any balance of any deposit account or credit on the books of the Agent or any other Credit Party in favor of any Loan Party or any other Person or to any other guarantor of all or part of the Obligations. Any payment required to be made by the Grantors hereunder may be required by the Agent or any other Credit Party on any number of occasions and shall be payable to the Agent, for the benefit of the Agent and the other Credit Parties, in the manner provided in the Credit Agreement.

SECTION 2.5. No Discharge or Diminishment of Guaranty.

The obligations of each Grantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the payment in full in cash of the Obligations), including any claim of waiver, release, surrender, alteration or compromise of any of the Obligations, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise (other than the defense of payment in full in cash of the Obligations). Without limiting the generality of the foregoing, the Obligations of each Grantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Agent or any other Credit Party to assert any claim or demand or to enforce any remedy under this Agreement, the Credit Agreement, any other Loan Document or any other agreement delivered or given in connection herewith or therewith, by any waiver or modification of any provision thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of any Grantor or that would otherwise operate as a discharge of any Grantor as a matter of law or equity (other than a written release of such Grantor from the Agent in accordance with the terms of the Loan Documents or the payment in full in cash of the Obligations).

SECTION 2.6. Information.

Each of the Grantors assumes all responsibility for being and keeping itself informed of each Loan Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such Grantor assumes and incurs hereunder, and agrees that none of the Agent or the other Credit Parties will have any duty to advise any of the Grantors of information known to it or any of them regarding such circumstances or risks.

SECTION 2.7. Subordination.

Upon payment by any Grantor of any Obligations, all rights of such Grantor against any other Grantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior payment in full in cash of all of the Obligations (other than (i) contingent indemnification obligations for which a claim has not been asserted, and (ii) Letters of Credit that have been Cash Collateralized or for which back-to-back letters of credit from an issuer acceptable to the L/C Issuer and on terms acceptable to the L/C Issuer have been provided in respect of such Letters of Credit) and the termination of the Commitments. If any amount shall erroneously be paid to any Grantor on account of such subrogation, contribution, reimbursement, indemnity or similar right, such amount shall be held in trust for the benefit of the Credit Parties and shall forthwith be paid to the Agent to be credited against the payment of the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement and the other Loan Documents.

ARTICLE III

GRANT OF SECURITY

SECTION 3.1. Grant of Security Interest.

As collateral security for the payment and performance in full of all the Obligations, each Grantor hereby pledges and grants to the Agent for its benefit and for the benefit of the other Credit Parties, a lien on and security interest in all of the following property of such Grantor, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "Collateral"):

(i) all Accounts, including all Credit Card Receivables;

(ii) all Goods, including Equipment, Inventory and Fixtures;

(iii) all Documents, Instruments and Chattel Paper;

(iv) all Letters of Credit and Letter-of-Credit Rights;

(v) all Securities Collateral;

(vi) all Investment Property;

(vii) all Intellectual Property;

(viii) all Commercial Tort Claims, including, without limitation, those described in Schedule IV to the Perfection Certificate;

(ix) all General Intangibles;

(x) all Deposit Accounts;

(xi) all Supporting Obligations;

(xii) all books and records relating to the Collateral; and

(xiii) to the extent not covered by clauses (i) through (xii) of this sentence, all other personal property of such Grantor, whether tangible or intangible and all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and all indemnities, warranties, collateral security and guarantees payable to such Grantor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (i) through (xiii) above or otherwise, the security interest created by this Agreement shall not extend to, and the term "Collateral" shall not include, any Excluded Property.

SECTION 3.2. Secured Obligations. This Agreement secures, and the Collateral is collateral security for, the payment and performance in full when due of the Obligations.

SECTION 3.3. Security Interest. (a) Each Grantor hereby irrevocably authorizes the Agent at any time and from time to time to authenticate and file in any relevant jurisdiction any financing statements (including fixture filings) and amendments thereto that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including, without limitation, (i) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor, (ii) a description of the Collateral as "all assets of the Grantor, wherever located, whether now owned or hereafter acquired" or words of similar effect and (iii) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Collateral relates. Each Grantor agrees to provide all information described in the immediately preceding sentence to the Agent promptly upon request.

(b) Each Grantor hereby ratifies its prior authorization for the Agent to file in any relevant jurisdiction any financing statements or amendments thereto relating to the Collateral if filed prior to the date hereof.

(c) Each Grantor hereby further authorizes the Agent to file filings with the United States Patent and Trademark Office and United States Copyright Office (or any successor office or any similar office in any other country) or other necessary documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by such Grantor hereunder in any Intellectual Property constituting Collateral, without the signature of such Grantor, and naming such Grantor, as debtor, and the Agent, as secured party.

ARTICLE IV

PERFECTION; SUPPLEMENTS; FURTHER ASSURANCES; USE OF COLLATERAL

SECTION 4.1. Delivery of Certificated Securities Collateral. Each Grantor represents and warrants that all certificates or instruments representing or evidencing any certificated Securities Collateral in existence on the date hereof have been delivered to the Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank and that the Agent has a perfected security interest therein, in each case prior and superior in right to any other Lien (other than Permitted Encumbrances which by operation of Law or the Intercreditor Agreement or any customary intercreditor agreement would have priority to the Liens securing the Obligations). Each Grantor hereby agrees that all certificates or instruments representing or evidencing certificated Securities Collateral acquired by such Grantor after the date hereof, shall promptly (and in any event within ten (10) Business Days) upon receipt thereof by such Grantor be delivered to and held by or on behalf of the Agent pursuant hereto. All certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Agent. The Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the security interest hereunder. In addition, upon the occurrence and during the continuance of any Event of Default, the Agent shall have the right with written notice to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations, accompanied by instruments of transfer or assignment and letters of direction duly executed in blank.

SECTION 4.2. Perfection of Uncertificated Securities Collateral. Each Grantor represents and warrants that the Agent has a perfected security interest, in each case prior and superior in right to any other Lien (other than Permitted Encumbrances which by operation of Law or the Intercreditor Agreement or any customary intercreditor agreement would have priority to the Liens securing the Obligations), in all uncertificated Pledged Securities pledged by it hereunder that are in existence on the date hereof

(to the extent that a security interest therein can be perfected by the filing of an appropriate UCC-1 financing statement) and that, in the case of any Pledged Securities issued by a Grantor or any wholly-owned Subsidiary thereof, (i) the applicable Organization Documents of such Grantor or such wholly-owned Subsidiary do not require the consent of the other shareholders, members, partners or other Person to permit the Agent or its designee to be substituted, following the occurrence and during the continuation of an Event of Default, for the applicable Grantor as a shareholder, member, partner or other equity owner, as applicable, thereto or (ii) to the extent such consent is required, it has been granted in accordance with the applicable Organizational Documents (and each Grantor hereby consents in respect of any Pledged Securities pledged by such Grantor, to the extent permitted by such Organizational Documents, to such substitution, effective following the occurrence and during the continuation of an Event of Default). Each Grantor hereby agrees that if any of the Pledged Securities are at any time not evidenced by certificates of ownership, then, after the occurrence and during the continuation of any Event of Default, such Grantor shall, to the extent permitted by applicable Law and upon the request of the Agent, use its reasonable best efforts to (a) cause such pledge to be recorded on the equityholder register or the books of the issuer and (b) execute customary pledge forms or other documents necessary or reasonably requested to complete the pledge and give the Agent the right to transfer such Pledged Securities under the terms hereof.

SECTION 4.3. Financing Statements and Other Filings; Maintenance of Perfected Security Interest. Each Grantor represents and warrants that the security interests granted pursuant to this Agreement will, upon completion of the filings and other actions specified on Schedule II hereto (which, in the case of all filings and other documents referred to on said Schedule, have been or will be delivered to the Agent in completed and, if applicable, duly executed form in accordance with the Credit Agreement and the other Loan Documents) constitute valid perfected security interests in favor of the Agent, for the benefit of the Credit Parties, in each case prior and superior in right to any other Lien (other than Permitted Encumbrances which by operation of Law or the Intercreditor Agreement or any customary intercreditor agreement would have priority to the Liens securing the Obligations), as collateral security for the Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor, in (a) all Collateral, Liens in which can be perfected by the filing of an appropriate UCC-1 financing statement and (b) all registered Intellectual Property identified in Schedule III to the Perfection Certificate, to the extent that Liens therein can be perfected by filing of a security agreement with the United States Patent and Trademark Office or the United States Copyright Office, as applicable. Each Grantor further represents and warrants that the security interests granted pursuant to this Agreement in Deposit Accounts and Securities Accounts or cash and cash equivalents contained therein will constitute valid perfected security interests in favor of the Agent, for the benefit of the Credit Parties, as collateral security for the Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor upon the entry by the applicable parties into appropriate Control Agreements, in any case to the extent required by the Loan Documents. Each Grantor agrees that at the sole cost and expense of the Grantors, and without limiting any of the other provisions of this Agreement

(including, without limitation, SECTION 3.3 hereof), at any time and from time to time, upon the written request of the Agent, such Grantor shall promptly and duly execute and deliver, and file and have recorded, such further instruments and documents and take such further action as the Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and the other Loan Documents and the rights and powers herein and therein granted, including the filing of any financing statements, continuation statements and other documents (including this Agreement) under the UCC (or other applicable Laws) and, to the extent applicable, the execution and delivery of Control Agreements on Blocked Accounts and intellectual property agreements or instruments to be filed with the United States Patent and Trademark Office or the United States Copyright Office, all in form reasonably satisfactory to the Agent and in such offices as the Agent may reasonably request.

(b) Notwithstanding anything in this Agreement to the contrary, other than the filing of a UCC financing statement (i) no actions shall be required to perfect the security interest granted hereunder in Letter-of-Credit Rights, (ii) no actions shall be required to perfect the security interest granted hereunder in any motor vehicles and other assets subject to certificates of title, (iii) no actions shall be required to perfect the security interest granted hereunder in any Commercial Tort Claims having a nominal value of $1,000,000 or less and (iv) no Grantor shall be required to complete any filings or other action with respect to the perfection of the security interests created hereby in any jurisdiction outside of the United States or any State or political subdivision thereof. In addition, to the extent that any security interest intended to be created hereunder in property of the type described in clauses (i), (ii) or (iii) of this clause (b) is not valid and binding, no Grantor shall be found to be in breach of this Agreement or any of its obligations hereunder by virtue thereof, notwithstanding any other provisions herein to the contrary.

SECTION 4.4. Other Actions. Each Grantor represents, warrants and agrees, in each case at such Grantor's own expense, with respect to the following Collateral that:

(a) Instruments and Tangible Chattel Paper. As of the date hereof no amount payable under or in connection with any of the Collateral is evidenced by any Instrument or Tangible Chattel Paper other than (a) such Instruments and Tangible Chattel Paper listed in Schedule II. E. to the Perfection Certificate and (b) Instruments with a face value equal to or less than $250,000 individually or $1,000,000 in the aggregate as to all such Instruments held by or payable to any Grantor. If any amount payable (other than by a Grantor) under or in connection with any of the Collateral shall be evidenced by any Instrument or Tangible Chattel Paper consisting of a promissory note that equals or exceeds $1,000,000, the Grantor acquiring such promissory note shall forthwith endorse, assign and deliver the same to the Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Agent may reasonably request from time to time.

(b) Investment Property. (i) (1) As of the date hereof, it has no Securities Accounts other than those listed in Schedule II.B. to the Perfection Certificate, (2) as of the date hereof, it does not hold, own or have any interest in any certificated securities or uncertificated securities other than those listed in Schedule III hereto, and other than those constituting Excluded Property, and (3) within sixty (60) days following the Closing Date (as such time period may be extended by the Agent in its sole discretion), it shall enter into and deliver to the Agent a duly authorized, executed and delivered Securities Account Control Agreement with respect to each Securities Account listed in Schedule II. B. to the Perfection Certificate. Except with respect to the Securities Accounts described in this clause (i) and any Securities Accounts established hereafter in accordance with clause (iii) below, no Grantor has any Securities Accounts.

(ii) No Grantor shall hereafter establish and maintain any Securities Account, unless such Grantor shall have delivered a Control Agreement to the Agent with respect to such Securities Account within 90 days (or such additional time as agreed by the Agent) of establishing such Securities Account. The Agent agrees with each Grantor that the Agent shall not give any entitlement orders or instructions or directions to Securities Intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Grantor with respect to any Securities Account, unless a Cash Dominion Event has occurred and is continuing.

(iv) As between the Agent and the Grantors, the Grantors shall bear the investment risk with respect to the Investment Property and Pledged Securities, and the risk of loss of, damage to, or the destruction of the Investment Property and Pledged Securities, whether in the possession of, or maintained as a security entitlement or deposit by, or subject to the control of, the Agent, a Securities Intermediary, any Grantor or any other Person; provided, however, that nothing contained in this SECTION 4.4(b) shall release or relieve any Securities Intermediary of its duties and obligations to the Grantors or any other Person under any Control Agreement or under applicable Law. In the event that, following the occurrence and continuation of an Event of Default, any Grantor shall fail to make any payment of any Claims or customary fees with respect to any Pledged Securities, the Agent may do so for the account of such Grantor and the Grantors shall promptly reimburse and indemnify the Agent for all costs and expenses incurred by the Agent under this SECTION 4.4(b) and under SECTION 9.3 hereof.

(c) Commercial Tort Claims. As of the date hereof it holds no Commercial Tort Claims other than those listed in Schedule IV to the Perfection Certificate. On each date on which a Compliance Certificate is required to be delivered pursuant to the Credit Agreement, each Grantor shall notify the Agent in writing signed by such Grantor of any Commercial Tort Claim acquired by such Grantor and not previously identified to the Agent having a nominal value in excess of $1,000,000, providing the brief details thereof and upon delivery thereof to the Agent, such Grantor shall be deemed to thereby grant to the Agent a security interest in such Commercial Tort Claim.

SECTION 4.5. Supplements; Further Assurances. Each Grantor shall take such further actions, and execute and deliver to the Agent such additional assignments, agreements, supplements, powers and instruments, as the Agent may reasonably request in order to perfect, preserve and protect the security interest in the Collateral as provided herein and the rights and interests granted to the Agent hereunder, to carry into effect the purposes hereof or better to assure and confirm unto the Agent or permit the Agent to exercise and enforce its rights, powers and remedies hereunder with respect to any Collateral. If an Event of Default has occurred and is continuing, the Agent may institute and maintain, in its own name or in the name of any Grantor, such suits and proceedings as the Agent may be advised by counsel shall be necessary or expedient to prevent any impairment of the security interest in or the perfection thereof in the Collateral. All of the foregoing shall be at the sole cost and expense of the Grantors. The Grantors and the Agent acknowledge that this Agreement is intended to grant to the Agent for the benefit of the Credit Parties a security interest in and Lien upon the Collateral and shall not constitute or create a present assignment of any of the Collateral.

ARTICLE V
REPRESENTATIONS, WARRANTIES AND COVENANTS

In addition to, and without limitation of, each of the representations, warranties and covenants set forth in the Credit Agreement and the other Loan Documents, each Grantor represents, warrants and covenants as follows:

SECTION 5.1. Title. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Agent pursuant to this Agreement or as are permitted by the Credit Agreement.

SECTION 5.2. Limitation on Liens; Defense of Claims; Transferability of Collateral. Except for the security interest granted to the Agent for the benefit of the Credit Parties pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Credit Agreement, each Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. Each Grantor shall, at its own cost and expense, defend title to the Collateral pledged by it hereunder and the security interest therein and Lien thereon granted to the Agent and the priority thereof against all claims and demands of all Persons, at its own cost and expense, at any time claiming any interest therein adverse to the Agent or any other Credit Party other than Permitted Encumbrances.

SECTION 5.3. Chief Executive Office; Change of Name; Jurisdiction of Organization. (a) The exact legal name, type of organization, jurisdiction of organization, federal taxpayer identification number, organizational identification number or equivalent (if any) and chief executive office of such Grantor is indicated next to its name in Schedules I.A. and I.B to the Perfection Certificate.

(b) The Agent may rely on opinions of counsel as to whether any or all UCC financing statements of the Grantors need to be amended as a result of any of the changes described in SECTION 5.3(a) (provided that the Grantors shall be under no obligation to deliver any such opinions). If any Grantor fails to provide information to the Agent about such changes on a timely basis, the Agent shall not be liable or responsible to any party for any failure to maintain a perfected security interest in such Grantor's property constituting Collateral, for which the Agent needed to have information relating to such changes. The Agent shall have no duty to inquire about such changes if any Grantor does not inform the Agent of such changes, the parties acknowledging and agreeing that it would not be feasible or practical for the Agent to search for information on such changes if such information is not provided by any Grantor.

SECTION 5.4. Reserved. Due Authorization and Issuance. All of the Pledged Securities issued by any Grantor or any wholly-owned Subsidiary thereof have been, and to the extent any Pledged Securities are hereafter issued, such shares or other equity interests issued by any Grantor or any wholly-owned Subsidiary thereof will be, upon such issuance, duly authorized, validly issued and, to the extent applicable, fully paid and non-assessable.

SECTION 5.6. Consents. Following the occurrence and during the continuation of an Event of Default, if the Agent desires to exercise any remedies or consensual rights or attorney-in-fact powers set forth in this Agreement and reasonably determines it necessary to obtain any approvals or consents of any Governmental Authority or any other Person therefor, then, upon the reasonable request of the Agent, such Grantor agrees to use commercially reasonable efforts to assist and aid the Agent to obtain as soon as commercially practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

SECTION 5.7. Insurance. Such Grantor shall maintain or shall cause to be maintained such insurance as is required pursuant to Section 6.07 of the Credit Agreement. Each Grantor hereby irrevocably makes, constitutes and appoints the Agent (and all officers, employees or agents designated by the Agent) as such Grantor's true and lawful agent (and attorney-in-fact), exercisable only after the occurrence and during the continuance of an Event of Default, for the purpose of making, settling and adjusting claims in respect of the Collateral under policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto (it being understood and agreed that after the occurrence and during the continuance of a Cash Dominion Event, such Grantor shall remit to the Agent any such proceeds of insurance policies as and to the extent required by the Credit Agreement). In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required by Section 6.07 of

the Credit Agreement or to pay any premium in whole or in part relating thereto, to the extent required by Section 6.07 of the Credit Agreement, the Agent may, without waiving or releasing any obligation or liability of the Grantors hereunder or any Default or Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Agent deems advisable. All sums disbursed by the Agent in connection with this SECTION 5.7, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantors to the Agent and shall be additional Obligations secured hereby.

ARTICLE VI

CERTAIN PROVISIONS CONCERNING SECURITIES COLLATERAL

SECTION 6.1. Pledge of Additional Securities Collateral. Each Grantor shall, upon obtaining any certificated Pledged Securities (including without limitation by way of Distribution) or Intercompany Notes of any Person required to be pledged hereunder, accept the same in trust for the benefit of the Agent and forthwith deliver to the Agent a pledge amendment, duly executed by such Grantor, in substantially the form of Exhibit 1 annexed hereto (each, a "Pledge Amendment"), and the certificates and other documents required under SECTION 4.1 and SECTION 4.2 hereof in respect of the additional Pledged Securities or Intercompany Notes which are to be pledged pursuant to this Agreement, and confirming the attachment of the Lien hereby created on and in respect of such additional Pledged Securities or Intercompany Notes. Each Grantor hereby authorizes the Agent to attach each Pledge Amendment to this Agreement and agrees that all Pledged Securities or Intercompany Notes listed on any Pledge Amendment delivered to the Agent shall for all purposes hereunder be considered Collateral.

SECTION 6.2. Voting Rights; Distributions; etc.

(i) So long as no Event of Default shall have occurred and be continuing, each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes hereof, the Credit Agreement or any other Loan Document evidencing the Obligations. The Agent shall be deemed without further action or formality to have granted to each Grantor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Grantor and at the sole cost and expense of the Grantors, from time to time execute and deliver (or cause to be executed and delivered) to such Grantor all such instruments as such Grantor may reasonably request in order to permit such Grantor to exercise the voting and other rights which it is entitled to exercise pursuant to this SECTION 6.2(i).

(ii) Upon the occurrence and during the continuance of any Event of Default, all rights of each Grantor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to SECTION 6.2(i) hereof without any action or the giving of any

notice (other than notice suspending such rights with respect to any Securities Collateral) shall immediately cease, and all such rights shall thereupon become vested in the Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights; provided that the Agent shall have the right, in its sole discretion, from time to time following the occurrence and continuance of an Event of Default to permit such Grantor to exercise such rights under SECTION 6.2(i). After such Event of Default is no longer continuing, each Grantor shall have the right to exercise the voting, managerial and other consensual rights and powers that it would otherwise be entitled to pursuant to SECTION 6.2(i) hereof.

(iii) So long as no Cash Dominion Event shall have occurred and be continuing, each Grantor shall be entitled to receive and retain, and to utilize free and clear of the Lien hereof, any and all Distributions, but only if and to the extent made in accordance with, and to the extent permitted by, the provisions of the Credit Agreement. The Agent shall, if necessary, upon written request of any Grantor and at the sole cost and expense of the Grantors, from time to time execute and deliver (or cause to be executed and delivered) to such Grantor all such instruments as such Grantor may reasonably request in order to permit such Grantor to receive the Distributions which it is authorized to receive and retain pursuant to this SECTION 6.2(iii).

(iv) Upon the occurrence and during the continuance of any Cash Dominion Event, all rights of each Grantor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to SECTION 6.2(iii) hereof shall cease and, subject to the Intercreditor Agreement, all such rights shall thereupon become vested in the Agent, which shall thereupon have the sole right to receive and hold as Collateral such Distributions. After such Cash Dominion Event is no longer continuing, each Grantor shall have the right to receive the Distributions which it would be authorized to receive and retain pursuant to SECTION 6.2(iii).

(v) Each Grantor shall, at its sole cost and expense, from time to time execute and deliver to the Agent appropriate instruments as the Agent may reasonably request in order to permit the Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to SECTION 6.2(ii) hereof and to receive all Distributions which it may be entitled to receive under SECTION 6.1 and SECTION 6.2(iv) hereof.

(vi) All Distributions which are received by any Grantor contrary to the provisions of SECTION 6.2(iii) hereof shall be received in trust for the benefit of the Agent, shall be segregated from other funds of such Grantor and shall, subject to the Intercreditor Agreement, immediately be paid over to the Agent as Collateral in the same form as so received (with any necessary endorsement).

SECTION 6.3. Defaults, Etc. As of the Closing Date, there are no certificates (other than the Organization Documents and certificates, if any, delivered to the Agent) which evidence any certificated Pledged Securities of such Grantor.

SECTION 6.4. Certain Agreements of Grantors As Issuers and Holders of Equity Interests.

(i) In the case of each Grantor which is an issuer of Securities Collateral, such Grantor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(ii) In the case of each Grantor which is a partner in a partnership, limited liability company or other entity, such Grantor hereby consents to the extent required by the applicable Organization Documents to the pledge by each other Grantor, pursuant to the terms hereof, of the Pledged Securities in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Securities to the Agent or its nominee and to the substitution of the Agent or its nominee as a substituted partner or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner or a limited partner or member, as the case may be.

ARTICLE VII

CERTAIN PROVISIONS CONCERNING INTELLECTUAL PROPERTY COLLATERAL

SECTION 7.1. Registrations. Except pursuant to licenses and other user agreements entered into by any Grantor in the ordinary course of business incidental to products or services purchased, or as would not reasonably be expected to result in a Material Adverse Effect, on and as of the date hereof (i) each Grantor owns and possesses the right to use any Copyright, Patent or Trademark listed in Schedule III to the Perfection Certificate reasonably necessary for the operation of the business of the Grantors and their Subsidiaries, taken as a whole, and (ii) all registrations listed in Schedule III to the Perfection Certificate are valid and in full force and effect.

SECTION 7.2. No Violations or Proceedings. To each Grantor's knowledge, on and as of the date of this Agreement, there is no violation by others of any right of such Grantor with respect to any Copyright, Patent or Trademark listed in Section III of the Perfection Certificate, respectively, pledged by it under the name of such Grantor.

SECTION 7.3. Protection of Agent's Security. On a continuing basis, each Grantor shall, at its sole cost and expense, (i) maintain and protect the Intellectual Property necessary for the conduct of business of the Grantors and their Subsidiaries, taken as a whole, and (ii) not permit to lapse or become abandoned any Intellectual Property necessary for the conduct of business of the Grantors and their Subsidiaries, taken as a whole.

SECTION 7.4. After-Acquired Property. If any Grantor shall, at any time before this Agreement shall have been terminated in accordance with SECTION 9.5(a), (i) obtain any rights to any additional Intellectual Property or (ii) become entitled to the benefit of any additional Intellectual Property or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Intellectual Property, or any improvement on any Intellectual Property, or the filing and acceptance of a verified statement of use or an amendment to allege use with the United States Patent and Trademark Office with respect to any United States intent-to-use trademark application previously constituting Excluded Property, the provisions hereof shall automatically apply thereto and any such item enumerated in clause (i) or (ii) of this SECTION 7.4 with respect to such Grantor shall automatically constitute Collateral if such would have constituted Collateral at the time of execution hereof and be subject to the Lien and security interest created by this Agreement without further action by any party. On or prior to the date on which the Compliance Certificate is required to be delivered for any period, the Domestic Borrower shall deliver to the Agent a supplement relating to any Intellectual Property that has been federally registered during the preceding fiscal quarter, if any, in each case executed by the applicable Grantors.

SECTION 7.5. Modifications. Each Grantor authorizes the Agent to modify this Agreement by amending Schedule III to the Perfection Certificate to include any Intellectual Property acquired or arising after the date hereof of such Grantor including, without limitation, any of the items listed in SECTION 7.4 hereof.

SECTION 7.6. Litigation. Unless there shall occur and be continuing any Event of Default, each Grantor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Grantors, such applications for protection of Intellectual Property and suits, proceedings or other actions to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value or other damage as are necessary to protect the Intellectual Property. Upon the occurrence and during the continuance of any Event of Default, the Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property and/or bring suit in the name of any Grantor, the Agent or the other Credit Parties to enforce the Intellectual Property and any license thereunder. In the event of such suit, each Grantor shall, at the reasonable request of the Agent, do any and all lawful acts and execute any and all documents requested by the Agent in aid of such enforcement and the Grantors shall promptly reimburse and indemnify the Agent, as the case may be, for all costs and expenses incurred by the Agent in the exercise of its rights under this SECTION 7.6 in accordance with SECTION 9.3 hereof. In the event that the Agent shall elect not to bring suit to enforce the Intellectual Property, each Grantor agrees, following the occurrence and during the continuation of an Event of Default, at the request of the Agent, to take all commercially reasonable actions necessary, whether by suit, proceeding or other action, to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value of or other damage to any of the Intellectual Property by others and for that purpose agrees to diligently maintain any suit, proceeding or other action against any Person so infringing necessary to prevent such infringement.

SECTION 7.7. Third Party Consents. Each Grantor shall, following the occurrence and during the continuation of an Event of Default, upon the reasonable request of the Agent, use reasonable commercial efforts to obtain the consent of third parties to the extent such consent is necessary or desirable to create a valid, perfected security interest in favor of the Agent in any Collateral constituting Intellectual Property.

ARTICLE VIII

REMEDIES

SECTION 8.1. Remedies. Upon the occurrence and during the continuance of any Event of Default the Agent may, and at the direction of the Required Lenders, shall, from time to time in respect of the Collateral, in addition to the other rights and remedies provided for herein, under applicable Law or otherwise available to it:

(i) Personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from any Grantor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon any Grantor's premises where any of the Collateral is located, remove such Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Grantor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Collateral including, without limitation, instructing the obligor or obligors on any agreement, instrument or other obligation constituting part of the Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Agent, and in connection with any of the foregoing, compromise, settle, extend the time for payment and make other modifications with respect thereto; provided, however, that in the event that any such payments are made directly to any Grantor, prior to receipt by any such obligor of such instruction, such Grantor shall segregate all amounts received pursuant thereto in trust for the benefit of the Agent and shall promptly pay such amounts to the Agent;

(iii) Sell, assign, grant a license to use or otherwise liquidate, or direct any Grantor to sell, assign, grant a license to use or otherwise liquidate, any and all investments made in whole or in part with the Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment, license or liquidation;

(iv) Take possession of the Collateral or any part thereof, by directing any Grantor in writing to deliver the same to the Agent at any place or places reasonably selected by the Agent, in which event such Grantor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by the Agent and therewith delivered to the Agent,

(B) store and keep any Collateral so delivered to the Agent at such place or places pending further action by the Agent and (C) while the Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Time is of the essence with respect to each Grantor's obligation to deliver the Collateral as contemplated in this SECTION 8.1. Upon application to a court of equity having jurisdiction, the Agent shall be entitled to a decree requiring specific performance by any Grantor of such obligation;

(v) Withdraw all moneys, instruments, securities and other property in any bank, financial securities, deposit or other account of any Grantor constituting Collateral for application to the Obligations as provided in SECTION 8.7 hereof;

(vi) Retain and apply the Distributions to the Obligations as provided in SECTION 8.7 hereof;

(vii) Exercise any and all rights as beneficial and legal owner of the Collateral, including, without limitation, perfecting assignment of and exercising any and all voting, consensual and other rights and powers with respect to any Collateral; and

(viii) Exercise all the rights and remedies in the Collateral of a secured party under the UCC, and the Agent may also in its sole discretion, without notice except as specified in SECTION 8.2 hereof, sell, assign or grant a license to use the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Agent's offices or elsewhere, as part of one or more going out of business sales in the Agent's own right or by one or more agents and contractors, all as the Agent, in its sole discretion, may deem advisable, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Agent may deem advisable. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Upon reasonable notice, the Agent shall have the right to conduct such sales on any Grantor's premises and shall have the right to use any Grantor's premises without charge for such sales for such time or times as the Agent may reasonably see fit. The Agent and any agent or contractor, in conjunction with any such sale, may augment the Inventory with other goods (all of which other goods shall remain the sole property of the Agent or such agent or contractor). Any amounts realized from the sale of such goods which constitute augmentations to the Inventory (net of an allocable share of the costs and expenses incurred in their disposition) shall be the sole property of the Agent or such agent or contractor and neither any Grantor nor any Person claiming under or in right of any Grantor shall have any interest therein. The Agent or any other Credit Party or any of their respective Affiliates may be the purchaser, licensee, assignee or recipient of any or all of the Collateral at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold, assigned or licensed at such sale, to use and apply any of the Obligations owed to such Person as a credit on account of the purchase price of any Collateral payable by such Person at such sale. Each purchaser, assignee, licensee or recipient at any such sale shall acquire the

property sold, assigned or licensed absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives, to the fullest extent permitted by Law, all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. To the fullest extent permitted by Law, each Grantor hereby waives any claims against the Agent arising by reason of the fact that the price at which any Collateral may have been sold, assigned or licensed at such a private sale was less than the price which might have been obtained at a public sale, even if the Agent accepts the first offer received and does not offer such Collateral to more than one offeree.

SECTION 8.2. Notice of Sale. Each Grantor acknowledges and agrees that, to the extent notice of sale or other disposition of Collateral shall be required by applicable Law and unless the Collateral is perishable or threatens to decline speedily in value, or is of a type customarily sold on a recognized market (in which event the Agent shall provide such Grantor such advance notice as may be practicable under the circumstances), ten (10) days' prior notice to such Grantor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to any Grantor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying (as permitted under Law) any right to notification of sale or other intended disposition.

SECTION 8.3. Waiver of Notice and Claims. Each Grantor hereby waives, to the fullest extent permitted by applicable Law, notice or judicial hearing in connection with the Agent's taking possession or the Agent's disposition of any of the Collateral, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Grantor would otherwise have under law, and each Grantor hereby further waives, to the fullest extent permitted by applicable Law: (i) all damages occasioned by such taking of possession, (ii) except as otherwise expressly provided herein, all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Agent's rights hereunder and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable Law. The Agent shall not be liable for any incorrect or improper payment made pursuant to this ARTICLE VIII in the absence of gross negligence, bad faith or willful misconduct. Any sale of or any other realization upon, any Collateral in accordance with this Agreement shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Grantor therein and thereto, and shall be a perpetual bar both at law and in equity against such Grantor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Grantor.

SECTION 8.4. Certain Sales of Collateral.

(a) Each Grantor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any Governmental Authority, the Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers

to those who meet the requirements of such Governmental Authority. Each Grantor acknowledges that any such sales may be at prices and on terms less favorable to the Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such restricted sale shall be deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable Law, the Agent shall have no obligation to engage in public sales.

(b) Each Grantor recognizes that, by reason of certain prohibitions contained in the Securities Laws, and applicable state securities Laws, the Agent may be compelled, with respect to any sale of all or any part of the Securities Collateral and Investment Property, to limit purchasers to Persons who will agree, among other things, to acquire such Securities Collateral or Investment Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sales may be at prices and on terms less favorable to the Agent than those obtainable through a public sale without such restrictions (including, without limitation, a public offering made pursuant to a registration statement under the Securities Laws), and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Securities Collateral or Investment Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Laws or under applicable state securities Laws, even if such issuer would agree to do so.

(c) If the Agent determines to exercise its right to sell any or all of the Securities Collateral or Investment Property, upon written request, the applicable Grantor shall from time to time furnish to the Agent all such information as the Agent may reasonably request in order to determine the number of securities included in the Securities Collateral or Investment Property which may be sold by the Agent as exempt transactions under the Securities Laws and the rules of the SEC thereunder, as the same are from time to time in effect.

(d) Each Grantor further agrees that a breach of any of the covenants contained in this SECTION 8.4 will cause irreparable injury to the Agent and the other Credit Parties, that the Agent and the other Credit Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this SECTION 8.4 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing.

SECTION 8.5. No Waiver; Cumulative Remedies.

(i) No failure on the part of the Agent to exercise, no course of dealing with respect to, and no delay on the part of the Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy; nor shall the Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. The remedies herein provided are cumulative and are not exclusive of any remedies provided by Law.

(ii) In the event that the Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Agent, then and in every such case, the Grantors, the Agent and each other Credit Party shall be restored to their respective former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Agent and the other Credit Parties shall continue as if no such proceeding had been instituted.

SECTION 8.6. Grant of License. For the purpose of enabling the Agent, during the continuance of an Event of Default, to exercise rights and remedies under this ARTICLE VIII at such time as the Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Grantor) to use, license or sublicense all Intellectual Property of such Grantor, and any Equipment, Real Estate or other assets now owned or hereafter acquired by such Grantor, wherever the same may be located, including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof; provided that, notwithstanding the foregoing, except as provided in any agreement between the Agent and the owner or licensor of such Intellectual Property, Equipment, Real Estate or other assets (including, without limitation, the Sears Tri-Party Agreement), this Agreement shall not constitute a license to use, license or sublicense, any Intellectual Property to the extent such license or sublicense is prohibited by or results in the termination of or requires any consent or waiver not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such Intellectual Property, except to the extent that (x) the term in such contract, license, agreement, instrument or other document providing for such prohibition, breach, default or termination or requiring such consent or waiver is ineffective under applicable law, or (y) the contract, license, agreement, instrument or other document pursuant to which such Grantor was granted its rights to any such Intellectual Property was issued by a Subsidiary of such Grantor (and is not subject to an applicable constraint in an over-license or other agreement with a third party).

SECTION 8.7. Application of Proceeds. The proceeds received by the Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral pursuant to the exercise by the Agent of its remedies shall be applied, together with any other sums then held by the Agent pursuant to this Agreement, in accordance with and as set forth in Section 8.03 of the Credit Agreement.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Concerning the Agent.

(i) The Agent has been appointed as administrative agent and collateral agent pursuant to the Credit Agreement. The actions of the Agent hereunder are subject to the provisions of the Credit Agreement. The Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including, without limitation, the release or substitution of the Collateral), in accordance with this Agreement and the Credit Agreement. The Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Agent acted with gross negligence, bad faith or willful misconduct in the selection of such sub-agents or attorneys-in-fact. The Agent may resign and a successor Agent may be appointed in the manner provided in the Credit Agreement. Upon the acceptance of any appointment as the Agent by a successor Agent, that successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent under this Agreement, and the retiring Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Agent.

(ii) The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equivalent to that which the Agent, in its individual capacity, accords its own property consisting of similar instruments or interests, it being understood that neither the Agent nor any of the other Credit Parties shall have responsibility for, without limitation (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Securities Collateral, whether or not the Agent or any other Credit Party has or is deemed to have knowledge of such matters or (ii) taking any necessary steps to preserve rights against any Person with respect to any Collateral.

(iii) The Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper Person, and, with respect to all matters pertaining to this Agreement and its duties hereunder, upon advice of counsel selected by it.

(iv) In the event of a conflict between this Agreement and any other Security Document, this Agreement shall govern.

SECTION 9.2. Agent May Perform; Agent Appointed Attorney-in-Fact.

(i) During the continuance of an Event of Default, if (1) any Grantor shall fail to perform any covenants contained in this Agreement or, with respect to covenants relating to the protection or preservation of the Collateral, in the Credit Agreement (including, without limitation, such Grantor's covenants to (A) pay the premiums in respect of all required insurance policies hereunder, (B) pay taxes, (C) discharge Liens and (D) pay or perform any other obligations of such Grantor with respect to any Collateral) or (2) any warranty on the part of any Grantor contained herein shall be breached, the Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose; provided, however, that Agent shall in no event be bound to inquire into the validity of any tax, lien, imposition or other obligation which such Grantor fails to pay or perform as and when required hereby. Any and all amounts so expended by the Agent shall be paid by the Grantors in accordance with the terms of Section 10.04 of the Credit Agreement. Neither the provisions of this SECTION 9.2 nor any action taken by Agent pursuant to the provisions of this SECTION 9.2 shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of warranty from constituting an Event of Default.

(ii) Each Grantor hereby appoints the Agent its attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, or in its own name, for the purpose of carrying out the terms of this Agreement, from time to time after the occurrence and during the continuation of an Event of Default, to take any and all appropriate action and to execute any instrument consistent with the terms of the Credit Agreement and the other Security Documents which the Agent reasonably deems necessary to accomplish the purposes of this Agreement. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. Anything in this SECTION 9.2(ii) to the contrary notwithstanding, the Agent agrees that it will not exercise any right under the power of attorney provided for in this SECTION 9.2(ii) unless an Event of Default shall have occurred and be continuing.

SECTION 9.3. [Reserved.]

SECTION 9.4. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Collateral and shall (i) be binding upon the Grantors, their respective successors and assigns, and (ii) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent and the other Credit Parties and each of their respective successors, transferees and assigns. No other Persons (including, without limitation, any other creditor of any Grantor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Credit Party may, subject to the provisions of the Credit Agreement, assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Credit Party, herein or otherwise.

SECTION 9.5. Termination; Release.

This Agreement, the Lien in favor of the Agent (for the benefit of itself and the other Credit Parties) and all other security interests granted hereby shall terminate in accordance with Section 10.21 of the Credit Agreement.

SECTION 9.6. Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision hereof, nor consent to any departure by any Grantor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Credit Agreement and unless in writing and signed by the Agent and the Grantors. Any amendment, modification or supplement of or to any provision hereof, any waiver of any provision hereof and any consent to any departure by any Grantor from the terms of any provision hereof shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other document evidencing the Obligations, no notice to or demand on any Grantor in any case shall entitle any Grantor to any other or further notice or demand in similar or other circumstances.

SECTION 9.7. Notices. Unless otherwise provided herein or in the Credit Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner and become effective as set forth in the Credit Agreement, as to any Grantor, addressed to it at the address of the Domestic Borrower set forth in the Credit Agreement and as to the Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other parties hereto complying as to delivery with the terms of this SECTION 9.7.

SECTION 9.8. GOVERNING LAW. THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 9.9. CONSENT TO JURISDICTION; SERVICE OF PROCESS; WAIVER OF JURY TRIAL.

(a) EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY

WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO (OTHER THAN AS SET FORTH IN THE UK SECURITY DOCUMENTS), IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH GRANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION 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 IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY CREDIT PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(b) EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (A) OF THIS SECTION. EACH GRANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) EACH GRANTOR AGREES THAT ANY ACTION COMMENCED BY ANY GRANTOR ASSERTING ANY CLAIM OR COUNTERCLAIM ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT SOLELY IN A COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY OR ANY FEDERAL COURT SITTING THEREIN AS THE AGENT MAY ELECT IN ITS SOLE DISCRETION AND CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS WITH RESPECT TO ANY SUCH ACTION.

(d) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 9.7. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(e) EACH PARTY HERETO HEREBY IRREVOCABLY 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 OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY AND WHETHER INITIATED BY OR AGAINST ANY SUCH PERSON OR IN WHICH ANY SUCH PERSON IS JOINED AS A PARTY LITIGANT). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON 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 AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.10. Severability of Provisions. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 9.11. Execution in Counterparts; Effectiveness.

This Agreement may be executed in any number of counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.12. No Release. Nothing set forth in this Agreement shall relieve any Grantor from the performance of any term, covenant, condition or agreement on such Grantor's part to be performed or observed under or in respect of any of the Collateral or from any liability to any Person under or in respect of any of the Collateral or shall impose any obligation on the Agent or any other Credit Party to perform or observe any such term, covenant, condition or agreement on such Grantor's part to be so performed or observed or shall impose any liability on the Agent or any other Credit Party for any act or omission on the part of such Grantor relating thereto or for any breach of any representation or warranty on the part of such Grantor contained in this Agreement, the Credit Agreement or the other Loan Documents, or under or in respect of the Collateral or made in connection herewith or therewith.

SECTION 9.13. Intercreditor Agreement. THIS AGREEMENT IS SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND THIS AGREEMENT, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN. Any reference to "priority" or words of similar effect in describing any of the security interests created hereunder shall be understood to refer to such priority as set forth in the Intercreditor Agreement. Until such time as the Term Facility has been paid in full, to the extent the Grantors are required under the terms of the Term Credit Agreement to deliver any possessory Collateral constituting Term Priority Collateral to the Term Agent, such delivery shall be deemed to satisfy any obligation hereunder to deliver such Collateral to the Agent so long as the Term Agent holds such Collateral as bailee for the Agent pursuant to the terms of the Intercreditor Agreement. In the event of any direct conflict between the terms of this Agreement and the terms of the Credit Agreement, the terms of the Credit Agreement shall govern.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Grantors and the Agent have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

LANDS' END, INC., as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: S. Vice President, General Counsel and Secretary

LANDS' END DIRECT MERCHANTS, INC., as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: Secretary

LANDS' END INTERNATIONAL, INC., as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: Secretary

LANDS' END JAPAN, INC., as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: Secretary

LANDS' END MEDIA COMPANY, as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: Secretary

LEGC, LLC, as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: S. Vice President, General Counsel and Secretary

BANK OF AMERICA, N.A., as Agent

By: /s/ Christine M. Scott
Name: Christine M. Scott
Title: S. Vice President and Director

EXHIBIT 1

[Form of]

SECURITIES PLEDGE AMENDMENT

This Securities Pledge Amendment, dated as of , is delivered pursuant to SECTION 6.1 of that certain Security Agreement (as amended, amended and restated, restated, supplemented or otherwise modified from time to time, the "Security Agreement;" capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of April 4, 2014, made by (i) LANDS' END, INC., a Delaware corporation (the "Domestic Borrower"), and (iii) THE GUARANTORS party thereto from time to time (the "Guarantors"), as pledgors, assignors and debtors (the Domestic Borrower, together with the Guarantors, in such capacities and together with any successors in such capacities, the "Grantors," and each, a "Grantor"), in favor of BANK OF AMERICA, N.A., having an office at 100 Federal Street, 9th Floor, Boston, Massachusetts 02110, in its capacity as collateral agent for the Credit Parties, as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Agent"). The undersigned hereby agrees that this Securities Pledge Amendment may be attached to the Security Agreement and that the Pledged Securities and/or Intercompany Notes listed on this Securities Pledge Amendment shall be deemed to be and shall become part of the Collateral and shall secure all Obligations.

PLEDGED SECURITIES

ISSUER	CLASS OF STOCK OR INTERESTS	PAR VALUE	CERTIFICATE NO(S).	NUMBER OF SHARES OR INTERESTS	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER

INTERCOMPANY NOTES

ISSUER	PRINCIPAL AMOUNT	DATE OF ISSUANCE	INTEREST RATE	MATURITY DATE

[_____],
as Grantor

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

BANK OF AMERICA, N.A., as Agent

By: _____
Name:
Title:

SCHEDULE I

Intercompany Notes

None.

SCHEDULE II

Filings, Registrations and Recordings

Uniform Commercial Code Filings

UCC-1 Financing Statements to be filed against the Grantors specified below with the Secretary of State of the jurisdiction next to such Grantor's name:

Grantor	Jurisdiction
Lands' End, Inc.	Delaware
Lands' End Direct Merchants, Inc.	Delaware
LEGC, LLC	Virginia
Lands' End International, Inc.	Delaware
Lands' End Japan, Inc.	Delaware
Lands' End Media Company	Wisconsin

Other Actions

1. Establishing control over Collateral for which perfection requires possession or control (as defined in the New York UCC), including cash and cash equivalents and Deposit Accounts (for which an appropriate agreement with the applicable depository institution, broker, intermediary or other institution with which such assets are held would be needed).

2. Filing of short-form grants of security interest in intellectual property with the United States Copyright Office and the United States Patent and Trademark Office.

3. Any other steps required for perfection of Collateral that cannot be perfected by possession or control of such Collateral or the filing of a UCC-1 financing statement in the jurisdiction in which the applicable grantor is organized or domiciled, including recording of mortgages.

SCHEDULE III

Pledged Interests

Holder	Issuer	Type of Organization	# of Shares Owned	Total Shares Outstanding	% of Interest Pledged	Certificate No. (if uncertificated, please indicate so)
Lands' End, Inc.	Lands' End Direct Merchants, Inc.	Corporation	100	100	100%	1
Lands' End, Inc.	Lands' End International, Inc.	Corporation	Class A: 1000 Class B: 1000	Class A: 1000 Class B: 1000	100%	A1, A2; B1, B2
Lands' End, Inc.	Lands' End Media Company	Corporation	1000	1000	100%	1
Lands' End, Inc.	Lands' End Japan KK	Corporation	9800	9800	65%	003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 013, 014, 015, 016, 017[1]
Lands' End, Inc.	Lands' End Canada Outfitters ULC	Unlimited Liability Company	100	100	100%	Uncertificated
Lands' End, Inc.	LEGC, LLC	Limited Liability Company	1	1	100%	Uncertificated
Lands' End International, Inc.	Lands' End Japan, Inc.	Corporation	800	800	100%	1
Lands' End International, Inc.	Lands' End Europe Limited	UK Limited Corporation	7,500,000	7,500,000	65%	10, 11
Lands' End International, Inc.	Lands' End GmbH	Corporation	1	1	65%	Uncertificated

1 A total of 6,370 shares of Japan KK are certificated. The remaining 3,430 shares are uncertificate

Exhibit 4.4

TERM LOAN GUARANTY AND SECURITY AGREEMENT

by

LANDS' END, INC.
as Borrower

and

THE OTHER GRANTORS PARTY HERETO
FROM TIME TO TIME

and

BANK OF AMERICA, N.A.,
as Agent

Dated as of April 4, 2014

TABLE OF CONTENTS

ARTICLE IX

MISCELLANEOUS

TERM LOAN GUARANTY AND SECURITY AGREEMENT

TERM LOAN GUARANTY AND SECURITY AGREEMENT dated as of April 4, 2014 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "Agreement") made by (i) LANDS' END, INC., a Delaware corporation having an office at 1 Lands' End Lane, Dodgeville, Wisconsin 53533 (the "Borrower"), and (ii) THE GUARANTORS LISTED ON THE SIGNATURE PAGES HERETO (the "Original Guarantors") AND THE OTHER GUARANTORS FROM TIME TO TIME PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT (the "Additional Guarantors," and together with the Original Guarantors, the "Guarantors"), as pledgors, assignors and debtors (the Borrower, together with the Guarantors, in such capacities, and together with any successors in such capacities, the "Grantors," and each, a "Grantor"), in favor of BANK OF AMERICA, N.A., having an office at Mail Code: NC1-002-15-36, Bank of America Plaza, 101 S. Tryon Street, Charlotte, North Carolina 28255-0001, in its capacity as administrative agent and collateral agent for the Credit Parties (as defined in the Credit Agreement defined below) pursuant to the Credit Agreement, as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Agent").

R E C I T A L S :

A. The Borrower, the Guarantors, the Agent and the Lenders party thereto, among others, have, in connection with the execution and delivery of this Agreement, entered into that certain Term Loan Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement").

B. The Grantors will receive substantial benefits from the execution, delivery and performance of the Obligations and each is, therefore, willing to enter into this Agreement.

C. This Agreement is given by each Grantor in favor of the Agent for the benefit of the Credit Parties to secure the payment and performance of all of the Obligations.

D. It is a condition to the obligations of the Lenders to make the Loans under the Credit Agreement that each Grantor execute and deliver the applicable Loan Documents, including this Agreement.

A G R E E M E N T :

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor and the Agent hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1 Definitions.

(a) Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC.

(b) Capitalized terms used but not otherwise defined herein that are defined in the Credit Agreement shall have the meanings given to them in the Credit Agreement.

(c) The following terms shall have the following meanings:

"Additional Guarantors" shall have the meaning assigned to such term in the Preamble hereof.

"Agent" shall have the meaning assigned to such term in the Preamble hereof.

"Agreement" shall have the meaning assigned to such in the Preamble hereof.

"Borrower" shall have the meaning assigned to such term in the Preamble hereof.

"CFC" means a Person that is a "controlled foreign corporation" under Section 957 of the Code.

"Claims" shall mean any and all property taxes and other taxes, assessments and special assessments, levies, fees and all governmental charges imposed upon or assessed against, and all claims (including, without limitation, landlords', carriers', mechanics', workmen's, repairmen's, laborers', materialmen's, suppliers' and warehousemen's Liens and other claims arising by operation of law) against, all or any portion of the Collateral.

"Collateral" shall have the meaning assigned to such term in SECTION 3.1 hereof.

"Control Agreements" shall mean, collectively, the Deposit Account Control Agreements and the Securities Account Control Agreements.

"Copyrights" shall mean, collectively, with respect to each Grantor, all copyrights (whether statutory or common Law, whether established or registered in the United States or any other country or any political subdivision thereof whether registered or unregistered and whether published or unpublished) and all copyright registrations and applications made by such Grantor, in each case, whether now owned or hereafter created or acquired by or assigned to such Grantor, including, without limitation, the registrations and applications listed in Schedule III to the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Grantor's use of such copyrights, (ii) renewals, supplements and extensions thereof, (iii) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present or future infringements thereof.

"Credit Agreement" shall have the meaning assigned to such term in Recital A hereof.

"Deposit Account Control Agreement" shall mean an agreement in form and substance reasonably satisfactory to the Agent with respect to the obtaining of control for purposes of perfection of any Deposit Account of a Grantor.

"Distributions" shall mean, collectively, with respect to each Grantor, all Restricted Payments from time to time received, receivable or otherwise distributed to such Grantor in respect of or in exchange for any or all of the Pledged Securities or Intercompany Notes.

"Excluded Accounts" shall mean (i) payroll, trust, tax withholding and zero balance disbursement accounts funded in the ordinary course of business, (ii) any account associated with a retail store if such account holds less than $100,000, and (iii) other accounts that in the aggregate for all accounts under this clause (iii) do not hold more than $1,000,000, in each case, excepting such accounts that are subject to the control of the ABL Agent.

"Excluded Property" shall mean the following:

(a) any license, permit, lease, contract or other agreement or instrument held by any Grantor if the grant of a security interest in such lease, contract, agreement or instrument shall constitute or result in (A) the abandonment, invalidation or unenforceability of any right, title or interest of such Grantor therein or result in such Grantor's loss of use of such asset or (B) a breach or termination (or any right of termination) pursuant to the terms of, or a default under, any such license, permit, lease, contract or other agreement or instrument (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of the relevant jurisdiction or any other applicable Law or principles of equity);

(b) any assets or property to the extent the creation of a security interest therein or thereon is prohibited by applicable Law or by an enforceable contractual obligation binding on such assets that existed at the time of the acquisition thereof and was not created or made binding on the assets in contemplation of or in connection with the acquisition of such assets (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable Law or principles of equity);

(c) U.S. intent-to-use trademark applications prior to the filing and acceptance of a verified statement of use or an amendment to allege use with the United States Patent and Trademark Office with respect thereto;

(d) voting Equity Interests in excess of 65% of the total voting Equity Interests of any Subsidiary that is a CFC, or that owns no material assets other than Equity Interests in one or more CFCs;

(e) any fee-owned real property other than Material Real Estate, and all leasehold interests in real property; and

(f) any specifically identified asset with respect to which the Agent has confirmed in writing to the Grantors its reasonable determination, in consultation with the Borrower, that the costs or other consequences (including adverse tax consequences) of providing a security interest is excessive in view of the practical benefits to be obtained by the Credit Parties;

provided, however, that in each case described in clauses (a) and (b) of this definition, such property shall constitute "Excluded Property" only to the extent and for so long as such license, permit, lease, contract, agreement, instrument or applicable Law or contractual obligation validly prohibits the creation of a Lien on such property in favor of the Agent and, upon the termination of such prohibition (howsoever occurring), such property shall cease to constitute "Excluded Property"; provided further, that "Excluded Property" shall not include the right to receive any proceeds arising therefrom or any Proceeds, substitutions or replacements of any Excluded Property (unless such Proceeds, substitutions or replacements would otherwise constitute Excluded Property).

"Grantor" shall have the meaning assigned to such term in the Preamble hereof.

"Guarantors" shall have the meaning assigned to such term in the Preamble hereof.

"Intellectual Property" shall mean, collectively, the Patents, Trademarks, Copyrights, Licenses and other intellectual property, including all goodwill relating thereto, and all know-how, trade secrets, designs, customer and supplier lists, proprietary information, inventions, methods, procedures, formulae, descriptions, compositions, technical data, drawings, specifications, name plates, catalogs, confidential information and the right to limit the use or disclosure thereof by any Person, pricing and cost information, business and marketing plans and proposals, consulting agreements, engineering contracts and such other assets which relate to such goodwill.

"Intercompany Notes" shall mean, with respect to each Grantor, all intercompany notes described on Schedule I hereto and each intercompany note hereafter acquired by such Grantor and all certificates, instruments or agreements evidencing such intercompany notes.

"Licenses" shall mean, collectively, with respect to each Grantor, all license and distribution agreements with any other Person with respect to any Patent, Trademark or Copyright or any other patent, trademark or copyright or other intellectual property, whether such Grantor is a licensor or licensee, distributor or distributee under any such license or distribution agreement, together with any and all (i) renewals, extensions, supplements and amendments thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including, without limitation, damages and payments for past, present or future breach or violations thereof, (iii) rights to sue for past, present and future breach or violations thereof and (iv) other rights to use, exploit or practice any or all of the Patents, Trademarks or Copyrights or any other patent, trademark or copyright or other intellectual property subject to the foregoing.

"Original Guarantors" shall have the meaning assigned to such term in the Preamble hereof.

"Patents" shall mean, collectively, with respect to each Grantor, all patents issued or assigned to and all patent applications made by such Grantor (whether established or registered or recorded in the United States or any other country or any political subdivision thereof), including, without limitation, those patents and patent applications listed in Schedule III to the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Grantor's use of any of the foregoing, (ii) inventions, discoveries, designs and improvements described or claimed therein, (iii) reissues, divisions, continuations, extensions and continuations-in-part thereof, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including, without limitation, damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

"Perfection Certificate" shall mean that certain Perfection Certificate dated as of the date hereof, executed and delivered by each Grantor in favor of the Agent for the benefit of the Credit Parties, and each other Perfection Certificate (which shall be in form and substance reasonably acceptable to the Agent) executed and delivered by the applicable Grantor in favor of the Agent for the benefit of the Credit Parties contemporaneously with the execution and delivery of a Joinder Agreement executed in accordance with Section 6.11 of the Credit Agreement, in each case, as the same may be amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance with the Credit Agreement.

"Pledge Amendment" shall have the meaning assigned to such term in SECTION 6.1 hereof.

"Pledged Securities" shall mean (except, in each case, to the extent constituting Excluded Property), collectively, with respect to each Grantor, all Equity Interests held by such Grantor in any issuer now existing or hereafter acquired or formed, including, without limitation, all Equity Interests described in Schedule III hereof, together with all rights, privileges, authority and powers of such Grantor relating to such Equity Interests issued by any such issuer under the Organization Documents of any such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Grantor in the entries on the books of any financial intermediary pertaining to such Equity Interests, from time to time acquired by such Grantor in any manner, and all other Investment Property owned by such Grantor.

"Qualified ECP Guarantor" shall mean, at any time, each Loan Party with total assets exceeding $10,000,000 or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act and can cause another Person to qualify as an "eligible contract participant" at such time under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Securities Account Control Agreement" shall mean an agreement in form and substance reasonably satisfactory to the Agent with respect to the obtaining of control for purposes of perfection of any Securities Account of a Grantor.

"Securities Collateral" shall mean, collectively, the Pledged Securities and the Intercompany Notes.

"Specified Loan Party" shall mean any Loan Party that is not then an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 2.8).

"Trademarks" shall mean, collectively, with respect to each Grantor, all trademarks (including service marks), slogans, logos, certification marks, trade dress, uniform resource locations (URLs), domain names, corporate names and trade names, whether registered or unregistered, owned by or assigned to such Grantor and all registrations and applications for the foregoing (whether statutory or common Law and whether established or registered in the United States or any other country or any political subdivision thereof), including, without limitation, the registrations and applications listed in Schedule III to the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Grantor's use of any of the foregoing, (ii) extensions and renewals thereof, (iii) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages, claims and payments for past, present or future infringements, dilution or violation thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present and future infringements, dilution or violation thereof.

"Tri-Party Agreement" shall mean the Sears Tri-Party Agreement, dated as of April 4, 2014, by and among the ABL Agent, certain of the Loan Parties, SHC and certain of its Subsidiaries.

"UCC" or "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that if a term is defined in Article 9 of the Uniform Commercial Code differently than in another Article thereof, the term shall have the meaning set forth in Article 9; provided further that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "Uniform Commercial Code" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

SECTION 1.2 Interpretation. The rules of interpretation specified in Article I of the Credit Agreement shall be applicable to this Agreement.

SECTION 1.3 Perfection Certificate. The Agent and each Grantor agree that the Perfection Certificate, and all schedules, amendments, restatements and supplements thereto are and shall at all times remain a part of this Agreement.

ARTICLE II

GUARANTY

SECTION 2.1 Guaranty. Each Grantor (other than the Borrower) irrevocably and unconditionally guaranties, jointly with the other Grantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment when due (whether at the stated maturity, by required prepayment, by acceleration or otherwise) and performance by the Borrower and each other applicable Loan Party of all Obligations, including all such Obligations which shall become due but for the operation of any Debtor Relief Law. The Borrower irrevocably and unconditionally guaranties, severally, as a primary obligor and not merely as a surety, the due and punctual payment when due (whether at the stated maturity, by required prepayment, by acceleration or otherwise) and performance by each other applicable Loan Party of all Obligations, including all such Obligations which shall become due but for the operation of any Debtor Relief Law. Each Grantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon this Agreement notwithstanding any extension or renewal of any Obligation.

SECTION 2.2 Obligations Not Affected. To the fullest extent permitted by applicable Law, each Grantor waives presentment to, demand of payment from, and protest to, any Loan Party of any of the Obligations, and also waives notice of acceptance of this guaranty, notice of protest for nonpayment and all other notices of any kind. To the fullest extent permitted by applicable Law, the obligations of each Grantor hereunder shall not be discharged or impaired or otherwise affected by (a) any rescission, waiver, amendment or modification of, or any release from, any of the terms or provisions of this Agreement, any other Loan Document or any other agreement delivered or given in connection herewith or therewith, with respect to any Loan Party or with respect to the Obligations, (b) the failure to perfect any security interest in, or the release of, any of the Collateral held by or on behalf of the Agent or any other Credit Party or (c) the lack of legal existence of any Loan Party or legal obligation to discharge any of the Obligations by any Loan Party for any reason whatsoever, including, without limitation, in any insolvency, bankruptcy or reorganization of any Loan Party.

SECTION 2.3 Security. Each of the Grantors hereby acknowledges and agrees that the Agent and each of the other Credit Parties may (a) take and hold security for the payment of this guaranty and the Obligations and exchange, enforce, waive and release any such security, (b) apply such security and direct the order or manner of sale thereof as they in their sole discretion may determine (subject to any limitations contained herein) and (c) release or substitute any one or more endorsees, the Borrower or other obligors, in each case without affecting or impairing in any way the liability of any Grantor hereunder.

SECTION 2.4 Guaranty of Payment. Each of the Grantors further agrees that this guaranty constitutes a guaranty of payment and performance when due of all Obligations and not of collection and, to the fullest extent permitted by applicable Law, waives any right to require that any resort be had by the Agent or any other Credit Party to any of the Collateral or other security held for payment of the Obligations or to any balance of any deposit account or credit on the books of the Agent or any other Credit Party in favor of any Loan Party or any other Person or to any other guarantor of all or part of the Obligations. Any payment required to be made by the Grantors hereunder may be required by the Agent or any other Credit Party on any number of occasions and shall be payable to the Agent, for the benefit of the Agent and the other Credit Parties, in the manner provided in the Credit Agreement.

SECTION 2.5 No Discharge or Diminishment of Guaranty. The obligations of each Grantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the payment in full in cash of the Obligations), including any claim of waiver, release, surrender, alteration or compromise of any of the Obligations, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise (other than the defense of payment in full in cash of the Obligations). Without limiting the generality of the foregoing, the Obligations of each Grantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Agent or any other Credit Party to assert any claim or demand or to enforce any remedy under this Agreement, the Credit Agreement, any other Loan Document or any other agreement delivered or given in connection herewith or therewith, by any waiver or modification of any provision thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of any Grantor or that would otherwise operate as a discharge of any Grantor as a matter of law or equity (other than a written release of such Grantor from the Agent in accordance with the terms of the Loan Documents or the payment in full in cash of the Obligations).

SECTION 2.6 Information. Each of the Grantors assumes all responsibility for being and keeping itself informed of each Loan Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such Grantor assumes and incurs hereunder, and agrees that none of the Agent or the other Credit Parties will have any duty to advise any of the Grantors of information known to it or any of them regarding such circumstances or risks.

SECTION 2.7 Subordination. Upon payment by any Grantor of any Obligations, all rights of such Grantor against any other Grantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior payment in full in cash of all of the Obligations (other than contingent indemnification obligations for which a claim has not been asserted) and the termination of the Commitments. If any amount shall erroneously be paid to any Grantor on account of such subrogation, contribution, reimbursement, indemnity or similar right, such amount shall be held in trust for the benefit of the Credit Parties and shall forthwith be paid to the Agent to be credited against the payment of the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement and the other Loan Documents.

SECTION 2.8 Keepwell. Each Loan Party that is a Qualified ECP Guarantor at the time this Agreement or the grant of a security interest under the Loan Documents, in each case, by any Specified Loan Party becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum

amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under Section 2.1 voidable under applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the termination or release of this Agreement with respect to such Qualified ECP Guarantor pursuant to Section 9.5. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

ARTICLE III

GRANT OF SECURITY

SECTION 3.1 Grant of Security Interest. As collateral security for the payment and performance in full of all the Obligations, each Grantor hereby pledges and grants to the Agent for its benefit and for the benefit of the other Credit Parties, a lien on and security interest in all of the following property of such Grantor, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "Collateral"):

(i) all Accounts;

(ii) all Goods, including Equipment, Inventory and Fixtures;

(iii) all Documents, Instruments and Chattel Paper;

(iv) all Letters of Credit and Letter-of-Credit Rights;

(v) all Securities Collateral;

(vi) all Investment Property;

(vii) all Intellectual Property;

(viii) all Commercial Tort Claims, including, without limitation, those described in the Schedule IV to the Perfection Certificate;

(ix) all General Intangibles;

(x) all Deposit Accounts;

(xi) all Supporting Obligations;

(xii) all books and records relating to the Collateral; and

(xiii) to the extent not covered by clauses (i) through (xii) of this sentence, all other personal property of such Grantor, whether tangible or intangible and all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and all indemnities, warranties, collateral security and guarantees payable to such Grantor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (i) through (xiii) above or otherwise, the security interest created by this Agreement shall not extend to, and the term "Collateral" shall not include, any Excluded Property.

SECTION 3.2 Secured Obligations. This Agreement secures, and the Collateral is collateral security for, the payment and performance in full when due of the Obligations.

SECTION 3.3 Security Interest.

(a) Each Grantor hereby irrevocably authorizes the Agent at any time and from time to time to authenticate and file in any relevant jurisdiction any financing statements (including fixture filings) and amendments thereto that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including, without limitation, (i) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor, (ii) a description of the Collateral as "all assets of the Grantor, wherever located, whether now owned or hereafter acquired" or words of similar effect and (iii) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Collateral relates. Each Grantor agrees to provide all information described in the immediately preceding sentence to the Agent promptly upon request.

(b) Each Grantor hereby ratifies its prior authorization for the Agent to file in any relevant jurisdiction any financing statements or amendments thereto relating to the Collateral if filed prior to the date hereof.

(c) Each Grantor hereby further authorizes the Agent to file filings with the United States Patent and Trademark Office and United States Copyright Office (or any successor office or any similar office in any other country) or other necessary documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by such Grantor hereunder in any Intellectual Property constituting Collateral, without the signature of such Grantor, and naming such Grantor, as debtor, and the Agent, as secured party.

ARTICLE IV

PERFECTION; SUPPLEMENTS; FURTHER ASSURANCES; USE OF COLLATERAL

SECTION 4.1 Delivery of Certificated Securities Collateral. Each Grantor represents and warrants that all certificates or instruments representing or evidencing any certificated Securities Collateral in existence on the date hereof have been delivered to the Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank and that the Agent has a perfected security interest therein, in each case prior and superior in right to any other Lien (other than Permitted Encumbrances which by operation

of Law or the ABL Intercreditor Agreement or any customary intercreditor agreement would have priority to the Liens securing the Obligations). Each Grantor hereby agrees that all certificates or instruments representing or evidencing certificated Securities Collateral acquired by such Grantor after the date hereof, shall promptly (and in any event within ten (10) Business Days) upon receipt thereof by such Grantor be delivered to and held by or on behalf of the Agent pursuant hereto. All certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Agent. The Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the security interest hereunder. In addition, upon the occurrence and during the continuance of any Event of Default, the Agent shall have the right with written notice to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations, accompanied by instruments of transfer or assignment and letters of direction duly executed in blank.

SECTION 4.2 Perfection of Uncertificated Securities Collateral. Each Grantor represents and warrants that the Agent has a perfected security interest, in each case prior and superior in right to any other Lien (other than Permitted Encumbrances which by operation of Law or the ABL Intercreditor Agreement or any customary intercreditor agreement would have priority to the Liens securing the Obligations), in all uncertificated Pledged Securities pledged by it hereunder that are in existence on the date hereof (to the extent that a security interest therein can be perfected by the filing of an appropriate UCC-1 financing statement) and that, in the case of any Pledged Securities issued by a Grantor or any wholly-owned Subsidiary thereof, (i) the applicable Organization Documents of such Grantor or such wholly-owned Subsidiary do not require the consent of the other shareholders, members, partners or other Person to permit the Agent or its designee to be substituted, following the occurrence and during the continuation of an Event of Default, for the applicable Grantor as a shareholder, member, partner or other equity owner, as applicable, thereto or (ii) to the extent such consent is required, it has been granted in accordance with the applicable Organizational Documents (and each Grantor hereby consents in respect of any Pledged Securities pledged by such Grantor, to the extent permitted by such Organizational Documents, to such substitution, effective following the occurrence and during the continuation of an Event of Default). Each Grantor hereby agrees that if any of the Pledged Securities are at any time not evidenced by certificates of ownership, then, after the occurrence and during the continuation of any Event of Default, such Grantor shall, to the extent permitted by applicable Law and upon the request of the Agent, use its reasonable best efforts to (a) cause such pledge to be recorded on the equityholder register or the books of the issuer and (b) execute customary pledge forms or other documents necessary or reasonably requested to complete the pledge and give the Agent the right to transfer such Pledged Securities under the terms hereof.

SECTION 4.3 Financing Statements and Other Filings; Maintenance of Perfected Security Interest.

(a) Each Grantor represents and warrants that the security interests granted pursuant to this Agreement will, upon completion of the filings and other actions specified on Schedule II hereto (which, in the case of all filings and other documents referred to on said Schedule, have been or will be delivered to the Agent in completed and, if applicable, duly executed form in accordance with the Credit Agreement and the other Loan Documents) constitute valid perfected security interests in favor of the Agent, for the benefit of the Credit Parties, in each case prior and superior in right to any other Lien (other than Permitted Encumbrances which, by operation of Law, the ABL Intercreditor Agreement or any customary intercreditor agreement, would have priority to the Liens securing the Obligations), as collateral security for the Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor, in (a) all Collateral, Liens in which can be perfected by the filing of an appropriate UCC-1 financing statement and (b) all registered Intellectual Property identified in Schedule III to the Perfection Certificate, to the extent that Liens therein can be perfected by filing of a security agreement with the United States Patent and Trademark Office or the United States Copyright Office, as applicable. Each Grantor further represents and warrants that the security interests granted pursuant to this Agreement in Deposit Accounts and Securities Accounts or cash and cash equivalents contained therein will constitute valid perfected security interests in favor of the Agent, for the benefit of the Credit Parties, as collateral security for the Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor upon the entry by the applicable parties into appropriate Control Agreements, in any case to the extent required by the Loan Documents. Each Grantor agrees that at the sole cost and expense of the Grantors, and without limiting any of the other provisions of this Agreement (including, without limitation, SECTION 3.3 hereof), at any time and from time to time, upon the written request of the Agent, such Grantor shall promptly and duly execute and deliver, and file and have recorded, such further instruments and documents and take such further action as the Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and the other Loan Documents and the rights and powers herein and therein granted, including the filing of any financing statements, continuation statements and other documents (including this Agreement) under the UCC (or other applicable Laws) and, to the extent applicable, the execution and delivery of Control Agreements and intellectual property agreements or instruments to be filed with the United States Patent and Trademark Office or the United States Copyright Office, all in form reasonably satisfactory to the Agent and in such offices as the Agent may reasonably request.

(b) Notwithstanding anything in this Agreement to the contrary, other than the filing of a UCC financing statement (i) no actions shall be required to perfect the security interest granted hereunder in Letter-of-Credit Rights, (ii) no actions shall be required to perfect the security interest granted hereunder in any motor vehicles and other assets subject to certificates of title, (iii) no actions shall be required to perfect the security interest granted hereunder in any Commercial Tort Claims having a nominal value of $1,000,000 or less and (iv) no Grantor shall be required to complete any filings or other action with respect to the perfection of the security interests created hereby in any jurisdiction outside of the United States or any State or political subdivision thereof. In addition, to the extent that any security interest intended to be created hereunder in property described in clauses (i), (ii) or (iii) of this clause (b) is not valid and binding, no Grantor shall be found to be in breach of this Agreement or any of its obligations hereunder by virtue thereof, notwithstanding any other provisions herein to the contrary.

SECTION 4.4 Other Actions. Each Grantor represents, warrants and agrees, in each case at such Grantor's own expense, with respect to the following Collateral that:

(a) Instruments and Tangible Chattel Paper. As of the date hereof no amount payable under or in connection with any of the Collateral is evidenced by any Instrument or Tangible Chattel Paper other than (a) such Instruments and Tangible Chattel Paper listed in Schedule II.E. to the Perfection Certificate and (b) Instruments with a face value equal to or less than $250,000 individually or $1,000,000 in the aggregate as to all such Instruments held by or payable to any Grantor. If any amount payable (other than by a Grantor) under or in connection with any of the Collateral shall be evidenced by any Instrument or Tangible Chattel Paper consisting of a promissory note that equals or exceeds $1,000,000, the Grantor acquiring such promissory note shall forthwith endorse, assign and deliver the same to the Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Agent may reasonably request from time to time.

(b) Investment Property. (i) (1) As of the date hereof, it has no Securities Accounts other than those listed in Schedule II.B. to the Perfection Certificate, (2) as of the date hereof, it does not hold, own or have any interest in any certificated securities or uncertificated securities other than those listed on Schedule III hereto, and other than those constituting Excluded Property, and (3) within sixty (60) days following the Closing Date (as such time period may be extended by the Agent in its sole discretion), it shall enter into and deliver to the Agent a duly authorized, executed and delivered Securities Account Control Agreement with respect to each Securities Account listed in Schedule II.B. to the Perfection Certificate. Except with respect to the Securities Accounts described in this clause (i) and any Securities Accounts established hereafter in accordance with clause (iii) below, no Grantor has any Securities Accounts.

(ii) No Grantor shall hereafter establish and maintain any Securities Account, unless such Grantor shall have delivered a Securities Account Control Agreement to the Agent with respect to such Securities Account within 90 days (or such additional time as agreed by the Agent) of establishing such Securities Account. The Agent agrees with each Grantor that the Agent shall not give any entitlement orders or instructions or directions to Securities Intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Grantor with respect to any Securities Account, unless an Event of Default has occurred and is continuing.

(iii) As between the Agent and the Grantors, the Grantors shall bear the investment risk with respect to the Investment Property and Pledged Securities, and the risk of loss of, damage to, or the destruction of the Investment Property and Pledged Securities, whether in the possession of, or maintained as a security entitlement or deposit by, or subject to the control of, the Agent, a Securities Intermediary, any Grantor or any other Person; provided, however, that nothing contained in this SECTION 4.4(b) shall release or relieve any Securities Intermediary of its duties and obligations to the Grantors or any other Person under any Securities Account Control Agreement or under applicable Law. In the event that, following the occurrence and continuation of an Event of Default, any Grantor shall fail to make any payment of any Claims or customary fees with respect to any Pledged Securities, the Agent may do so for the account of such Grantor and the Grantors shall promptly reimburse and indemnify the Agent for all costs and expenses incurred by the Agent under this SECTION 4.4(b).

(c) Commercial Tort Claims. As of the date hereof it holds no Commercial Tort Claims other than those listed in Schedule IV to the Perfection Certificate. On each date on which a Compliance Certificate is required to be delivered pursuant to the Credit Agreement, each Grantor shall notify the Agent in writing signed by such Grantor of any Commercial Tort Claim acquired by such Grantor and not previously identified to the Agent having a nominal value in excess of $1,000,000, providing the brief details thereof and upon delivery thereof to the Agent, such Grantor shall be deemed to thereby grant to the Agent a security interest in such Commercial Tort Claim.

(d) Deposit Accounts. (i) (1) As of the date hereof, it has no Deposit Accounts other than those listed in Schedule II.C. to the Perfection Certificate, and (2) within sixty (60) days following the Closing Date (as such time period may be extended by the Agent in its sole discretion), it shall enter into and deliver to the Agent a duly authorized, executed and delivered Deposit Account Control Agreement as set forth on Schedule IV hereto.

(ii) No Grantor shall hereafter establish and maintain any Deposit Account (other than an Excluded Account), unless such Grantor shall have delivered a Deposit Account Control Agreement to the Agent with respect to such Deposit Account within 90 days (or such additional time as agreed by the Agent) of establishing such Deposit Account; provided however, that so long as any ABL Facility is outstanding, the Grantors shall not be required to take any action with respect to Deposit Accounts to the extent the same is not required in respect of the ABL Facility or any refinancing thereof. The Agent agrees with each Grantor that the Agent shall not give any entitlement orders or instructions or directions to the applicable deposit bank, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Grantor with respect to any Deposit Account, unless an Event of Default has occurred and is continuing.

SECTION 4.5 Supplements; Further Assurances. Each Grantor shall take such further actions, and execute and deliver to the Agent such additional assignments, agreements, supplements, powers and instruments, as the Agent may reasonably request in order to perfect, preserve and protect the security interest in the Collateral as provided herein and the rights and interests granted to the Agent hereunder, to carry into effect the purposes hereof or better to assure and confirm unto the Agent or permit the Agent to exercise and enforce its rights, powers and remedies hereunder with respect to any Collateral. If an Event of Default has occurred and is continuing, the Agent may institute and maintain, in its own name or in the name of any Grantor, such suits and proceedings as the Agent may be advised by counsel shall be necessary or expedient to prevent any impairment of the security interest in or the perfection thereof in the Collateral. All of the foregoing shall be at the sole cost and expense of the Grantors. The Grantors and the Agent acknowledge that this Agreement is intended to grant to the Agent for the benefit of the Credit Parties a security interest in and Lien upon the Collateral and shall not constitute or create a present assignment of any of the Collateral.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS

In addition to, and without limitation of, each of the representations, warranties and covenants set forth in the Credit Agreement and the other Loan Documents, each Grantor represents, warrants and covenants as follows:

SECTION 5.1 Title. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Agent pursuant to this Agreement or as are permitted by the Credit Agreement.

SECTION 5.2 Limitation on Liens; Defense of Claims; Transferability of Collateral. Except for the security interest granted to the Agent for the benefit of the Credit Parties pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Credit Agreement, each Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. Each Grantor shall, at its own cost and expense, defend title to the Collateral pledged by it hereunder and the security interest therein and Lien thereon granted to the Agent and the priority thereof against all claims and demands of all Persons, at its own cost and expense, at any time claiming any interest therein adverse to the Agent or any other Credit Party other than Permitted Encumbrances.

SECTION 5.3 Chief Executive Office; Change of Name; Jurisdiction of Organization.

(a) The exact legal name, type of organization, jurisdiction of organization, federal taxpayer identification number, organizational identification number or equivalent (if any) and chief executive office of such Grantor is indicated next to its name in Schedules I.A. and I.B. to the Perfection Certificate.

(b) The Agent may rely on opinions of counsel as to whether any or all UCC financing statements of the Grantors need to be amended as a result of any of the changes described in SECTION 5.3(a) (provided that the Grantors shall be under no obligation to deliver any such opinions). If any Grantor fails to provide information to the Agent about such changes on a timely basis, the Agent shall not be liable or responsible to any party for any failure to maintain a perfected security interest in such Grantor's property constituting Collateral, for which the Agent needed to have information relating to such changes. The Agent shall have no duty to inquire about such changes if any Grantor does not inform the Agent of such changes, the parties acknowledging and agreeing that it would not be feasible or practical for the Agent to search for information on such changes if such information is not provided by any Grantor.

SECTION 5.4 Due Authorization and Issuance.

All of the Pledged Securities issued by any Grantor or any wholly-owned Subsidiary thereof have been, and to the extent any Pledged Securities are hereafter issued, such shares or other equity interests issued by any Grantor or any wholly-owned Subsidiary thereof will be, upon such issuance, duly authorized, validly issued and, to the extent applicable, fully paid and non-assessable.

SECTION 5.5 Consents. Following the occurrence and during the continuation of an Event of Default, if the Agent desires to exercise any remedies or consensual rights or attorney-in-fact powers set forth in this Agreement and reasonably determines it necessary to obtain any approvals or consents of any Governmental Authority or any other Person therefor, then, upon the reasonable request of the Agent, such Grantor agrees to use commercially reasonable efforts to assist and aid the Agent to obtain as soon as commercially practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

SECTION 5.6 Insurance. Such Grantor shall maintain or shall cause to be maintained such insurance as is required pursuant to Section 6.7 of the Credit Agreement. Each Grantor hereby irrevocably makes, constitutes and appoints the Agent (and all officers, employees or agents designated by the Agent) as such Grantor's true and lawful agent (and attorney-in-fact), exercisable only after the occurrence and during the continuance of an Event of Default, for the purpose of making, settling and adjusting claims in respect of the Collateral under policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto (it being understood and agreed that after the occurrence and during the continuance of an Event of Default, such Grantor shall remit to the Agent any such proceeds of insurance policies as and to the extent required by the Credit Agreement). In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required by Section 6.7 of the Credit Agreement or to pay any premium in whole or in part relating thereto, to the extent required by Section 6.7 of the Credit Agreement, the Agent may, without waiving or releasing any obligation or liability of the Grantors hereunder or any Default or Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Agent deems advisable. All sums disbursed by the Agent in connection with this SECTION 5.6, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantors to the Agent and shall be additional Obligations secured hereby.

ARTICLE VI

CERTAIN PROVISIONS CONCERNING SECURITIES COLLATERAL

SECTION 6.1 Pledge of Additional Securities Collateral. Each Grantor shall, upon obtaining any certificated Pledged Securities (including without limitation by way of Distribution) or Intercompany Notes of any Person required to be pledged hereunder, accept the same in trust for the benefit of the Agent and forthwith deliver to the Agent a pledge amendment, duly executed by such Grantor, in substantially the form of Exhibit 1 annexed hereto (each, a "Pledge Amendment"), and the certificates and other documents required under SECTION 4.1 and SECTION 4.2 hereof in respect of the additional Pledged Securities or Intercompany Notes which are to be pledged pursuant to this Agreement, and confirming the attachment of the Lien hereby created on and in respect of such additional Pledged Securities or Intercompany Notes. Each Grantor hereby authorizes the Agent to attach each Pledge Amendment to this Agreement and agrees that all Pledged Securities or Intercompany Notes listed on any Pledge Amendment delivered to the Agent shall for all purposes hereunder be considered Collateral.

SECTION 6.2 SECTION 5.2. Voting Rights; Distributions; etc.

(i) So long as no Event of Default shall have occurred and be continuing, each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes hereof, the Credit Agreement or any other Loan Document evidencing the Obligations. The Agent shall be deemed without further action or formality to have granted to each Grantor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Grantor and at the sole cost and expense of the Grantors, from time to time execute and deliver (or cause to be executed and delivered) to such Grantor all such instruments as such Grantor may reasonably request in order to permit such Grantor to exercise the voting and other rights which it is entitled to exercise pursuant to this SECTION 6.2(i).

(ii) Upon the occurrence and during the continuance of any Event of Default, all rights of each Grantor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to SECTION 6.2(i) hereof without any action or the giving of any notice (other than notice suspending such rights with respect to any Securities Collateral) shall immediately cease, and all such rights shall thereupon become vested in the Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights; provided that the Agent shall have the right, in its sole discretion, from time to time following the occurrence and continuance of an Event of Default to permit such Grantor to exercise such rights under SECTION 6.2(i). After such Event of Default is no longer continuing, each Grantor shall have the right to exercise the voting, managerial and other consensual rights and powers that it would otherwise be entitled to pursuant to SECTION 6.2(i) hereof.

(iii) So long as no Event of Default shall have occurred and be continuing, each Grantor shall be entitled to receive and retain, and to utilize free and clear of the Lien hereof, any and all Distributions, but only if and to the extent made in accordance with, and to the extent permitted by, the provisions of the Credit Agreement. The Agent shall, if necessary, upon written request of any Grantor and at the sole cost and expense of the Grantors, from time to time execute and deliver (or cause to be executed and delivered) to such Grantor all such instruments as such Grantor may reasonably request in order to permit such Grantor to receive the Distributions which it is authorized to receive and retain pursuant to this SECTION 6.2(iii).

(iv) Upon the occurrence and during the continuance of any Event of Default, all rights of each Grantor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to SECTION 6.2(iii) hereof shall cease and, subject to the ABL Intercreditor Agreement, all such rights shall thereupon become vested in the Agent, which shall thereupon have the sole right to receive and hold as Collateral such Distributions. After such Event of Default is no longer continuing, each Grantor shall have the right to receive the Distributions which it would be authorized to receive and retain pursuant to SECTION 6.2(ii).

(v) Each Grantor shall, at its sole cost and expense, from time to time execute and deliver to the Agent appropriate instruments as the Agent may reasonably request in order to permit the Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to SECTION 6.2(ii) hereof and to receive all Distributions which it may be entitled to receive under SECTION 6.1 and SECTION 6.2(iii) hereof.

(vi) All Distributions which are received by any Grantor contrary to the provisions of SECTION 6.2(iii) hereof shall be received in trust for the benefit of the Agent, shall be segregated from other funds of such Grantor and shall, subject to the ABL Intercreditor Agreement, immediately be paid over to the Agent as Collateral in the same form as so received (with any necessary endorsement).

SECTION 6.3 Defaults, Etc. As of the Closing Date, there are no certificates (other than the Organization Documents and certificates, if any, delivered to the Agent) which evidence any certificated Pledged Securities of such Grantor.

SECTION 6.4 Certain Agreements of Grantors As Issuers and Holders of Equity Interests.

(i) In the case of each Grantor which is an issuer of Securities Collateral, such Grantor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(ii) In the case of each Grantor which is a partner in a partnership, limited liability company or other entity, such Grantor hereby consents to the extent required by the applicable Organization Documents to the pledge by each other Grantor, pursuant to the terms hereof, of the Pledged Securities in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Securities to the Agent or its nominee and to the substitution of the Agent or its nominee as a substituted partner or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner or a limited partner or member, as the case may be.

ARTICLE VII
CERTAIN PROVISIONS CONCERNING INTELLECTUAL PROPERTY COLLATERAL

SECTION 7.1 Registrations. Except pursuant to licenses and other user agreements entered into by any Grantor in the ordinary course of business incidental to products or services purchased, or as would not reasonably be expected to result in a Material Adverse Effect, on and as of the date hereof (i) each Grantor owns and possesses the right to use any Copyright, Patent or Trademark listed in Schedule III to the Perfection Certificate reasonably necessary for the operation of the business of the Grantors and their Subsidiaries, taken as a whole, and (ii) all registrations listed in Schedule III to the Perfection Certificate are valid and in full force and effect.

SECTION 7.2 No Violations or Proceedings. To each Grantor's knowledge, on and as of the date of this Agreement, there is no violation by others of any right of such Grantor with respect to any Copyright, Patent or Trademark listed in Schedule III to the Perfection Certificate, respectively, pledged by it under the name of such Grantor.

SECTION 7.3 Protection of Agent's Security. On a continuing basis, each Grantor shall, at its sole cost and expense, (i) maintain and protect the Intellectual Property necessary for the conduct of business of the Grantors and their Subsidiaries, taken as a whole, and (ii) not permit to lapse or become abandoned any Intellectual Property necessary for the conduct of business of the Grantors and their Subsidiaries, taken as a whole.

SECTION 7.4 After-Acquired Property. If any Grantor shall, at any time before this Agreement shall have been terminated in accordance with SECTION 9.5, (i) obtain any rights to any additional Intellectual Property or (ii) become entitled to the benefit of any additional Intellectual Property or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Intellectual Property, or any improvement on any Intellectual Property, or the filing and acceptance of a verified statement of use or an amendment to allege use with the United States Patent and Trademark Office with respect to any United States intent-to-use trademark application previously constituting Excluded Property, the provisions hereof shall automatically apply thereto and any such item enumerated in clause (i) or (ii) of this SECTION 7.4 with respect to such Grantor shall automatically constitute Collateral if such would have constituted Collateral at the time of execution hereof and be subject to the Lien and security interest created by this Agreement without further action by any party. On or prior to the date on which the Compliance Certificate is required to be delivered for any period, the Borrower shall deliver to the Agent a supplement relating to any Intellectual Property that has been federally registered during the preceding fiscal quarter, if any, in each case executed by the applicable Grantors.

SECTION 7.5 Modifications. Each Grantor authorizes the Agent to modify this Agreement by amending Schedule III to the Perfection Certificate to include any Intellectual Property acquired or arising after the date hereof of such Grantor including, without limitation, any of the items listed in SECTION 7.4 hereof.

SECTION 7.6 Litigation. Unless there shall occur and be continuing any Event of Default, each Grantor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Grantors, such applications for protection of Intellectual Property and suits, proceedings or other actions to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value or other damage as are necessary to protect the Intellectual Property. Upon the occurrence and during the continuance of any Event of Default, the Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property and/or bring suit in the name of any Grantor, the Agent or the other Credit Parties to enforce the Intellectual Property and any license thereunder. In the event of such suit, each Grantor shall, at the reasonable request of the Agent, do any and all lawful acts and execute any and all documents requested by the Agent in aid of such enforcement and the Grantors shall promptly reimburse and indemnify the Agent, as the case may be, for all costs and expenses incurred by the Agent in the exercise of its rights under this SECTION 7.6. In the event that the Agent shall elect not to bring suit to enforce the Intellectual Property, each Grantor agrees, following the occurrence and during the continuation of an Event of Default, at the request of the Agent, to take all commercially reasonable actions

necessary, whether by suit, proceeding or other action, to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value of or other damage to any of the Intellectual Property by others and for that purpose agrees to diligently maintain any suit, proceeding or other action against any Person so infringing necessary to prevent such infringement.

SECTION 7.7 Third Party Consents. Each Grantor shall, following the occurrence and during the continuation of an Event of Default, upon the reasonable request of the Agent, use reasonable commercial efforts to obtain the consent of third parties to the extent such consent is necessary or desirable to create a valid, perfected security interest in favor of the Agent in any Collateral constituting Intellectual Property.

ARTICLE VIII

REMEDIES

SECTION 8.1 Remedies. Upon the occurrence and during the continuance of any Event of Default the Agent may, and at the direction of the Required Lenders, shall, from time to time in respect of the Collateral, in addition to the other rights and remedies provided for herein, under applicable Law or otherwise available to it:

(i) Personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from any Grantor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon any Grantor's premises where any of the Collateral is located, remove such Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Grantor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Collateral including, without limitation, instructing the obligor or obligors on any agreement, instrument or other obligation constituting part of the Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Agent, and in connection with any of the foregoing, compromise, settle, extend the time for payment and make other modifications with respect thereto; provided, however, that in the event that any such payments are made directly to any Grantor, prior to receipt by any such obligor of such instruction, such Grantor shall segregate all amounts received pursuant thereto in trust for the benefit of the Agent and shall promptly pay such amounts to the Agent;

(iii) Sell, assign, grant a license to use or otherwise liquidate, or direct any Grantor to sell, assign, grant a license to use or otherwise liquidate, any and all investments made in whole or in part with the Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment, license or liquidation;

(iv) Take possession of the Collateral or any part thereof, by directing any Grantor in writing to deliver the same to the Agent at any place or places reasonably selected by the Agent, in which event such Grantor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by the Agent and therewith delivered to the Agent, (B) store and keep any Collateral so delivered to the Agent at such place or places pending further action by the Agent and (C) while the Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Time is of the essence with respect to each Grantor's obligation to deliver the Collateral as contemplated in this SECTION 8.1. Upon application to a court of equity having jurisdiction, the Agent shall be entitled to a decree requiring specific performance by any Grantor of such obligation;

(v) Withdraw all moneys, instruments, securities and other property in any bank, financial securities, deposit or other account of any Grantor constituting Collateral for application to the Obligations as provided in SECTION 8.7 hereof;

(vi) Retain and apply the Distributions to the Obligations as provided in SECITON 8.7 hereof;

(vii) Exercise any and all rights as beneficial and legal owner of the Collateral, including, without limitation, perfecting assignment of and exercising any and all voting, consensual and other rights and powers with respect to any Collateral; and

(viii) Exercise all the rights and remedies in the Collateral of a secured party under the UCC, and the Agent may also in its sole discretion, without notice except as specified in SECTION 8.2 hereof, sell, assign or grant a license to use the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Agent's offices or elsewhere, as part of one or more going out of business sales in the Agent's own right or by one or more agents and contractors, all as the Agent, in its sole discretion, may deem advisable, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Agent may deem advisable. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Upon reasonable notice, the Agent shall have the right to conduct such sales on any Grantor's premises and shall have the right to use any Grantor's premises without charge for such sales for such time or times as the Agent may reasonably see fit. The Agent and any agent or contractor, in conjunction with any such sale, may augment the Inventory with other goods (all of which other goods shall remain the sole property of the Agent or such agent or contractor). Any amounts realized from the sale of such goods which constitute augmentations to the Inventory (net of an allocable share of the costs and expenses incurred in their disposition) shall be the sole property of the Agent or such agent or contractor and neither any Grantor nor any Person claiming under or in right of any Grantor shall have any interest therein. The Agent or any other Credit Party or any of their respective Affiliates may be the purchaser, licensee, assignee or recipient of any or all of the Collateral at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold, assigned or licensed at such sale, to use and apply any of the Obligations owed to such Person as a credit on account of the purchase price of any Collateral payable by such Person at such

sale. Each purchaser, assignee, licensee or recipient at any such sale shall acquire the property sold, assigned or licensed absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives, to the fullest extent permitted by Law, all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. To the fullest extent permitted by Law, each Grantor hereby waives any claims against the Agent arising by reason of the fact that the price at which any Collateral may have been sold, assigned or licensed at such a private sale was less than the price which might have been obtained at a public sale, even if the Agent accepts the first offer received and does not offer such Collateral to more than one offeree.

SECTION 8.2 Notice of Sale. Each Grantor acknowledges and agrees that, to the extent notice of sale or other disposition of Collateral shall be required by applicable Law and unless the Collateral is perishable or threatens to decline speedily in value, or is of a type customarily sold on a recognized market (in which event the Agent shall provide such Grantor such advance notice as may be practicable under the circumstances), ten (10) days' prior notice to such Grantor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to any Grantor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying (as permitted under Law) any right to notification of sale or other intended disposition.

SECTION 8.3 Waiver of Notice and Claims. Each Grantor hereby waives, to the fullest extent permitted by applicable Law, notice or judicial hearing in connection with the Agent's taking possession or the Agent's disposition of any of the Collateral, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Grantor would otherwise have under law, and each Grantor hereby further waives, to the fullest extent permitted by applicable Law: (i) all damages occasioned by such taking of possession, (ii) except as otherwise expressly provided herein, all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Agent's rights hereunder and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable Law. The Agent shall not be liable for any incorrect or improper payment made pursuant to this ARTICLE VIII in the absence of gross negligence, bad faith or willful misconduct. Any sale of or any other realization upon, any Collateral in accordance with this Agreement shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Grantor therein and thereto, and shall be a perpetual bar both at law and in equity against such Grantor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Grantor.

SECTION 8.4 Certain Sales of Collateral.

(a) Each Grantor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any Governmental Authority, the Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who meet the requirements of such Governmental Authority. Each Grantor acknowledges that any such

sales may be at prices and on terms less favorable to the Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such restricted sale shall be deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable Law, the Agent shall have no obligation to engage in public sales.

(b) Each Grantor recognizes that, by reason of certain prohibitions contained in the Securities Laws, and applicable state securities Laws, the Agent may be compelled, with respect to any sale of all or any part of the Securities Collateral and Investment Property, to limit purchasers to Persons who will agree, among other things, to acquire such Securities Collateral or Investment Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sales may be at prices and on terms less favorable to the Agent than those obtainable through a public sale without such restrictions (including, without limitation, a public offering made pursuant to a registration statement under the Securities Laws), and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Securities Collateral or Investment Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Laws or under applicable state securities Laws, even if such issuer would agree to do so.

(c) If the Agent determines to exercise its right to sell any or all of the Securities Collateral or Investment Property, upon written request, the applicable Grantor shall from time to time furnish to the Agent all such information as the Agent may reasonably request in order to determine the number of securities included in the Securities Collateral or Investment Property which may be sold by the Agent as exempt transactions under the Securities Laws and the rules of the SEC thereunder, as the same are from time to time in effect.

(d) Each Grantor further agrees that a breach of any of the covenants contained in this SECTION 8.4 will cause irreparable injury to the Agent and the other Credit Parties, that the Agent and the other Credit Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this SECTION 8.4 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing.

SECTION 8.5 No Waiver; Cumulative Remedies.

(i) No failure on the part of the Agent to exercise, no course of dealing with respect to, and no delay on the part of the Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy; nor shall the Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. The remedies herein provided are cumulative and are not exclusive of any remedies provided by Law.

(ii) In the event that the Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Agent, then and in every such case, the Grantors, the Agent and each other Credit Party shall be restored to their respective former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Agent and the other Credit Parties shall continue as if no such proceeding had been instituted.

SECTION 8.6 Grant of License. For the purpose of enabling the Agent, during the continuance of an Event of Default, to exercise rights and remedies under this ARTICLE VIII at such time as the Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Grantor) to use, license or sublicense all Intellectual Property of such Grantor, and any Equipment, Real Estate or other assets now owned or hereafter acquired by such Grantor, wherever the same may be located, including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof; provided that, notwithstanding the foregoing, except as provided in any agreement between the Agent and the owner or licensor of such Intellectual Property, Equipment, Real Estate or other assets (including, without limitation, the Tri-Party Agreement), this Agreement shall not constitute a license to use, license or sublicense, any Intellectual Property to the extent such license or sublicense is prohibited by or results in the termination of or requires any consent or waiver not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such Intellectual Property, except to the extent that (x) the term in such contract, license, agreement, instrument or other document providing for such prohibition, breach, default or termination or requiring such consent or waiver is ineffective under applicable law, or (y) the contract, license, agreement, instrument or other document pursuant to which such Grantor was granted its rights to any such Intellectual Property was issued by a Subsidiary of such Grantor (and is not subject to an applicable constraint in an over-license or other agreement with a third party).

SECTION 8.7 Application of Proceeds. The proceeds received by the Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral pursuant to the exercise by the Agent of its remedies shall be applied, together with any other sums then held by the Agent pursuant to this Agreement, in accordance with and as set forth in Section 8.3 of the Credit Agreement.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1 Concerning the Agent.

(i) The Agent has been appointed as administrative agent and collateral agent pursuant to the Credit Agreement. The actions of the Agent hereunder are subject to the provisions of the Credit Agreement. The Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking

action (including, without limitation, the release or substitution of the Collateral), in accordance with this Agreement and the Credit Agreement. The Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Agent acted with gross negligence, bad faith or willful misconduct in the selection of such sub-agents or attorneys-in-fact. The Agent may resign and a successor Agent may be appointed in the manner provided in the Credit Agreement. Upon the acceptance of any appointment as the Agent by a successor Agent, that successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent under this Agreement, and the retiring Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Agent.

(ii) The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equivalent to that which the Agent, in its individual capacity, accords its own property consisting of similar instruments or interests, it being understood that neither the Agent nor any of the other Credit Parties shall have responsibility for, without limitation (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Securities Collateral, whether or not the Agent or any other Credit Party has or is deemed to have knowledge of such matters or (ii) taking any necessary steps to preserve rights against any Person with respect to any Collateral.

(iii) The Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper Person, and, with respect to all matters pertaining to this Agreement and its duties hereunder, upon advice of counsel selected by it.

(iv) In the event of a conflict between this Agreement and any other Security Document, this Agreement shall govern.

SECTION 9.2 Agent May Perform; Agent Appointed Attorney-in-Fact.

(i) During the continuance of an Event of Default, if (1) any Grantor shall fail to perform any covenants contained in this Agreement or, with respect to covenants relating to the protection or preservation of the Collateral, in the Credit Agreement (including, without limitation, such Grantor's covenants to (A) pay the premiums in respect of all required insurance policies hereunder, (B) pay taxes, (C) discharge Liens and (D) pay or perform any other obligations of such Grantor with respect to any Collateral) or (2) any warranty on the part of any Grantor contained herein shall be breached, the Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose; provided, however, that Agent shall in no event be bound to inquire into the validity of any tax, lien, imposition or other obligation which such Grantor fails to pay or perform as and when required hereby. Any and all amounts so expended by the Agent shall be paid by the Grantors in accordance with the terms of Section 10.4 of the Credit Agreement. Neither the provisions of this SECTION 9.2 nor any action taken by Agent pursuant to the provisions of this SECTION 9.2 shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of warranty from constituting an Event of Default.

(ii) Each Grantor hereby appoints the Agent its attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, or in its own name, for the purpose of carrying out the terms of this Agreement, from time to time after the occurrence and during the continuation of an Event of Default, to take any and all appropriate action and to execute any instrument consistent with the terms of the Credit Agreement and the other Security Documents which the Agent reasonably deems necessary to accomplish the purposes of this Agreement. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. Anything in this SECTION 9.2(ii) to the contrary notwithstanding, the Agent agrees that it will not exercise any right under the power of attorney provided for in this SECTION 9.2(ii) unless an Event of Default shall have occurred and be continuing.

SECTION 9.3 [Reserved.]

SECTION 9.4 Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Collateral and shall (i) be binding upon the Grantors, their respective successors and assigns, and (ii) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent and the other Credit Parties and each of their respective successors, transferees and assigns. No other Persons (including, without limitation, any other creditor of any Grantor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Credit Party may, subject to the provisions of the Credit Agreement, assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Credit Party, herein or otherwise.

SECTION 9.5 Termination; Release.

This Agreement, the Lien in favor of the Agent (for the benefit of itself and the other Credit Parties) and all other security interests granted hereby shall terminate in accordance with Section 10.22 of the Credit Agreement.

SECTION 9.6 Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision hereof, nor consent to any departure by any Grantor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Credit Agreement and unless in writing and signed by the Agent and the Grantors. Any amendment, modification or supplement of or to any provision hereof, any waiver of any provision hereof and any consent to any departure by any Grantor from the terms of any provision hereof shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other document evidencing the Obligations, no notice to or demand on any Grantor in any case shall entitle any Grantor to any other or further notice or demand in similar or other circumstances.

SECTION 9.7 SECTION 8.7. Notices. Unless otherwise provided herein or in the Credit Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner and become effective as set forth in the Credit Agreement, as to any Grantor, addressed to it at the address of the Borrower set forth in the Credit Agreement and as to the Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other parties hereto complying as to delivery with the terms of this SECTION 9.7.

SECTION 9.8 SECTION 8.8. GOVERNING LAW. THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 9.9 CONSENT TO JURISDICTION; SERVICE OF PROCESS; WAIVER OF JURY TRIAL.

(a) EACH GRANTOR AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE AGENT, ANY LENDER OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH GRANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION 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 IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY CREDIT PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(b) EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN

PARAGRAPH (A) OF THIS SECTION. EACH GRANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 9.7. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(d) EACH PARTY HERETO HEREBY IRREVOCABLY 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 OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY AND WHETHER INITIATED BY OR AGAINST ANY SUCH PERSON OR IN WHICH ANY SUCH PERSON IS JOINED AS A PARTY LITIGANT). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON 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 AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.10 Severability of Provisions. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 9.11 Execution in Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.12 No Release. Nothing set forth in this Agreement shall relieve any Grantor from the performance of any term, covenant, condition or agreement on such Grantor's part to be performed or observed under or in respect of any of the Collateral or from any liability to any Person under or in respect of any of the Collateral or shall impose any obligation on the Agent or any other Credit Party to perform or observe any such term, covenant, condition or agreement on such Grantor's part to be so performed or observed or shall impose any liability on the Agent or any other Credit Party for any act or omission on the part of such Grantor relating thereto or for any breach of any representation or warranty on the part of such Grantor contained in this Agreement, the Credit Agreement or the other Loan Documents, or under or in respect of the Collateral or made in connection herewith or therewith.

SECTION 9.13 Intercreditor Agreement. THIS AGREEMENT IS SUBJECT TO THE PROVISIONS OF THE ABL INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE ABL INTERCREDITOR AGREEMENT AND THIS AGREEMENT, THE TERMS OF THE ABL INTERCREDITOR AGREEMENT SHALL GOVERN. Any reference to "priority" or words of similar effect in describing any of the security interests created hereunder shall be understood to refer to such priority as set forth in the ABL Intercreditor Agreement. Until such time as the ABL Facility has been paid in full, to the extent the Grantors are required under the terms of the ABL Credit Agreement to deliver any possessory Collateral constituting ABL Priority Collateral (as such term is defined in the ABL Intercreditor Agreement) to the ABL Agent, such delivery shall be deemed to satisfy any obligation hereunder to deliver such Collateral to the Agent so long as the ABL Agent holds such Collateral as bailee for the Agent pursuant to the terms of the ABL Intercreditor Agreement. In the event of any direct conflict between the terms of this Agreement and the terms of the Credit Agreement, the terms of the Credit Agreement shall govern.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Grantors and the Agent have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

LANDS' END, INC., as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: S. Vice President, General Counsel and Secretary

LANDS' END DIRECT MERCHANTS, INC., as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: Secretary

LANDS' END INTERNATIONAL, INC., as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: Secretary

LANDS' END JAPAN, INC., as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: Secretary

LANDS' END MEDIA COMPANY, as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: Secretary

LEGC, LLC, as a Grantor

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: S. Vice President, General Counsel and Secretary

BANK OF AMERICA, N.A., as Agent

By: /s/ Heather Lamberton
Name: Heather Lamberton
Title: Managing Director

EXHIBIT 1

[Form of]

SECURITIES PLEDGE AMENDMENT

This Securities Pledge Amendment, dated as of , is delivered pursuant to SECTION 6.1 of that certain Term Loan Guaranty and Security Agreement (as amended, amended and restated, restated, supplemented or otherwise modified from time to time, the "Security Agreement;" capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of April 4, 2014, made by (i) LANDS' END, INC., a Delaware corporation having an office at 1 Lands' End Lane, Dodgeville, Wisconsin 53533 (the "Borrower"), and (iii) THE GUARANTORS party thereto from time to time (the "Guarantors"), as pledgors, assignors and debtors (the Borrower, together with the Guarantors, in such capacities and together with any successors in such capacities, the "Grantors," and each, a "Grantor"), in favor of BANK OF AMERICA, N.A., having an office at Mail Code: NC1-002-15-36, Bank of America Plaza, 101 S. Tryon Street, Charlotte, North Carolina 28255-0001, in its capacity as administrative agent and collateral agent for the Credit Parties, as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Agent"). The undersigned hereby agrees that this Securities Pledge Amendment may be attached to the Security Agreement and that the Pledged Securities and/or Intercompany Notes listed on this Securities Pledge Amendment shall be deemed to be and shall become part of the Collateral and shall secure all Obligations.

PLEDGED SECURITIES

ISSUER	CLASS OF STOCK OR INTERESTS	PAR VALUE	CERTIFICATE NO(S).	NUMBER OF SHARES OR INTERESTS	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER

INTERCOMPANY NOTES

ISSUER	PRINCIPAL AMOUNT	DATE OF ISSUANCE	INTEREST RATE	MATURITY DATE

[_____],
as Grantor

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:
BANK OF AMERICA, N.A., as Agent

By: _____
Name:
Title:

Lands' End, Inc.

Term Loan Security Agreement Schedules

I. Intercompany Notes

II. Filings, Registrations and Recordings

III. Pledged Interests

IV. Deposit Account Control Agreements

Schedule I

Intercompany Notes

None.

Schedule II

Filings, Registrations and Recordings

Uniform Commercial Code Filings

UCC-1 Financing Statements to be filed against the Grantors specified below with the Secretary of State of the jurisdiction next to such Grantor's name:

Grantor	Jurisdiction
Lands' End, Inc.	Delaware
Lands' End Direct Merchants, Inc.	Delaware
LEGC, LLC	Virginia
Lands' End International, Inc.	Delaware
Lands' End Japan, Inc.	Delaware
Lands' End Media Company	Wisconsin

Intellectual Property Filings

Short-form grants of security interest in Copyrights, Trademarks or Patents, as specified below, to be filed against the Grantors specified below with the office next to such Grantor's name:

Grantor	Office	Intellectual Property
Lands' End, Inc. (f/k/a Lands' End Yacht Stores, Inc.)	United States Copyright Office	Copyrights
Lands' End, Inc.	United States Patent and Trademark Office	Trademarks
Lands' End Direct Merchants, Inc.	United States Patent and Trademark Office	Patents and Trademarks

Possession of Securities

Possession of the certificated securities listed on Schedule III hereto to be established by delivery of such certificated securities to the Agent.

Schedule III

Pledged Interests

Holder	Issuer	Type of Organization	# of Shares Owned	Total Shares Outstanding	% of Interest Pledged	Certificate No.[1] (if uncertificated, please indicate so)
Lands' End, Inc.	Lands' End Direct Merchants, Inc.	Corporation	100	100	100%	1
Lands' End, Inc.	Lands' End International, Inc.	Corporation	Class A: 1000 Class B: 1000	Class A: 1000 Class B: 1000	100%	A1, A2; B1, B2
Lands' End, Inc.	Lands' End Media Company	Corporation	1000	1000	100%	1
Lands' End, Inc.	Lands' End Japan KK	Corporation	9800	9800	65%	003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 013, 014, 015, 016, 017
Lands' End, Inc.	Lands' End Canada Outfitters ULC	Unlimited Liability Company	100	100	100%	Uncertificated
Lands' End, Inc.	LEGC, LLC	Limited Liability Company	1	1	100%	Uncertificated
Lands' End International, Inc.	Lands' End Japan, Inc.	Corporation	800	800	100%	1
Lands' End International, Inc.	Lands' End Europe Limited	UK Limited Corporation	7,500,000	7,500,000	65%	10, 11
Lands' End International, Inc.	Lands' End GmbH	Corporation	1	1	65%	Uncertificated

[1] A total of 6,370 shares of Japan KK are certificated. The remaining 3,430 shares are uncertificated.

Schedule IV

Deposit Account Control Agreements

Deposit Account Control Agreements to be established with the following account banks, consistent with those established for the ABL Facility:

1. BMO Harris Bank, National Association
2. Wells Fargo Bank, National Association
3. Bank of America, National Association
4. Santander Bank

Exhibit 10.1

TRANSITION SERVICES AGREEMENT

Between

SEARS HOLDINGS MANAGEMENT CORPORATION

And

LANDS' END, INC.

April 4, 2014

Table of Contents

Appendices

TRANSITION SERVICES AGREEMENT

April 4, 2014

This **Transition Services Agreement** (this "**Agreement**" or "**TSA**") is between **Sears Holdings Management Corporation**, a Delaware corporation ("**SHMC**"), and **Lands' End, Inc.**, a Delaware corporation ("**LE**"). SHMC and LE each are sometimes referred to as a "**Party**" and together sometimes are referred to as the "**Parties.**" Certain terms are defined where they are first used below, while others are defined in Appendix #1 (Glossary).

Terms and Conditions

For good and valuable consideration, the receipt of which SHMC and LE acknowledge, SHMC and LE agree as follows:

ARTICLE I.SERVICES

1.01 **Transition Services to be Provided**. During the Service Period SHMC will provide to LE the transition services described on Appendix #2 (Transition Services) to the extent not prohibited by Applicable Law (together, the "**Services**"). "**Service Period**" means the period commencing immediately following the "Effective Time" specified in the Separation and Distribution Agreement (the "**Separation Agreement**") to be executed and delivered by LE and Sears Holdings Corporation (the date on which the Effective Time occurs, the "**Effective Date**") and continuing until 5:00 p.m. (Central Time) on the last day of the 12th full calendar month following the Effective Date. This Agreement will expire at 11:59 p.m. (Central Time) on the last day of the Service Period, automatically and without notice. Neither party has rights to renew or extend the Service Period. The calendar day that becomes the Effective Date will be inserted on Appendix #3 (Effective Date) after the Effective Date has occurred. Except as expressly stated on Appendix #2 (Transition Services), in the event of any conflict or inconsistency between this Agreement and Appendix #2, this Agreement will control. Unless otherwise agreed in writing by the Parties, the Services to be provided by SHMC under this Agreement are limited to those expressly stated herein. This Agreement, and the Services, Fees and Expenses hereunder, may only be modified by a written amendment which must be signed by both parties to be effective. LE acknowledges that modifications to this Agreement will require certain internal approvals by SHMC and therefore absent a signed written amendment; LE will not rely (and any such reliance would be unreasonable) upon any proposed amendment or course of dealing by the parties. If either Party identifies a service that was previously provided by SHMC that is not described in included in Appendix #2, it will notify the other party's Contact Person (as provided for in Section 1.12), and the parties will work together to Good Faith to determine whether they wish to have such service added to this Agreement; any such addition will require a written amendment signed by both parties to be effective. The parties will include in such an amendment, if they agree to execute one, a description of the service, the Fees (if any), and allocation of expenses (if any) for such Service.

1.02 **Quantity and Nature of Service**. Except as otherwise provided in this Agreement, there will be no change in the scope or level of, or use by, LE of Services during the Service Period (including changes requiring the hiring or training of additional employees by SHMC) without the mutual written agreement of the Parties and adjustments, if any, to the charges for such Services. However, SHMC may make changes from time to time in the manner of performing Services (including changes to its, its Affiliates' and its Personnel's systems without LE's consent), whether the Services are provided by SHMC through its employees, through Vendors that are described on Appendix #2, or through shared contracts that are described in Appendix #5. Notwithstanding anything in this Agreement to the contrary, SHMC will not provide any legal services or legal advice to LE. LE is not entitled to rely on SHMC for legal advice or counsel, and any advisory communications given by SHMC to LE is not to be construed as legal advice. LE will not resell any Services, provide the Services to any joint-venture or non-wholly owned subsidiary, or otherwise use the Services in any way other than in connection with the conduct of LE's business as it is operated on the day before the Effective Date.

1.03 **Changes in the Services**. If LE desires to make changes in this Agreement to provide for different or additional Services (each a "**Service Change**") to be provided by SHMC, the parties shall comply with the following Service Change process:

(a) LE shall prepare a written proposal for the Service Change including a description of the services, deliverables, and schedule, in such detail as would be needed by an unaffiliated third party contractor to develop a competent price proposal for similar services. For special project work that is within the scope of services covered by an hourly or unit rate in Appendix #2, LE may use the hourly rate or unit rate stated in Appendix #2 in developing the proposal price.

(b) If SHMC is willing to consider the Service Change, SHMC will send to LE a response, including any changes to the services, deliverables, schedule and fees under this Agreement.

(c) All Service Change proposals and responses must be delivered by a Party's Contact Person to the other Party's Contact Person. If the Parties desire, each in their sole discretion, to move forward with the Service Change the Parties will negotiate a proposed amendment documenting the Service Change, after which each party will need to obtain all necessary internal approvals prior to signing the proposed amendment. In the absence of a signed amendment, the Parties must fulfill their obligations under this Agreement without regard to such proposed amendment.

1.04 **Transition Plan**. At least quarterly, and in the event of a Stockholding Change, at least monthly, throughout the Service Period, LE will provide SHMC with current information and reasonable assistance concerning LE's plans for transitioning the performance of all Services to LE or its designees prior to the completion of the Service Period. SHMC will provide LE with such information as is reasonably necessary to assist LE with such transition.

1.05 **Transition Services Shared Agreements**. In addition to those activities described in Appendix #2, the Services include SHMC allowing LE to continue to procure products and services under written contracts described in Appendix #5 (the "**Shared Agreements**"); provided that LE's continued use of each Shared Agreement is contingent upon the Vendor in such agreement not objecting to such continued use. Furthermore, notwithstanding any other provision in this Agreement, SHMC has no liability to LE or its Representatives in connection with or resulting from the Vendor's actions (or failures to act) under any Shared Agreement.

(a) SHMC shall, upon LE's written request, provide reasonable administrative assistance to LE as requested by LE from time to time to assist LE in placing orders, reconciling and paying invoices directly with the Vendor under the Shared Agreements; it is not expected that SHMC will serve as LE's order clerk or billing clerk for day-to-day transactions under the Shared Agreements. LE's right to use the Shared Agreements will continue until the earlier of the following occurs: a) the loss of LE's right to continue being served under the Shared Agreement by operation of its terms (e.g., expiration or termination, changes in LE's eligibility for service, etc.) or b) expiration of the Service Period (except as notated for extended service in Appendix #5). SHMC and its Affiliates are not restricted in any way from terminating any Shared Agreements, in whole or in part, for cause or for convenience, nor from allowing any Shared Agreement or any part thereof to expire, nor from exercising or forgoing the exercise of any option to extend or renew the term of any Shared Agreement or any part thereof, nor from deciding in its sole discretion whether to negotiate for extension, renewal, or changes to any Shared Agreement or any part thereof. However, SHMC and its Affiliates will not extend any Shared Agreement that commits LE to procure goods or services from the Vendor without LE's prior approval. SHMC is not obligated to revive or replace any terminated or expired Shared Agreement or portion thereof.

(b) LE will perform as and when due, each and every one of the obligations set forth in each Shared Agreement applicable to SHMC, to the same extent as if LE (rather than SHMC or its Affiliates, as applicable) were the party to such Shared Agreement. Without limiting the foregoing, LE shall take such actions as directed by SHMC to fulfill its obligations under the Shared Agreements. LE represents and warrants to SHMC that (a) it has the power, capacity and authority to execute and deliver this Agreement, and to perform its obligations hereunder and under the Shared Agreements, (b) the execution and delivery of this Agreement by it, and the performance by it of its obligations under this Agreement and the Shared Agreements does not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which it or any of its affiliates is a party or by which any of them is bound, and (c) upon LE's execution and delivery of this Agreement, this Agreement will be valid and binding on LE and enforceable in accordance with its terms.

1.06 **Standard of Care**. Except as otherwise set forth in this Agreement, SHMC does not assume any responsibility under this Agreement other than to render the Services in Good Faith and in compliance with all Applicable Laws, without willful misconduct or gross negligence. SHMC MAKES NO OTHER GUARANTEE, REPRESENTATION, OR WARRANTY OF ANY KIND (WHETHER EXPRESS OR IMPLIED) REGARDING ANY OF THE SERVICES PROVIDED HEREUNDER, AND EXPRESSLY DISCLAIMS ALL OTHER GUARANTEES, REPRESENTATIONS, AND WARRANTIES OF ANY NATURE WHATSOEVER, WHETHER STATUTORY, ORAL, WRITTEN, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM COURSE

OF DEALING OR USAGE OF TRADE. SUBJECT TO THE OTHER PROVISIONS OF THIS AGREEMENT, SHMC WILL ONLY BE OBLIGATED TO PROVIDE SERVICES IN A MANNER CONSISTENT WITH PAST PRACTICE (INCLUDING PRIORITIZATION AMONG PROJECTS FOR SHMC, SHMC'S AFFILIATES, AND LE).

1.07 **Responsibility For Errors; Delays**. SHMC's sole responsibility to LE for errors or omissions in Services caused by SHMC will be to furnish correct information, payment or adjustment in the Services, and if such errors or omissions are solely or primarily caused by SHMC, SHMC will promptly furnish such corrections at no additional cost or expense to LE if LE promptly advises SHMC of such error or omission.

1.08 **Good Faith Cooperation; Alternatives**. SHMC and LE will use Good Faith efforts to cooperate with each other in all matters relating to the provision and receipt of the Services. If SHMC reasonably believes it is unable to provide any Service because of a failure to obtain Vendor consents or because of impracticability, SHMC will notify LE promptly after SHMC becomes aware of such fact and the Parties will cooperate to determine the best alternative approach. LE shall provide such reasonable advance notice and forecasts of Services as are requested by SHMC or its Vendor performing the Services from time to time.

1.09 **Use of Third Parties**. SHMC may use any Affiliate or any Vendor (including former Affiliates) to provide the Services, however SHMC will remain responsible at all times for the performance of Services by its Affiliate or any Vendor under this Agreement, except as stated in Section 1.06.

1.10 **Assets of LE**. During the Service Period, (i) SHMC and its Affiliates and Vendors may use, at no charge, all of the software and other assets, tangible and intangible, of LE (together, the "**Assets**") to the extent necessary to perform the Services (but for no other purpose), and (ii) LE will consult with SHMC prior to upgrading or replacing any of the Assets that are necessary for SHMC to provide the Services.

1.11 **Ownership of Data and Other Assets**. Neither Party will acquire under this Agreement any right, title or interest in any Asset that is owned or licensed by the other. All data provided by or on behalf of a Party to the other Party for the purpose of providing the Services will remain the property of the providing Party. To the extent the provision of any Service involves intellectual property, including software or patented or copyrighted material, or material constituting trade secrets, neither Party will copy, modify, reverse engineer, decompile or in any way alter any of such material, or otherwise use such material in a manner inconsistent with the terms and provisions of this Agreement, without the express written consent of the other Party. All specifications, tapes, software, programs, services, manuals, materials, and documentation developed or provided by SHMC, its Affiliate or Vendor, and utilized in performing this Agreement, will be and remain the property of SHMC, its Affiliate or Vendor, as the case may be, and may not be sold, transferred, disseminated, or conveyed by LE to any other entity or used other than in performance of this Agreement without the express written permission of SHMC.

1.12 **Contact Person**. Each Party will appoint a contact person (each, a "**Contact Person**") to facilitate communications and performance under this Agreement. The initial Contact Person of each Party is set forth on Appendix #4. Each Party will have the right at any time and from time to time to replace its Contact Person by written notice to the other Party.

1.13 **Kmart Bridgehampton**.

(a) **UTC**. This Section 1.13 shall be deemed a separate "Vendor Agreement" pursuant to the Universal Terms and Conditions (the "**UTC**" dated as of the Effective Date between LE and Sears, Roebuck and Co., a New York corporation ("**Sears**"), Kmart Corporation ("**Kmart**"), Sears Brands Management Holding Corporation. The UTC, including all documents incorporated into the UTC by reference, is incorporated into this Section 1.13 by reference and only applies to this Section 1.13. This Agreement will control over the UTC if the terms of this Agreement contradict or are inconsistent with the terms of the UTC. All capitalized terms used but not defined in this Section 1.13 will have the meaning ascribed to them in the UTC. SHMC is entering into this Section 1.13 as the agent of Kmart.

(b) **Service Period**. The Service Period for this Section 1.13 shall end on January 31, 2015.

(c) **Supply of Products for Kmart Bridgehampton Store**. LE will sell to Kmart, at LE's cost (i.e., the amount LE pays its vendor for such Products), all of the "Products" that LE provides for the LE Shops (as that term is defined in that certain Retail Operations Agreement between LE and Sears) for sale in the Kmart Store located at 2044 Montauk Hwy, Bridgehampton, NY (the "**Kmart Store**"). All such Products shall be deemed "Merchandise" under the UTC. LE will be responsible for maintaining inventory levels consistent with the parties' past practices and LE will be responsible for recommending the assortment of such Products; but Kmart is entitled to decide which Products it wants ordered on its behalf. The "F.O.B. Point" will be Kmart Store. Payment terms for Products shall be 60 days.

(d) **Royalty Payment**. Kmart shall pay LE a royalty of 4.5% of Net Sales of Products sold by Kmart during the prior month (the "**Sales Royalty**"). Kmart shall calculate the payments due under this Section on a monthly basis (the "**Payment Period**") and shall report them within 10 business days of the end of the month and pay such royalties as part of the weekly reconciliation under Section 2.02 (Payments). Costs incurred by Kmart in the sale or distribution of the Products have no effect on the calculation of Gross Sales or Net Sales. "**Net Sales**" means Gross Sales less all returns of Products; with no other deductions of any kind (including deductions for cash discounts, freight discounts, advertising discounts or uncollectable amounts). "**Gross Sales**" means the total amount of sales of Products with no deductions of any kind (including deductions for bad debts or uncollectible accounts). Gross Sales does not include separately invoiced freight and insurance charges and separately stated sales or VAT taxes collected at the time of sale.

(e) **LE Warranty**. In addition to Kmart' rights under the Agreement and the UTC, each Product will be covered by LE's customer warranty ("**LE Warranty**"). The LE Warranty will be identical to the warranty LE provides to its other customers on such Products.

ARTICLE II.
CHARGES AND PAYMENTS FOR SERVICES

2.01 **Compensation**.

(a) **Fees**. As consideration for the provision of Services, LE will pay SHMC fees for the Services specified on Appendix #2 (the "**Fees**"), payable in equal installments in advance as provided on Appendix #2. Upon termination of an individual Service, LE will pay a pro rata portion of the applicable Fee specified on Appendix #2, calculated based on the portion of the individual Service actually performed, or expense actually incurred, through the date SHMC performs the Service. If the Fees include charges for Services performed by a Vendor and the Vendor's fees increase during the Service Period, then SHMC may pass through the increased charges as an increase in the Fees.

(b) **Expenses**. In addition to the Fees, LE will reimburse SHMC for all reasonable out-of-pocket expenses actually incurred in its performance of the Services that are not included in the Fees ("**Expenses**"). To the extent reasonably practicable, SHMC will provide LE with notice of such Expenses prior to incurring them. If directed by SHMC, LE will pay directly any or all Vendors providing Services to or for the benefit of LE.

2.02 **Payments**. LE will pay Fees in accordance with Section 2.01(a). Unless otherwise mutually agreed in writing, all amounts payable under this Agreement will be reconciled weekly and the Parties will after netting amounts due under the other Ancillary Agreements make payment (to the Party who is owned the net amount) by electronic transfer of immediately available funds to a bank account designated by such Party from time to time. Monthly installments will be included the first week's reconciliation of each month. All amounts remaining unpaid for more than 15 days after their respective due date(s) will accrue interest as set forth in Section 14.19 (Payment Terms) of the Separation Agreement until paid in full.

2.03 **Taxes**. Fees do not include applicable taxes. LE will be responsible for the payment of all taxes payable in connection with the Services including sales, use, excise, value-added, business, service, goods and services, consumption, withholding, and other similar taxes or duties, including taxes incurred on transactions between and among SHMC, its Affiliates, and Vendors, along with any related interest and penalties ("**Transaction Taxes**"). LE will reimburse SHMC for any deficiency relating to Transaction Taxes that are LE's responsibility under this Agreement. Notwithstanding anything in this Section 2.03 to the contrary, each Party will be responsible for its own income and franchise taxes, employment taxes, and property taxes. The Parties will cooperate in Good Faith to minimize Transaction Taxes to the extent legally permissible. Each Party will provide to the other Party any resale exemption, multiple points of use certificates, treaty certification and other exemption information reasonably requested by the other Party.

ARTICLE III.
TERMINATION

3.01 **Termination of an Individual Service for Convenience by LE**. Subject to the next sentence, LE, upon 60 days' prior written notice to SHMC, may reduce or terminate for LE's convenience any individual Service at the end of a LE fiscal month. LE may not terminate an individual Service if the termination would adversely affect SHMC's ability to perform another Service. If LE's reduction or termination of a Service (including a Shared Agreement) results in charges to SHMC or its Affiliate during the Term of this Agreement by a Vendor (e.g., termination charges or loss of volume discounts), LE will reimburse SHMC for such charges.

3.02 **Termination of the Agreement**.

(a) Subject to the next sentence, LE or SHMC may terminate this Agreement in the event of a material breach of this Agreement by the other Party if the breach is curable by the breaching Party and the breaching Party fails to cure the breach within 30 days following its receipt of written notice of the breach from the non-breaching Party, or in the event of an assignment with respect to which SHMC has not consented in accordance with Section 6.06 (Assignment). If the breach is not curable by the breaching Party, the non-breaching Party may immediately terminate this Agreement following the non-breaching Party's delivery of notice to the breaching Party.

(b) LE's breach any of the Cross Default Agreements constitutes a breach by LE of this Agreement (which breach may only be cured, if at all, in accordance with the express provisions of the affected Cross Default Agreement). Furthermore, if LE wrongfully terminates a Cross Default Agreement or if LE's breach of a Cross Default Agreement results in the SHC Entity counterparty terminating that agreement; then SHMC may also terminate this Agreement for cause. SHMC's remedies under this Section 3.02 are in addition to and not in lieu of any and all other legal and equitable remedies available to SHMC upon LE's breach of this Agreement.

3.03 **Obligations on Termination**. Upon termination of this Agreement LE will return to SHMC, as soon as reasonably practicable, all equipment or other property of SHMC, whether owned, leased, or licensed, and LE will pay all outstanding Fees for Services rendered and Expenses incurred through the date this Agreement is terminated in accordance with its terms.

3.04 **Termination of an Individual Service by SHMC**. If an Affiliate of SHMC that provides a Service is unwilling or unable to provide the Service and: (i) the Affiliate of SHMC does not provide a similar service to SHMC or its other Affiliates on terms that are comparable to the terms of this Agreement, and (ii) SHMC is unable to retain a replacement Vendor to provide the Service on terms that are comparable to the terms of this Agreement, SHMC, upon providing 90-days' prior written notice to LE, may terminate the Service, but the termination of the Service will have no effect upon the provision of the other Services to LE. If an Affiliate or Vendor that provides a Service is unwilling or unable to allow LE to use the Service under the existing (or comparable) terms, and SHMC is unable to retain a replacement Vendor to provide the Service on terms that are comparable to the terms of this

Agreement, SHMC, upon providing 90-days' prior written notice to LE, may terminate the Service, but the termination will have no effect upon the provision of the other Services to LE. If SHMC is unable to give LE 90-days' prior written notice to LE due to a Vendor's refusal to allow LE to use the Service for 90 days, then SHMC will provide as much notice as possible.

ARTICLE IV.
CONFIDENTIALITY

4.01 **Confidential Information**. "**Confidential Information**" means all information, whether disclosed in oral, written, visual, electronic or other form, that (i) one Party (the "**Disclosing Party**"), its Affiliates or its Personnel discloses to the other Party (the **"Receiving Party**"), its Affiliates or its Personnel, (ii) relates to or is disclosed in connection with this Agreement or a Party's or a Party's Affiliate's business, and (iii) is or reasonably should be understood by the Receiving Party to be confidential or proprietary to the Disclosing Party (whether or not such information is marked "Confidential" or "Proprietary"). The Disclosing Party's sales, pricing, costs, inventory, operations, employees, current and potential customers, financial performance and forecasts, and business plans, strategies, forecasts and analyses, as well as information as to which the Securities and Exchange Commission has granted confidential treatment pursuant to its Rule 406 of Regulation C (the "**CTR Information**"), are Confidential Information.

4.02 **Treatment of Confidential Information**. The Receiving Party will use Confidential Information only in connection with this Agreement and, except as expressly permitted by this Agreement and subject to the next sentence, will not disclose any Confidential Information for three years from the date of receipt of the Confidential Information. Neither Party will disclose the CTR Information for a period of ten years from the date or receipt.

(a) **Limitations**. The Receiving Party will (A) restrict disclosure of the Confidential Information to its and its Affiliates' Personnel with a need to know the Confidential Information for purposes of performing the Receiving Party's responsibilities or exercising the Receiving Party's rights under this Agreement, (B) advise those Personnel of the obligation not to disclose the Confidential Information or use the Confidential Information in a manner prohibited by this Agreement, (C) copy the Confidential Information only as necessary for those Personnel who need it for performing the Receiving Party's responsibilities under this Agreement, and ensure that confidentiality is maintained in the copying process; and (D) protect the Confidential Information, and require those Personnel to protect it, using the same degree of care as the Receiving Party uses with its own Confidential Information, but no less than reasonable care.

(b) **Liability for Unauthorized Use**. The Receiving Party will be liable to the Disclosing Party for any unauthorized disclosure or use of Confidential Information in violation of this Agreement by its Affiliates and any of its and its Affiliates' current or former Personnel.

(c) **Destruction**. Without limiting the foregoing, when any Confidential Information is no longer needed for the purposes contemplated by this Agreement the Receiving Party will, promptly after request of the Disclosing Party, either return such Confidential Information in tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party that it has destroyed such Confidential Information (other than electronic copies residing in automatic backup systems and copies retained to the extent required by Applicable Law, regulation or a bona fide document retention policy).

4.03 **Exceptions to Confidential Treatment**. The obligations under this Section 4.03 do not apply to any Confidential Information that the Receiving Party can demonstrate (A) was previously known to the Receiving Party without any obligation owed to the Disclosing Party or its Affiliates to hold it in confidence, (B) is disclosed to third parties by the Disclosing Party or its Affiliates without an obligation of confidentiality to the Disclosing Party or its Affiliate, as applicable, (C) is or becomes available to any member of the public other than by unauthorized disclosure by the Receiving Party, its Affiliates or its or their Personnel, (D) was or is independently developed by the Receiving Party or its Affiliates or Personnel without use of the Confidential Information, (E) legal counsel's advice is that the Confidential Information is required to be disclosed by Applicable Law or the rules and regulations of any applicable Governmental Authority and the Receiving Party has complied with Section 4.04 (Protective Arrangement) below, or (F) legal counsel's advice is that the Confidential Information is required to be disclosed in response to a valid subpoena or order of a court or other governmental body of competent jurisdiction or other valid legal process and the Receiving Party has complied with Section 4.04 (Protective Arrangement) below.

4.04 **Protective Arrangement**. If the Receiving Party determines that the exceptions under Section 4.03(E) or Section 4.03(F) apply, the Receiving Party shall give the Disclosing Party, to the extent legally permitted and reasonably practicable, prompt prior notice of such disclosure and an opportunity to contest such disclosure and shall use commercially reasonable efforts to cooperate, at the expense of the Receiving Party, in seeking any reasonable protective arrangements requested by the Disclosing Party. In the event that such appropriate protective order or other remedy is not obtained, the Receiving Party may furnish, or cause to be furnished, only that portion of such Confidential Information that the Receiving Party is advised by legal counsel is legally required to be disclosed and shall take commercially reasonable steps to ensure that confidential treatment is accorded such Confidential Information.

4.05 **Ownership of Information**. Except as otherwise provided in this Agreement, all Confidential Information provided by or on behalf of a Party (or its Affiliates) that is provided to the other Party or its Personnel shall remain the property of the disclosing entity and nothing herein shall be construed as granting or conferring rights of license or otherwise in any such Confidential Information.

ARTICLE V.
INDEMNIFICATION; LIMITATION OF LIABILITY

5.01 **Indemnification by LE**. LE will defend, indemnify, and hold harmless SHMC and its Affiliates and their respective Representatives from and against any and all costs, liabilities, losses, penalties, expenses and damages (including reasonable attorneys' fees) of every kind and nature arising from third-party claims, demands, litigation, and suits related to or arising out of: (i) the Shared Agreements, including LE Personnel's actions and failure or act in connection therewith (collectively, "**Shared Agreement Claims**"), and (ii) this Agreement (together with the Shared Agreement Claims, "**LE Claims**"), except to the extent that such LE Claims are found by a final judgment or opinion of an arbitrator or a court of appropriate jurisdiction to be caused by: (i) a breach of any provision of this Agreement by SHMC; or (ii) any negligent act or omission, or willful misconduct of SHMC, its Affiliates, or their respective Representatives in performance of this Agreement. Without limiting the foregoing in any way, SHMC may, at its sole option, cost and expense, take control of any Shared Agreement Claim including, without limitation, the right to engage counsel of its own choice and to defend, prosecute compromise and settle any Shared Agreement Claim.

5.02 **Indemnification by SHMC**. SHMC will defend, indemnify, and hold harmless LE and its Affiliates, and their respective Representatives from and against any and all costs, liabilities, losses, penalties, expenses and damages (including reasonable attorneys' fees) of every kind and nature arising from third-party claims, demands, litigation, and suits, that: (i) relate to bodily injury or death of any person or damage to real and/or tangible personal property directly caused by the negligence or willful misconduct of SHMC or its Affiliates during the performance of the Services, or (ii) relate to the intentional infringement of any copyright or trade secret by an Asset owned by SHMC or its Affiliates and used by SHMC in the performance of the Services (together, "**SHMC Claims**"). Notwithstanding the obligations set forth above in this Section 5.02, SHMC will not defend or indemnify LE, its Affiliates, or their respective Representatives to the extent that such SHMC Claims are found by a final judgment or opinion of an arbitrator or a court of appropriate jurisdiction to be caused by: (a) a breach of any provision of this Agreement by LE; (b) any negligent act or omission, or willful misconduct of LE, its Affiliates, or their respective Representatives in performance of this Agreement; or (c) with respect to infringement claims: (I) LE's use of the Asset in combination with any product or information not provided by SHMC; (II) LE's distribution, marketing or use for the benefit of third parties of the Asset; (III) LE's use of the Asset other than as contemplated by this Agreement; or (IV) information, direction, specification or materials provided by or on behalf of LE. LE Claims and SHMC Claims are each individually referred to as a "**Claim.**"

5.03 **Procedure**. In the event of a Claim, the indemnified Party will give the indemnifying Party prompt notice in writing of the Claim; but the failure to provide such notice will not release the indemnifying Party from any of its obligations under this Article except to the extent the indemnifying Party is materially prejudiced by such failure. Upon receipt of such notice the indemnifying Party will assume and will be entitled to control the defense of the Claim at its expense and through counsel of its choice, and will give notice of its intention to do so to the indemnified Party within 20 business days of the receipt of such notice from the indemnified Party. The indemnifying Party will not, without the prior written consent of the indemnified Party, (i) settle or compromise any Claim or consent to the entry of any judgment that does not include as an unconditional term thereof the delivery by the claimant or plaintiff to the indemnified Party of a written release from all liability in respect of the Claim or (ii) settle or compromise any Claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments that are indemnified hereunder. The indemnified Party will have the right at its own cost and expense to employ separate counsel and participate in the defense of any Claim.

5.04 **Joint Claims**. If any third-party claim, demand, litigation, or suit involves allegations for which both Parties may assert claims for defense and indemnity from each other under this Agreement ("**Mixed Claims**"); then LE shall defend both Parties and their Representatives from such Mixed Claims at LE's sole reasonable expense, provided that SHMC may, upon written notice to LE, take control of the defense of such Mixed Claims.

5.05 **Independent Obligation**. The obligations of each Party to defend, indemnify and hold harmless, the other Parties' Indemnified Parties under this Section are independent of each other and any other obligation of the Parties under this Agreement.

5.06 **Limitation of Liability**. EXCEPT FOR (I) EACH PARTY'S INDEMNITY AND DEFENSE OBLIGATIONS AS SET FORTH IN SECTIONS 5.01, 5.02, AND 5.03 AND OTHER LIABILITIES TO UNAFFILIATED THIRD PARTIES, (II) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS, AND (III) BREACH OF SECTION 1.11 (OWNERSHIP OF DATA AND OTHER ASSETS), IN NO EVENT WILL EITHER PARTY, NOR ITS AFFILIATES, CONTRACTORS OR AGENTS BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES, LOSSES OR EXPENSES (INCLUDING BUSINESS INTERRUPTION, LOST BUSINESS, LOST PROFITS, LOST DATA, LOST SAVINGS, DAMAGES TO SOFTWARE OR FIRMWARE, OR COST OF PROCURING OR TRANSITIONING TO SUBSTITUTE SERVICES), REGARDLESS OF THE LEGAL THEORY UNDER WHICH SUCH LIABILITY IS ASSERTED, AND REGARDLESS OF WHETHER A PARTY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH LIABILITY. THE SOLE LIABILITY OF SHMC AND ITS AFFILIATES FOR ERRORS AND OMISSIONS IN THE SERVICES ARE LIMITED AS PROVIDED FOR IN SECTION 1.07 ABOVE, AND FOR ALL OTHER CLAIMS IN ANY MANNER RELATED TO THIS AGREEMENT ARE LIMITED TO THE PAYMENT OF DIRECT DAMAGES, NOT TO EXCEED (FOR ALL CLAIMS IN THE AGGREGATE) THE FEES RECEIVED BY SHMC UNDER THIS AGREEMENT DURING THE SIX MONTHS PRECEDING THE DATE SUCH CLAIM AROSE. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, SHMC WILL NOT BE LIABLE FOR DAMAGES CAUSED BY SHMC'S VENDORS; HOWEVER, TO THE EXTENT PERMITTED IN A VENDOR AGREEMENT, SHMC WILL PASS THROUGH TO LE APPLICABLE RIGHTS AND REMEDIES UNDER THE RESPECTIVE VENDOR AGREEMENT.

ARTICLE VI.
MISCELLANEOUS

6.01 **Expenses**. In addition to the fees state herein, unless otherwise expressly stated herein, LE will reimburse SHMC for all other reasonable out-of-pocket expenses actually incurred in its performance of the Services ("**Expenses**"). To the extent reasonably practicable, SHMC will provide LE with notice of such Expenses prior to incurring them. If directed by SHMC, LE will pay directly any or all Vendors providing Services to or for the benefit of LE. The cost of all third-party Personnel used to perform the Services hereunder will be reimbursed by LE on a cost plus five percent (5%) basis. Except as otherwise provided for in this Agreement, each Party will bear its own expenses with respect to the transactions contemplated by this Agreement.

6.02 **Vendor Agreements**. The Parties anticipate that SHMC will be relying upon its and its Affiliates existing agreements with third parties (including the Shared Agreements) to provide certain of the Services described herein ("**Vendor Agreements**") and that the Parties have assumed that SHMC's and/or its Affiliates' Vendor under each Vendor Agreement will permit SHMC and/or its Affiliates to procure goods, services and/or license software, as applicable under such Vendor Agreement, on behalf of LE, at no additional cost, as if LE were an affiliate of SHMC and/or its Affiliates under such Vendor Agreement, and will permit LE to procure such goods, services and/or licensed software directly from the Vendor, in the case of Shared Agreements. If: (a) SHMC's or its Affiliates' costs, fees, or expenses increase under the terms of such Vendor Agreements, or (b) the Vendor demands or is entitled to additional costs, fees, or expenses now or in the future, as a result of LE receiving benefits under such Agreement, then, in addition to all other amounts due hereunder, LE shall be liable for its proportionate share of all increased amounts under subsection (a) and all of the increased amounts under subsection (b), in each case as such amounts are determined by SHMC in Good Faith. SHMC will notify LE once it learns of any increased amounts due under the immediately foregoing sentence, and will work with the Vendor to try to mitigate such cost increase. To the extent any such Vendor Agreement includes early termination fees (or similar charges, "**Termination Fees**"), LE will be solely responsible for any such Termination Fees SHMC or its Affiliates incur as a result of the Separation of LE and/or LE ceasing to use the Services under this Agreement.

6.03 **Computer Access**. If either Party, its Affiliates or its Personnel are given access, whether on-site or through remote facilities, to any communications, computer, or electronic data storage systems of the other Party, its Affiliates or its Personnel (each an "**Electronic Resource**"), in connection with this Agreement, then the Party on behalf of whom such access is given will ensure that its Personnel's use of such access shall be solely limited to performance or exercise of, such Party's duties and rights under this Agreement, and that such Personnel will not attempt to access any Electronic Resource other than those specifically required for the performance of such duties and/or exercise of such rights. The Party given access will limit such access to those of its and its Affiliates' Personnel who need to have such access in connection with this Agreement, will advise the other Party in writing of the name of each of such Personnel who will be granted such access, and will strictly follow all security rules and procedures for use of such Electronic Resources. All user identification numbers and passwords disclosed to a Party's Personnel and any information obtained by such Party's Personnel as a result of its access to, and use of the other Party's, its Affiliates' or its Personnel's Electronic Resources will be deemed to be, and will be treated as, Confidential Information of the Party on behalf of whom such access is granted. Each Party will reasonably cooperate with the other Party in the investigation of any apparent unauthorized access by the other Party, its Affiliates, or its Personnel to any Electronic Resources or unauthorized release of Confidential Information. Each Party will promptly notify the other Party of any actual or suspected unauthorized access or disclosure of any Electronic Resource of the other Party, its Affiliates, or its Personnel.

6.04 **Amendment; No Waiver**. The terms, covenants and conditions of this Agreement may be amended, modified or waived only by a written instrument signed by both Parties, or in the event of a waiver, by the Party waiving such compliance. Any Party's failure at any time to require performance of any provision will not affect that Party's right to enforce that or any other provision at a later date. No waiver of any condition or breach of any provision, term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances will be deemed to be or construed as a further or continuing waiver of that or any other condition or of the breach of that or another provision, term or covenant of this Agreement.

6.05 **Assignment**. LE may not assign its rights or obligations under this Agreement without the prior written consent of SHMC, which consent may be withheld in SHMC's absolute discretion. A Stockholding Change will constitute an assignment of this Agreement by LE for which assignment SHMC's prior written consent will be required. SHMC may freely assign its rights and obligations under this Agreement to any of its Affiliates without the prior consent of LE; provided that any such assignment will not relieve SHMC of its obligations and liabilities hereunder. This Agreement will be binding on, and will inure to the benefit of, the permitted successors and assigns of the Parties.

6.06 **Notices**. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given (i) when delivered by hand, (ii) three (3) Business Days after it is mailed, certified or registered mail, return receipt requested, with postage prepaid, (iii) on the same Business Day when sent by facsimile or electronic mail (return receipt requested) if the transmission is completed before 5:00 p.m. recipient's time, or one (1) Business Day after the facsimile or email is sent, if the transmission is completed on or after 5:00 p.m. recipient's time or (iv) one (1) Business Day after it is sent by Express Mail, Federal Express or other courier service specifying same day or next day delivery, as follows (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 6.07):

If to SHMC, to:
Sears Holdings Management Corporation
3333 Beverly Road
Hoffman Estates, Illinois 60179
Attn.: Larry Meerschaert
Facsimile: (847) 286-4908
Email: Larry.Meerschaert@searshc.com

With a copy to:
Sears Holdings Corporation
3333 Beverly Road
Hoffman Estates, Illinois 60179
Attn.: General Counsel
Facsimile: (847) 286-2471
Email: Dane.Drobny@searshc.com

If to LE, to:	Lands' End, Inc. 5 Lands' End Lane Dodgeville, Wisconsin 53595 Attn.: Brian Leek Facsimile: (608) 935-4470 Email: Brian.Leek@landsend.com
With a copy to:	Lands' End 5 Lands' End Lane Dodgeville, Wisconsin 53595 Attn.: General Counsel Facsimile: 608-935-6550 Email: Karl.Dahlen@landsend.com

6.07 **Publicity**. All publicity regarding this Agreement is subject to Section 14.5 (Public Announcements) of the Separation Agreement.

6.08 **Survival**. Each term of this Agreement that would, by its nature, survive the termination or expiration of this Agreement will so survive, including the obligation of either Party to pay all amounts accrued hereunder and including the provisions of Section 1.05 (Transition Services Shared Agreements), Section 1.11 (Ownership of Data and Other Assets), Article IV (Confidentiality), Article V (Indemnification; Limitation of Liability), Section 6.04 (Computer Access), Section 6.08 (Publicity), Section 6.13 (Equitable Relief), Section 6.15 (Fair Construction), Section 6.16 (No Agency), Section 6.17 (Construction and Interpretation), Section 6.19 (Dispute Resolution), and Section 6.20 (Governing Law; Jurisdiction) .

6.09 **No Third Party Rights**. Except for the indemnification rights under this Agreement of any SHMC or LE indemnitee in their respective capacities as such, this Agreement is intended to be solely for the benefit of the Parties and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the Parties.

6.10 **Severability**. If any provision of this Agreement is declared by any court of competent jurisdiction to be illegal, invalid, void or unenforceable, such provision will (to the extent permitted under Applicable Law) be construed by modifying or limiting it so as to be legal, valid and enforceable to the maximum extent compatible with Applicable Law, and all other provisions of this Agreement will not be affected and will remain in full force and effect.

6.11 **Entire Agreement**. This Agreement (including the Exhibits, Appendixes and Schedules hereto) constitutes the entire agreement between the Parties hereto and supersedes all prior agreements and understandings, oral and written, between the Parties hereto with respect to the subject matter hereof.

6.12 **Equitable Relief**. Each Party acknowledges that any breach by a Party of Section 4 (Confidential Information), Section 1.11 (Ownership of Data and Other Assets) and Section 6.04 (Computer Access) of this Agreement may cause the non-breaching Party and its Affiliates irreparable harm for which the non-breaching Party and its Affiliates have no adequate remedies at law. Accordingly, in the event of any actual or threatened default in, or

breach of the foregoing provisions, each Party and its Affiliates are entitled to seek equitable relief, including specific performance, and injunctive relief; in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. A Party seeking such equitable relief is not obligated to comply with Section 6.19 (Dispute Resolution) and may seek such relief regardless of any cure rights for such actual or threatened breach. Each Party waives all claims for damages by reason of the wrongful issuance of an injunction and acknowledges that its only remedy in that case is the dissolution of that injunction. Any requirements for the securing or posting of any bond with such remedy are waived.

6.13 **Force Majeure**. Neither Party will be responsible to the other for any delay in or failure of performance of its obligations under this Agreement, to the extent such delay or failure is attributable to any act of God, act of terrorism, fire, accident, war, embargo or other governmental act, or riot; provided, however, that the Party affected thereby gives the other Party prompt written notice of the occurrence of any event which is likely to cause (or has caused) any delay or failure setting forth its best estimate of the length of any delay and any possibility that it will be unable to resume performance; provided, further, that said affected Party will use its commercially reasonable efforts to expeditiously overcome the effects of that event and resume performance.

6.14 **Fair Construction**. This Agreement will be deemed to be the joint work product of the Parties without regard to the identity of the draftsperson, and any rule of construction that a document will be interpreted or construed against the drafting Party will not be applicable.

6.15 **No Agency**. Nothing in this Agreement creates a relationship of agency, partnership, or employer/employee between SHMC and LE and it is the intent and desire of the Parties that the relationship be and be construed as that of independent contracting parties and not as agents, partners, joint venturers or a relationship of employer/employee.

6.16 **Construction and Interpretation**. In this Agreement (1) "**include**," "**includes**," and "**including**" are inclusive and mean, respectively, "include without limitation," "includes without limitation," and "including without limitation," (2) "or" is disjunctive but not necessarily exclusive, (3) "**will**" and "**shall**" expresses an imperative, an obligation, and a requirement, (4) numbered "**Section**" references refer to sections of this Agreement unless otherwise specified, (5) section headings are for convenience only and will have no interpretive value, (6) unless otherwise indicated all references to a number of days mean calendar (and not business) days and all references to months or years mean calendar months or years, (7) references to **$** or **Dollars** mean U.S. Dollars, and (8) "**hereof**," "**herein**" and "**herewith**" and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

6.17 **Condition Precedent to the Effectiveness of this Agreement**. This Agreement will not become effective until it has been approved by the Audit Committee of the SHC Board (or a subcommittee thereof, including the Related Party Transactions Subcommittee).

6.18 **Dispute Resolution**. Except as provided for in Section 6.13 (Equitable Relief), all Disputes related to this Agreement are subject to Article XI (Dispute Resolution) of the Separation Agreement.

6.19 **Governing Law; Jurisdiction.** (a) **Governing Law**. This Agreement and all claims, controversies or causes of action, whether in contract, tort or otherwise, that may be based upon, arise out of or relate to this Agreement or the negotiation, execution, termination, performance or nonperformance of this Agreement (including any claim, controversy or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement) shall be governed by, and construed and enforced in accordance with, the federal laws of the United States, including the Lanham Act, and the internal laws of the State of Illinois, without regard to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois. This Agreement will not be subject to any of the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

(b) **Jurisdiction**. Each of the Parties hereto irrevocably agrees that all proceedings arising out of or relating to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other Party hereto or its successors or assigns shall be brought, heard and determined exclusively in any federal or state court sitting in Cook County, Illinois. Consistent with the preceding sentence, each of the Parties hereto hereby (a) submits to the exclusive jurisdiction of any federal or state court sitting in Cook County, Illinois for the purpose of any proceeding arising out of or relating to this Agreement or the rights and obligations arising hereunder brought by any Party hereto and (b) irrevocably waives, and agrees not to assert by way of motion, defense, counterclaim, or otherwise, in any such proceeding, any claim that it or its property is not subject personally to the jurisdiction of the above-named courts, that the proceeding is brought in an inconvenient forum, that the venue of the proceeding is improper, or that this Agreement or any of the other transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts. Each Party agrees that service of process upon such party in any such action or Proceeding shall be effective if notice is given in accordance with Section 6.07 (Notices).

(c) **Waiver of Jury Trial**. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE 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 HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.20(c).

6.20 **Counterparts.** This Agreement may be executed and delivered (including by facsimile or other electronic transmission (e.g., .pdf file) in counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement effective as of the Effective Date.

LANDS' END, INC.

By: /s/ Edgar O. Huber
Name: Edgar O. Huber
Its: Chief Executive Officer

:

SEARS HOLDINGS MANAGEMENT CORPORATION

By: /s/ Robert A. Riecker
Name: Robert A. Riecker
Its: Vice President, Controller and Chief Accounting Officer

For purposes of Section 1.13 only:

SEARS HOLDINGS MANAGEMENT CORPORATION, AS AGENT FOR KMART CORPORATION

By: /s/ Robert A. Riecker
Name: Robert A. Riecker
Its: Vice President, Controller and Chief Accounting Officer

Appendix #1

GLOSSARY

Definitions. The following defined terms will have the meaning ascribed to them below. Other terms are defined in the body of this Agreement. All defined terms include the singular and the plural form of such terms.

(a) "**Affiliate**" means (solely for purposes of this Agreement and for no other purpose) (i) with respect to LE, its Subsidiaries, and (ii) with respect to SHMC SHC and its Subsidiaries; provided, however, that except where the context indicates otherwise, for purposes of this Agreement, from and after the Effective Time (1) no SHC Entity shall be deemed to be an Affiliate of any LE Entity and (2) no LE Entity shall be deemed to be an Affiliate of any SHC Entity.

(b) "**Ancillary Agreements**" has the meaning ascribed to it in the Separation Agreement.

(c) "**Applicable Law**" means all applicable common law, laws, ordinances, regulations, rules, and court and administrative orders and decrees of all national, regional, state, local and other governmental units that have jurisdiction in the given circumstances.

(d) "**Business Day**" means any day that is not a Saturday, a Sunday or any other day on which banks are required or authorized by Applicable Law to be closed in New York, New York.

(e) "**Competitor**" has the meaning ascribed to it in the Separation Agreement.

(f) "**Competitor Affiliates**" has the meaning ascribed to it in the Separation Agreement.

(g) **"Cross Default Agreements"** means the Ancillary Agreements except the Co-Location and Services Agreement.

(h) "**Dispute**" has the meaning ascribed to it in the Separation Agreement.

(i) "**Good Faith**" means honesty in fact and the observance of reasonable commercial standards of fair dealing in accordance with Applicable Law.

(j) "**LE Entities**" has the meaning ascribed to it in the Separation Agreement.

(k) "**Personnel**" means the officers, directors, employees, agents, suppliers, licensors, licensees, contractors, subcontractors, advisors (including attorneys, accountants, technical consultants or investment bankers) and other representatives, from time to time, of a Party and its Affiliates; provided that the Personnel of the LE Entities shall not be deemed Personnel of the SHC Entities and the Personnel of the SHC Entities shall not be deemed Personnel of the LE Entities.

(l) "**SHC**" means Sears Holdings Corporation.

(m) "**SHC Entities**" has the meaning ascribed to it in the Separation Agreement.

(n) "**Subsidiaries**" has the meaning ascribed to it in the Separation Agreement.

(o) "**Representatives**" means Personnel, partners, shareholders, and members.

(p) "**SHC Board**" has the meaning ascribed to it in the Separation Agreement.

(q) "**Stockholding Change**" has the meaning ascribed to it in the Separation Agreement.

(r) **"Vendor"** means any third party provider contracted by SHMC or its Affiliates or, in the case of "Shared Agreements", by LE.

Appendix #2

Transition Services

Service or Business Area	Services	Fees
Tax (Excludes Property Tax and Payroll Tax)	**Fixed Fee Tax Services**	**Fixed Fee Tax Services – Annual Fee**
	1. Federal income tax a. Prepare and coordinate filing return b. Prepare estimated tax and extension filings c. Prepare LIFO tax calculations d. Prepare supporting workpapers e. Prepare tax elections f. Foreign tax credit calculations/Form 5471 preparation	Estimated tax (1b, 2b) $36,000 Other FIT (1a, c-f) $56,250 Other SIT (2a, c-d) $31,500 Fin Accting (3a-d) $57,000 Other (4-7) $146,440
	2. State income tax a. Prepare and coordinate filing returns b. Prepare estimated tax and extension filings c. Prepare supporting workpapers d. Prepare tax allocations for periods when part of SHC unitary returns	
	3. Financial Accounting a. Quarterly tax provision, effective tax rate calculations, tax accounting journal entry support b. Analysis of uncertain tax positions and quarterly tax reserve calculations and journal entry support (if necessary) c. Tax footnote disclosures for Form 10-K and Form 10-Qs d. Return-to-accrual calculations and necessary journal entry support	
	4. Sales and use tax a. Prepare and coordinate filing returns b. Maintain tax tables in POS system (if continue to use Sears POS system)	
	5. Business license filings (state and local, not including state registrations of business name or LE entity) 6. Gross receipts tax filings and accrual estimates 7. Annual report/franchise tax filings	
	Per-Hour Tax Services	**Per-Hour Tax Services**
	1. Audit support 2. Preparation of accounting method changes 3. $10,000 cash receipts reporting (when necessary; based on information provided by business) 4. Federal excise tax return (if applicable) 5. Maintain tax tables in POS system (if new POS system implemented) 6. Register new locations for sales tax and business licenses	$150/hour

Service or Business Area	Services	Fees
	7. IT/POS support for sales tax reporting 8. Transition tax functions from SHMC to LE **Lands' End Responsibilities** Anything not listed above as under the Fixed Fee or Per-Hour Tax Services headings, including: 1. Foreign tax compliance/audits 2. Tax legal services 3. Tax software licenses (e.g., income tax reporting, sales tax) Use of software applications other than those used by SHMC may result in an increase in SHMC's fees relating to those services. 4. Providing data necessary to report any available employment-related tax credits (e.g., WOTC) either directly or through a third party	**Service Cost Increases** If SHMC's cost of service increase due to change in business or legal requirements, the fees herein will be equitably adjusted to reflect increase in SHMC costs to provide Services (if any). **Out-of-Pocket Costs** Travel, and other expenses and third party fees charged-through at cost.
COMPLIANCE		
Corporate Compliance	Provide the services of SHMC's Ethics Hotline vendor for call answering and case management for LE's Ethics Hotline.	$10,000 per year.
Global Compliance	Social compliance auditing of the factories producing merchandise for Lands' End to ensure compliance with local law, Lands' End policies with respect to issues such as child labor, wages, hours, benefits, pay, discrimination, harassment, environmental, health and safety. Social compliance audits services include: -Identify the audit cycle for each LE factory -Invoice and collect payment for the audit before it is conducted -Conduct regular audits according to the GC audit schedule -Conduct supplemental audits as may be requested LE for follow up on compliance issues -Send audit results to the vendor, factory, and LE after each audit -Record the corrective action plan submitted by the vendor -Discuss audit results with vendor/factory when requested by LE Additional services would include: -Use of the database for registration of LE vendors and factories -Registration of the vendors/factories with LE brand for Sears. -Managing a program to determining whether and when a LE factory may have basis for exemption from auditing - Coverage under the Worker Safety programs -Database reporting -Live training services provided to LE vendors/factories on LE social compliance standards -Prepare content for LE policy manuals -Perform database research on LE factories when required to respond to media inquiries	$25,000 per year

Service or Business Area	Services	Fees
LOGISTICS & DISTRIBUTION		
Transportation		
	Customer Direct Transportation • Direct-to-customer shipping services under SLS's master agreement with Parcel Delivery Carrier • Returns pickup services from LE customers under SLS's agreement with Customer Returns Carrier	At SLS's cost. Annual volume rebates earned will be shared with LE as prior to Separation.
INVENTORY MANAGEMENT		
Vendor Management		
	Vendor On-Boarding Support	$1,100 per year, payable in monthly installments
	Financial Planning business support and technical support	$1,500 per year, payable in monthly installments
IT SERVICES		
Software and Data Services	• LE Subscription and Support (S&S) for existing non-operating system software • LE new software purchases and 37 months of S&S	$631,741.04 (plus tax) per year, payable in monthly installments
	Mainframe License Charge (MLC): Currently paid through 11/30/14 • These monthly charges cover LE's mainframe capacity usage	$133,501/mo. (plus tax) Subject to increase or decrease based on actual mainframe capacity usage.
	Software Maintenance Services continue through 9/30/15 • These charges are for software maintenance on operating system products.	$65,651.59 (plus tax) per year, payable in monthly installments

Appendix #3

EFFECTIVE DATE

Appendix #4

CONTACT PERSONS

For Lands' End:

Brian Leek
Brian.Leek@landsend.com
Fax: (608) 935-4470

For Sears Holdings Management Corp.:

Larry Meerschaert
Larry.Meerschaert@searshc.com
Fax: (847) 286-4908

Appendix #5

SHARED AGREEMENTS

SHMC's current agreements to be extended to LE for performance of the following described services:

Contract	Current Contract End Date	Contract will continue to be made available to LE for use beyond the TSA Service Period?
Contract for small package customer delivery	3/28/2015, plus renewals	Yes
Contract for customer returns parcel pickup and transportation	10/21/2016	No
Contract for Software licensing and maintenance (operating system and non-operating system); mainframe data processing capacity and usage	9/30/2015; 10/31/2015	Yes
Contract for software licensing and maintenance services; business software for a wide range of applications and database products	12/21/2015	No
Contract for employee travel – car rental	1/31/2015	No
Contract for customer large item delivery service	7/31/2015	No
Contract for employee Relocation Services	6/28/2015	No
Contract for employee travel—airline	11/30/2014	No
Contract for employee travel—airline	10/31/2015	No
Contract for employee travel—airline	12/31/2014	No
Contract for employee travel – Hotel RFP execution and rate audit services	9/30/2016	No
Contract for social media business website subscription and services	2/28/2015	No
Contract for specialty consumer marketing data analysis service	3/31/2015	No

Contract for employee outplacement support services	3/31/2016	No
Contract for state-specific sales tax software license	12/31/2014	No
Contract for print materials and printing services, including pre-press creative services, photography for print production, catalog production, forms and labels, freight to postal system	1/31/2017	Yes
Contract for print materials and print production, catalogs, direct mail production, freight to postal system	12/31/2015	No
Contract for network hardware and software maintenance services including on-site support	6/30/2014	No
Contract for software hosting and services of web analytics and reporting providing website traffic data at various levels	None	No
Contract for software as a service providing access to test and optimization software for use on websites for performing testing and optimization of online campaigns	None	No
Contract for marketing technology and services to manage audience, personalize consumer experiences, and create customer relationships. Includes customer data integration, multichannel marketing services, infrastructure management services and consulting. Also provides segmentation products, domestic fraud and risk mitigation products and online advertising products.	1/31/2016	No
Contract for long distance and wireless telephone services.	7/31/2014	No

Exhibit 10.2

TAX SHARING AGREEMENT

This Tax Sharing Agreement (the "**Agreement**"), dated as of April 4, 2014, is by and among Sears Holdings Corporation, a Delaware corporation ("**SHC**"), and Lands' End, Inc., a Delaware corporation ("**LE**"), and all of its direct and indirect Subsidiaries (LE and its present and future Subsidiaries shall be collectively referred to herein as the "**LE Entities**").

WHEREAS, one or more of the LE Entities is a member of the affiliated group of corporations of which SHC is the common parent corporation and which files a consolidated federal income tax return and combined and consolidated state tax returns;

WHEREAS, following the Distribution Date (as such term is defined in the Separation and Distribution Agreement between SHC and LE, dated as of April 4, 2014 (the "**Separation Agreement**")), such LE Entities will no longer be included in the affiliated group of corporations (within the meaning of Section 1504 of the Code) of which SHC is the common parent; and

WHEREAS, SHC and the LE Entities desire to set forth their agreement regarding the allocation of taxes, the filing of tax returns, the administration of tax contests and other related tax matters;

NOW, THEREFORE, in consideration of the mutual obligations and undertakings contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"**Active Trade or Business**" means the active conduct (as defined in Section 355(b)(2) of the Code and the regulations thereunder) by LE and its "separate affiliated group" (as defined in Section 355(b)(3)(B) of the Code) of the LE Business as conducted immediately prior to the Distribution.

"**Affiliate**" means, with respect to any specified person, a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the specified person.

"**Board Certificate**" has the meaning set forth in Section 8.02(d) of this Agreement.

"**Business Day**" means any day that is not a Saturday, a Sunday or any other day on which banks are required or authorized by applicable law to be closed in the New York, New York.

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

"**Consolidated Group**" means the affiliated group of corporations (within the meaning of Section 1504 of the Code) of which SHC is the common parent (and any successor group).

"**Contribution**" means the contribution of assets to LE pursuant to Section 2.1 of the Separation Agreement.

"**Distribution**" has the meaning set forth in the Separation Agreement.

"**Fifty-Percent or Greater Interest**" has the meaning ascribed to such term for purposes of Sections 355(d) and (e) of the Code.

"**Filing Date**" has the meaning set forth in Section 8.05(d) of this Agreement

"**Final Determination**" means the final resolution of liability for any Tax with respect to a taxable period (i) by Internal Revenue Service Form 870 or 870-AD (or any successor forms thereto), on the date of acceptance by or on behalf of the Internal Revenue Service (the "IRS"), or by a comparable form under the laws of other jurisdictions; except that a Form 870 or 870-AD or comparable form that reserves (whether by its terms or by operation of the law) the right of the taxpayer to file a claim for a refund and/or the right of the Taxing Authority to assert a further deficiency shall not constitute a Final Determination; (ii) by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and may not be appealed; (iii) by a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code, or comparable agreements under the laws of other jurisdictions; (iv) by any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund may be recovered (including by way of offset) by the Taxing Authority jurisdiction; or (v) by any other final disposition, including by reason of the expiration of the applicable statute of limitations.

"Foreign Taxes" means any Taxes imposed by any foreign country or any possession of the United States, or by any political subdivision of any foreign country or United States possession that are imposed on, allocated or attributable to or incurred or payable by the LE Business or the LE Entities and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

"**LE Business**" means the business and assets contributed to, or owned by, LE pursuant to the Separation Agreement.

"**LE Capital Stock**" means all classes or series of capital stock of LE, including (i) the LE Common Stock, (ii) all options, warrants and other rights to acquire such capital stock and (iii) all instruments properly treated as stock in LE for U.S. federal income tax purposes.

"**Member**" has the meaning ascribed to such term in Treasury Regulation Section l.1502-1(b).

"**Notified Action**" has the meaning set forth in Section 8.04(a) of this Agreement.

"**Person**" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof, without regard to whether any entity is treated as disregarded for U.S. federal income tax purposes.

"**Post-Distribution Tax Period**" means any taxable period beginning after the Distribution Date and, with respect to a taxable period that begins on or before such date and ends thereafter, the portion of such taxable period beginning after the Distribution Date.

"**Pre-Distribution Tax Period**" means any taxable period ending on or before the Distribution Date and, with respect to a taxable period that begins on or before such date and ends thereafter, the portion of such taxable period ending on the Distribution Date.

"**Pre-Distribution Taxes**" means any Taxes (other than Unpaid Non-Income Taxes and Foreign Taxes) that are imposed on, allocated or attributable to or incurred or payable by the LE Business or any LE Entity for any Pre-Distribution Tax Period, provided that Pre-Distribution Taxes shall be computed without regard to the carryback of any Tax Benefit Item of the Lands' End Entities from a Post-Distribution Tax Period. For purposes of calculating "Pre-Distribution Taxes", any liability for Taxes attributable to a Tax period that begins before and ends after the Distribution Date shall be apportioned between the portion of such period ending on such date and the portion of such period beginning after such date (a) in the case of real and personal property Taxes, by apportioning such Taxes on a per diem basis and (b) in the case of all other Taxes, on the basis of a closing of the books, provided, that exemptions, allowances or deductions that are calculated on an annual basis shall be apportioned on a per diem basis.

"**Proposed Acquisition Transaction**" means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulation Section 1.355-7, or any other regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported by LE management or shareholders, is a hostile acquisition, or otherwise, as a result of which LE would merge or consolidate with any other person or as a result of which any person or any group of related persons would (directly or indirectly) acquire, or have the right to acquire, from LE and/or one or more holders of outstanding shares of LE Capital Stock, a number of shares of LE Capital Stock that would, when combined with any other changes in ownership of LE Capital Stock pertinent for purposes of Section 355(e) of the Code, comprise 40% or more of (A) the value of all outstanding shares of stock of LE as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (B) the total combined voting power of all outstanding shares of voting stock of LE as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (A) the adoption by LE of a shareholder rights plan or (B) issuances by LE that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition and the application thereof is intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

"**Representation Letters**" means the representation letters and any other materials delivered or deliverable by SHC and others in connection with the rendering by Tax Advisor of the Tax Opinion.

"**Section 8.02(d) Acquisition Transaction**" means any transaction or series of transactions that is not a Proposed Acquisition Transaction but would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were 25% instead of 40%.

"**Separate Return Taxable Income**" means, with respect to each taxable period or portion thereof and each state or locality for which the allocation is being computed, the amount of income calculated by multiplying the separate entity's or group of entities' (as applicable) tax base for that state or locality by the State Group's apportionment formula for that state or locality, and taking into consideration nonapportionable items of income for that separate entity or group of entities (as applicable). If during any taxable period an LE Entity ceases to be a State Affiliated Company in any state or locality, the "Separate Return Taxable Income" for such taxable period in such state or locality shall be calculated as if the taxable period of such LE Entity ended on the date that such LE Entity ceased to be a State Affiliated Company in such state or locality.

"**State Affiliated Companies**" means all entities that SHC determines are included in a State Combined or Consolidated Return or that any jurisdiction determines under applicable law are included in a State Combined or Consolidated Return.

"**State Combined or Consolidated Return**" means a single state or local Tax Return filed for (i) one or more of SHC and its Subsidiaries (other than any LE Entity) as well as (ii) one or more LE Entities.

"**State Group**" means any group of corporations filing a State Combined or Consolidated Return.

"**Subsidiary**" means a corporation, limited liability company, partnership or other entity, whether or not such entity is treated as such for tax purposes.

"**Tax**" or "**Taxes**" means any and all forms of taxation, whenever created or imposed by a Taxing Authority, and, without limiting the generality of the foregoing, shall include net income, alternative or add-on minimum, estimated, gross income, sales, use, ad valorem, gross receipts, value added, franchise, profits, license, transfer, recording, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profit, custom duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any related interest, penalties or other additions to tax, or additional amounts imposed by any such Taxing Authority.

"**Tax Advisor**" means a United States tax counsel or accountant of recognized national standing.

"**Taxing Authority**" means a national, foreign, municipal, state, federal or other governmental authority responsible for the administration of any Tax.

"**Tax Benefit Item**" means any net operating loss, unused foreign Tax credit, unused charitable deduction, unused capital loss, or similar unused Tax benefit item that could reduce a Tax.

"**Tax Controversy**" means any pending or threatened audit, dispute, suit, action, proposed assessment or other proceeding relating to Taxes.

"**Tax-Free Status**" means the qualification of the Contribution and Distribution, taken together, (a) as a reorganization described in Sections 355(a), 368(a)(1)(D) and 368(a)(1)(E) of the Code, (b) as a transaction in which the stock distributed thereby is "qualified property" for purposes of Sections 355(d), 355(e) and 361(c) of the Code and (c) as a transaction in which SHC, LE and the shareholders of SHC recognize no income or gain for U.S. federal income tax purposes pursuant to Sections 355, 361 and 1032 of the Code, other than, in the case of SHC and LE, intercompany items or excess loss accounts taken into account pursuant to the Treasury Regulations promulgated pursuant to Section 1502 of the Code.

"**Tax Opinion**" means the opinion of Tax Advisor deliverable to SHC in connection with the Contribution and the Distribution.

"**Tax-Related Losses**" means (i) all federal, state and local Taxes (including interest and penalties thereon and without giving effect to any Tax Benefit Items of SHC or its Affiliates) imposed pursuant to any settlement, Final Determination, judgment or otherwise; (ii) all accounting, legal and other professional fees, and court costs incurred in connection with such Taxes; and (iii) all costs, expenses and damages associated with stockholder litigation or controversies and any amount paid by SHC (or any SHC Affiliate) or LE (or any LE Affiliate) in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Taxing Authority, in each case, resulting from the failure of the Contribution and the Distribution to have Tax-Free Status.

"**Tax Return**" means any return, filing, questionnaire or other document, including requests for extensions of time, filings made with estimated Tax payments, claims for refund and amended returns, that may be filed for any taxable period with any Taxing Authority in connection with any Tax (whether or not a payment is required to be made with respect to such filing) or any information reporting requirement.

"**Unpaid Non-Income Taxes**" means any Taxes (other than income Taxes) that are imposed on, allocated or attributable to or incurred or payable by the LE Business or the LE Entities for any Pre-Distribution Tax Period, *provided* that Unpaid Non-Income Taxes shall include Taxes only to the extent such Taxes are accrued and unpaid as of the Distribution Date, including contingent Taxes for which a financial statement reserve has been accrued. For purposes of calculating "Unpaid Non-Income Taxes", any liability for Taxes attributable to a Tax period that begins before and ends after the Distribution Date shall be apportioned between the portion of such period ending on such date and the portion of such period beginning after such date (a) in the case of real and personal property Taxes, by apportioning such Taxes on a per diem basis and (b) in the case of all other Taxes, on the basis of a closing of the books, provided, that exemptions, allowances or deductions that are calculated on an annual basis shall be apportioned on a per diem basis.

"**Unqualified Tax Opinion**" means an unqualified "will" opinion of a Tax Advisor, which opinion and which Tax Advisor are acceptable to SHC, on which SHC may rely to the effect that a transaction will not affect the Tax-Free Status. Any such opinion must assume that the Contribution and Distribution would have qualified for Tax-Free Status if the transaction in question did not occur.

ARTICLE II

PREPARATION AND FILING OF TAX RETURNS

Section 2.01. SHC Consolidated Group Tax Returns.

SHC shall timely prepare and file (or cause to be timely prepared and filed) all federal income Tax Returns for the Consolidated Group. The LE Entities shall provide to SHC all financial data and any other information and documentation reasonably requested by SHC in connection with the filing of any such federal income Tax Returns.

Section 2.02. State Combined or Consolidated Returns.

(a) SHC or one or more of its Subsidiaries shall prepare all State Combined or Consolidated Returns. To the extent permitted by law, SHC (or one of its Subsidiaries) shall timely file each such State Combined or Consolidated Return. If SHC (or one of its Subsidiaries) is not permitted to file any such State Combined or Consolidated Return, an LE Entity shall file such State Combined or Consolidated Return. The person responsible pursuant to the forgoing for filing any such State Combined or Consolidated Return shall timely pay (or cause to be timely paid) any Tax that is due in connection with any such State Combined or Consolidated Return. The LE Entities shall provide to SHC all financial data and any other information and documentation reasonably requested by SHC in connection with the preparation of any such State Combined or Consolidated Return.

(b) SHC shall (i) consult with the LE Entities regarding the preparation of a State Combined or Consolidated Return if the LE Entities are responsible for any portion of the Taxes reported thereon and (ii) deliver any such State Combined or Consolidated Return to the LE Entities for review and comment no later than five days prior to the date on which such State Combined or Consolidated Return is due. SHC shall make any changes to such State Combined or Consolidated Tax Return that are requested by the LE Entities to the extent that (x) such changes relate to items for which the LE Entities have responsibility hereunder, and (y) SHC approves of such changes, such approval not to be unreasonably withheld.

Section 2.03. Other Tax Returns of the LE Entities.

(a) Except as provided in Section 2.03(b), the LE Entities shall timely prepare and file, or cause to be timely prepared and filed, all appropriate Tax Returns relating to all Taxes attributable to the LE Business other than those described in Sections 2.01 and 2.02 herein. SHC shall provide to the LE Entities all financial data and any other information and documentation reasonably requested by the LE Entities in connection with the preparation of any such Tax Returns.

(b) To the extent any Tax Return described in Section 2.03(a) involves Pre-Distribution Taxes, SHC or one or more of its Subsidiaries shall prepare such Tax Return. The LE Entities shall provide to SHC all financial data and any other information and documentation reasonably requested by SHC in connection with the preparation of any such Tax Return. An LE

Entity shall file such Tax Return and shall timely pay (or cause to be timely paid) any Tax that is due in connection with any such Tax Return. SHC shall (i) consult with the LE Entities regarding the preparation of such Tax Return and (ii) deliver such Tax Return to the LE Entities for review and comment no later than five days prior to the date on which such Tax Return is due. SHC shall make any changes to such Tax Return requested by the LE Entities to the extent that (x) such changes relate to items for which the LE Entities have responsibility hereunder, and (y) SHC approves of such changes, such approval not to be unreasonably withheld. Within 15 days of filing any such Tax Return, SHC shall pay LE the amount of Pre-Distribution Taxes shown on such Tax Return.

ARTICLE III

ALLOCATION AND PAYMENT OF CONSOLIDATED FEDERAL TAXES

Section 3.01. Payment of Consolidated Federal Income Tax. SHC shall be responsible for all payments of federal income Tax due with respect to the Consolidated Group.

Section 3.02. Carrybacks. In the event any federal Tax Benefit Item of the LE Entities for any taxable period after they cease being Members of the Consolidated Group is eligible to be carried back to a taxable period while the LE Entities were Members of the Consolidated Group, the LE Entities shall, where possible, elect to carry such amounts forward to subsequent taxable periods. If the LE Entities are required by law to carry back any such federal Tax Benefit Item, the LE Entities shall be entitled to a payment at the time and to the extent that such Tax Benefit Item reduces the federal income Tax liability of the Consolidated Group. For purposes of computing the amount of the payment described in this Section 3.02, one or more federal Tax Benefit Items shall be considered to have reduced the Consolidated Group's federal income Tax liability in a given taxable period by an amount equal to the difference, if any, between (i) the amount of the Consolidated Group's federal income Tax liability for the taxable period computed without regard to such federal Tax Benefit Item or Items and (ii) the amount of the Consolidated Group's federal income Tax liability for the taxable period computed with regard to such federal Tax Benefit Item or Items. For the avoidance of doubt, if the LE Entities are required to carry back a federal Tax Benefit Item, such federal Tax Benefit Item shall reduce the Consolidated Group's federal income Tax liability only after all federal Tax Benefit Items of SHC have been applied to reduce the Consolidated Group's federal income Tax liability in such taxable period. Appropriate reconciliation payments shall be made in the event that it is subsequently determined that a Tax Benefit Item did not reduce the Consolidated Group's federal income Tax liabilities, including by reason of any such Tax Benefit Item being subsequently disallowed in whole or in part or by reason of other Tax benefits becoming available.

ARTICLE IV

ALLOCATION AND PAYMENT OF

COMBINED/CONSOLIDATED STATE AND LOCAL TAXES

Section 4.01. Payment of Combined/Consolidated State and Local Tax. With respect to Post-Distribution Tax Periods, the LE Entities shall pay to SHC, or SHC shall pay to the LE Entities (in the case of a State Combined or Consolidated Return filed by an LE Entity, or in the case of payments with respect to Tax Benefit Items pursuant to Section 4.02(d)), at the times provided by Section 4.03, the amounts determined under Section 4.02.

Section 4.02. Allocation of Combined/Consolidated State and Local Tax. The state and local Tax liability of the LE Entities and all the other State Affiliated Companies for each State Combined or Consolidated Return shall be calculated in the following manner:

(a) An allocation of Tax (or payment attributable to a state or local Tax Benefit Item) pursuant to this Article IV shall be made to the LE Entities only if an LE Entity has a nexus presence in a state or locality for which the allocation of Tax or payment attributable to a state or local Tax Benefit Item is being determined. If SHC has no nexus presence in a state or locality, then all Tax or payments attributable to a state or local Tax Benefit Item shall be allocated to the LE Entities.

(b) Each allocation of Tax pursuant to this Article IV shall be computed between the LE Entities as one group and all other State Affiliated Companies as a separate group.

(c) Except as otherwise provided herein, with respect to any State Combined or Consolidated Tax Return that is an income Tax Return, the Tax allocated to the LE Entities shall equal the product of (i) the statutory rate imposed by the relevant state or locality for the Tax covered by such Tax Return and (ii) the amount (if any) of positive Separate Return Taxable Income for the LE Entities with respect to such Tax Return. For purposes of this Section 4.02(c), the LE Entities' allocated Tax shall not be reduced by the LE Entities' carrybacks and carryovers of state or local Tax Benefit Items from other taxable periods (such items being addressed by Section 4.02(d)).

(d) SHC shall pay to the LE Entities, in accordance with Section 4.03, the amount, if any, by which one or more state or local Tax Benefit Items of the LE Entities arising in a Post-Distribution Tax Period reduced a State Combined or Consolidated Return Tax liability with respect to any taxable period for which a State Combined or Consolidated Return is filed by SHC after the date of this Agreement but only to the extent that SHC receives the benefit of such reduction (taking into account the provisions of this Agreement). In computing the amount of the payment under this Section 4.02(d), one or more state or local Tax Benefit Items of the LE Entities shall be considered to have reduced the State Combined or Consolidated Return Tax liability in a given taxable period by an amount equal to the difference, if any, between (i) the amount of the State Combined or Consolidated Return Tax liability with respect to the taxable period computed without regard to such state or local Tax Benefit Item or Items and (ii) the amount of the State Combined or Consolidated Return Tax liability with respect to the taxable period computed with regard to such state or local Tax Benefit Item or Items. Appropriate reconciliation payments shall be made in the event that it is subsequently determined that a Tax Benefit Item of the Lands' End Entities did not reduce the State Combined or Consolidated Return Tax liability in a given taxable period, including by reason of any such Tax Benefit Item being subsequently disallowed in whole or in part or by reason of other Tax benefits becoming available. In no event shall the amount paid by SHC under this Section 4.02(d) with respect to any state or local Tax Benefit Item of the Lands' End Entities exceed the amount that the LE Entities would have received if they had independently filed a state or local Tax Return including all of the LE Entities. LE shall pay to SHC, in accordance with Section 4.03 herein, the amount, if any, by which one or more state or local Tax Benefit Items of SHC or any of its Subsidiaries reduced a State Combined or

Consolidated Return Tax liability with respect to any taxable period for which a State Combined or Consolidated Return is filed after the date of this Agreement but only to the extent that an LE Entity receives the benefit of such reduction (taking into account the provisions of this Agreement).

(e) With respect to any State Combined or Consolidated Return that is not an income Tax Return, the applicable state or local Tax liability shall be allocated among the LE Entities and all the other State Affiliated Companies pro rata based on the Tax that would have been paid by the LE Entities as one group, on the one hand, and all other State Affiliated Companies as a separate group, on the other hand.

Section 4.03. Payment.

(a) The computation of the state or local Tax allocations, as well as any required payment to and from SHC, shall be made within 15 days after SHC or any of its Affiliates (other than the LE Entities), or any LE Entity, makes a payment to, or receives a payment credit or offset from, any Taxing Authority pursuant to this Article IV.

(b) The same method used for the calculation of estimated Tax for any State Combined or Consolidated Return shall be used to determine the amount of estimated Tax allocated to the LE Entities. With regard to any estimated Tax that is calculated based upon income of a prior taxable period, the payments under this Agreement shall also be calculated based upon such income and appropriate adjustments made when the final Tax Return is filed with respect to such estimated Tax. For estimated Tax calculated in any other manner, the payments under this Agreement shall be determined based upon the principles of Section 4.02.

Section 4.04. Carrybacks. In the event any state Tax Benefit Item of the LE Entities with respect to any taxable period after they cease being State Affiliated Companies is eligible to be carried back to a taxable period while the LE Entities were State Affiliated Companies, the LE Entities shall, where possible, elect to carry such amounts forward to subsequent taxable periods. If the LE Entities are required by law to carry back any such state Tax Benefit Item, the LE Entities shall be entitled to a payment to the extent that such a payment would be required under the terms of Section 4.02(d).

ARTICLE V

PAYMENT OF OTHER TAXES

Section 5.01 Other Taxes. All Taxes of (or with respect to) an LE Entity or the LE Business shall be paid by the LE Entities, other than (i) Taxes of the Consolidated Group, (ii) Taxes reportable on a Tax Return described in Section 2.02(a) (which the LE Entities shall pay to the extent required by Article IV), and (iii) Pre-Distribution Taxes.

Section 5.02 Unpaid Non-Income Taxes. Notwithstanding any other provision of this Agreement, LE shall be responsible for and pay all Unpaid Non-Income Taxes.

Section 5.03 Foreign Taxes. Notwithstanding any other provision of this Agreement, LE shall be responsible for and pay all Foreign Taxes.

ARTICLE VI

TAX DEFICIENCIES AND REFUNDS

Section 6.01. Pre-Distribution Taxes. SHC shall be responsible for (and shall indemnify the LE Entities from and against) all Pre-Distribution Taxes, including any Pre-Distribution Taxes resulting from any audit, amendment, other change or adjustment. Any refund of Pre-Distribution Taxes (whether by payment, credit, offset against other Taxes due or otherwise) shall be for the benefit of (and paid to) SHC.

Section 6.02. Post-Distribution State Group Taxes. If as a result of any audit, amendment, other change or adjustment to the state or local Taxes of any State Group there is an additional amount of such state or local Taxes (other than Pre-Distribution Taxes) due and payable or a refund of such state or local Taxes (other than Pre-Distribution Taxes) previously paid (whether by payment, credit, offset against other Taxes due or otherwise), the obligations of the parties shall be redetermined under Section 4.02 as if the adjustments made as a result of such audit were included as part of the original Tax Return filed and any payments made under this Agreement shall be adjusted or reimbursed in accordance with the foregoing.

Section 6.03. Certain Property Tax Claims. Notwithstanding any other provision in this Agreement, LE shall be entitled to receive and retain any recoveries resulting from claims against the City of Dodgeville to recover overpaid property taxes resulting from the city's excessive assessment of LE's Dodgeville properties.

ARTICLE VII

COOPERATION AND TAX CONTROVERSY

Section 7.01. Cooperation.

(a) SHC and the LE Entities shall cooperate fully at such time and to the extent reasonably requested by the other party in connection with the preparation and filing of any Tax Return or the conduct of any Tax Controversy concerning any issues or any other matter contemplated hereunder. Such cooperation shall include, without limitation, (i) the retention and provision on demand of books, records, documentation or other information relating to any Tax Return until the later of (x) the expiration of the applicable federal or state statute of limitation (giving effect to any extension, waiver, or mitigation thereof) and (y) in the event any claim has been made under this Agreement for which such information is relevant, until a Final Determination with respect to such claim; (ii) the filing or execution of any document that may be necessary or reasonably helpful in connection with the filing of any Tax Return, or claim for a refund of Taxes previously paid, by either party, or in connection with any Tax Controversy addressed in the preceding sentence (including a requisite power of attorney); and (iii) the use of the parties' best efforts to obtain any documentation from a governmental authority or a third party that may be necessary or helpful in connection with the foregoing. Each party shall make its employees and facilities reasonably available on a mutually convenient basis to facilitate such cooperation.

(b) SHC and the LE Entities shall use reasonable efforts to keep each other informed as to the status of Tax Controversies involving any issue which could give rise to any liability of the other party under this Agreement. SHC and the LE Entities shall each promptly notify the other of any inquiries by any Taxing Authority or any other administrative, judicial or other governmental authority that relate to any Tax that may be imposed on the other or any Affiliate of the other that might give rise to any liability under this Agreement. SHC shall have sole control of any Tax Controversy relating to the Consolidated Group or to any Pre-Distribution Taxes. SHC shall have sole control of any Tax Controversy relating to any State Combined and Consolidated Return, provided, that in the case of any such Tax Controversy that may affect Taxes for which the LE Entities have responsibility hereunder, the LE Entities may participate in such Tax Controversies at their own expense. If the potential liability of the LE Entities under this Agreement relating to any Tax Controversy exceeds $100,000, SHC shall not settle or concede such Tax Controversy without the prior written consent of the LE Entities, not to be unreasonably withheld, conditioned or delayed.

ARTICLE VIII

TAX-FREE STATUS

Section 8.01. Tax Opinions and Representation Letters.

(a) Each of LE and SHC hereby represents and agrees that (A) it will read the Representation Letters prior to the Distribution Date and (B) subject to any qualifications therein, all information contained in such Representation Letters that concerns or relates to such company or any of its Subsidiaries will be true, correct and complete.

(b) LE and SHC shall use their commercially reasonable efforts and shall cooperate in good faith to finalize the Representation Letters as soon as possible hereafter and to cause the same to be submitted to the Tax Advisor as SHC shall deem necessary or desirable and shall take such other commercially reasonable actions as may be necessary or desirable to obtain the Tax Opinion in order to confirm the Tax-Free Status.

Section 8.02. Restrictions on LE.

(a) LE agrees that it will not take or fail to take, or permit any LE Entity to take or fail to take, any action where such action or failure to act would be inconsistent with or cause to be untrue any material, information, covenant or representation in any Representation Letters or Tax Opinion. LE agrees that it will not take or fail to take, or permit any LE Entity to take or fail to take, any action which prevents or could reasonably be expected to prevent (A) the Tax-Free Status, or (B) any transaction contemplated by the Separation Agreement which is intended by the parties to be tax-free from so qualifying, including, in the case of LE, issuing any LE Capital Stock that would prevent the Distribution from qualifying as a tax-free distribution within the meaning of Section 355 of the Code.

(b) LE agrees that, from the date hereof until the first day after the two-year anniversary of the Distribution Date, it will (i) maintain its status as a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code and (ii) not engage in any transaction that would result in it ceasing to be a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code, in each case, taking into account Section 355(b)(3) of the Code.

(c) LE agrees that, from the date hereof until the first day after the two-year anniversary of the Distribution Date, it will not (i) enter into any Proposed Acquisition Transaction or, to the extent LE has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur, (ii) merge or consolidate with any other Person or liquidate or partially liquidate, (iii) in a single transaction or series of transactions sell or transfer (other than sales or transfers of inventory in the ordinary course of business) 60% or more of the gross assets of the Active Trade or Business or 60% or more of the consolidated gross assets of LE and its Affiliates (such percentages to be measured based on fair market value as of the Distribution Date), (iv) redeem or otherwise repurchase (directly or through an LE Affiliate) any LE stock, or rights to acquire stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (v) amend its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the voting rights of LE Capital Stock (including, without limitation, through the conversion of one class of LE Capital Stock into another class of LE Capital Stock) or (vi) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any representation made in the Representation Letters or the Tax Opinion) which in the aggregate (and taking into account any other transactions described in this subparagraph (d)) would be reasonably likely to have the effect of causing or permitting one or more Persons (whether or not acting in concert) to acquire directly or indirectly stock representing a Fifty-Percent or Greater Interest in LE or otherwise jeopardize the Tax-Free Status, unless prior to taking any such action set forth in the foregoing clauses (i) through (vi), (A) LE shall provide SHC with an Unqualified Tax Opinion in form and substance satisfactory to SHC in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status (and in determining whether an opinion is satisfactory, SHC may consider, among other factors, the appropriateness of any underlying assumptions and management's representations if used as a basis for the opinion and SHC may determine that no opinion would be acceptable to SHC) or (B) SHC shall have waived the requirement to obtain such Unqualified Tax Opinion.

(d) Certain Issuances of LE Capital Stock. If LE proposes to enter into any Section 8.02(d) Acquisition Transaction or, to the extent LE has the right to prohibit any Section 8.02(d) Acquisition Transaction, proposes to permit any Section 8.02(d) Acquisition Transaction to occur, in each case, during the period from the date hereof until the first day after the two-year anniversary of the Distribution Date, LE shall provide SHC, no later than ten days following the signing of any written agreement with respect to the Section 8.02(d) Acquisition Transaction, with a written description of such transaction (including the type and amount of LE Capital Stock to be issued in such transaction) and a certificate of the Board of Directors of LE to the effect that the Section 8.02(d) Acquisition Transaction is not a Proposed Acquisition Transaction or any other transaction to which the requirements of Section 8.02(c) apply (a "**Board Certificate**").

Section 8.03. Restrictions on SHC. SHC agrees that it will not take or fail to take, or permit any Member of the Consolidated Group to take or fail to take, any action where such action or failure to act would be inconsistent with or cause to be untrue any material, information, covenant or representation in any Representation Letters or Tax Opinion. SHC agrees that it will not take or fail to take, or permit any Member of the Consolidated Group to take or fail to take, any action which prevents or could reasonably be expected to prevent (A) the Tax-Free Status, or (B) any other transaction contemplated by the Separation Agreement which is intended by the parties to be tax-free from so qualifying; *provided, however,* that this Section 8.03 shall not be construed as obligating SHC to consummate the Distribution without the satisfaction or waiver of all conditions set forth in Section 3.3 of the Separation Agreement nor shall it be construed as preventing SHC from terminating the Separation Agreement pursuant to Section 13.2 thereof.

Section 8.04. Procedures Regarding Opinions.

(a) If LE notifies SHC that it desires to take one of the actions described in clauses (i) through (vi) of Section 8.02(c) (a "**Notified Action**"), SHC and LE shall reasonably cooperate to attempt to obtain the Unqualified Tax Opinion referred to in Section 8.02(c), unless SHC shall have waived the requirement to obtain such Unqualified Tax Opinion.

(b) Unqualified Tax Opinion at LE's Request. SHC agrees that at the reasonable request of LE, SHC shall cooperate with LE's efforts to obtain, as expeditiously as possible, an Unqualified Tax Opinion for the purpose of permitting LE to take the Notified Action. SHC and LE shall each bear its own costs and expenses in obtaining an Unqualified Tax Opinion requested by LE.

(c) Unqualified Tax Opinion at SHC's Request. SHC shall have the right to obtain an Unqualified Tax Opinion at any time in its sole and absolute discretion. If SHC determines to obtain an Unqualified Tax Opinion, LE shall (and shall cause each Affiliate of LE to) cooperate with SHC and take any and all actions reasonably requested by SHC in connection with obtaining the Unqualified Tax Opinion (including, without limitation, by making any representation or covenant or providing any materials or information requested by Tax Advisor; *provided* that LE shall not be required to make (or cause any Affiliate of LE to make) any representation or covenant that is inconsistent with historical facts or as to future matters or events over which it has no control. SHC and LE shall each bear its own costs and expenses in obtaining an Unqualified Tax Opinion requested by SHC.

Section 8.05. Liability for Tax-Related Losses.

(a) Notwithstanding anything in this Agreement or the Separation Agreement to the contrary, subject to Section 8.05(c), LE shall be responsible for, and shall indemnify and hold harmless SHC and its Affiliates and each of their respective officers, directors and employees from and against, one hundred percent (100%) of any Tax-Related Losses that are attributable to or result from any one or more of the following: (A) the acquisition (other than pursuant to the Contribution, as defined in the Separation Agreement, or the Distribution) of all or a portion of LE's stock and/or its or its subsidiaries' assets by any means whatsoever by any Person, (B) any negotiations, understandings, agreements or arrangements by LE with respect to transactions or events (including, without limitation, stock issuances, pursuant to the exercise of stock options or otherwise, option grants, capital contributions or acquisitions, or a series of such transactions or events) that cause the Distribution to be treated as part of a plan pursuant to which one or more Persons acquire directly or indirectly stock of LE representing a Fifty-Percent or Greater Interest therein, (C) any action or failure to act by LE after the Distribution (including, without limitation, any amendment to LE's certificate of incorporation (or other organizational documents), whether through a stockholder vote or otherwise) affecting the voting rights of LE stock (including, without limitation, through the conversion of one class of LE Capital Stock into another class of LE Capital Stock), (D) any act or failure to act by LE or any LE Affiliate described in Section 8.02 (regardless whether such act or failure to act is covered by a Ruling, Unqualified Tax Opinion or waiver described in clause (A), (B) or (C) of Section 8.02(c), or a Board Certificate described in Section 8.02(d) or (E) any breach by LE of its agreement and representation set forth in Section 8.01(a).

(b) Notwithstanding anything in this Agreement or the Separation Agreement to the contrary, subject to Section 8.05(c), SHC shall be responsible for, and shall indemnify and hold harmless LE and its Affiliates and each of their respective officers, directors and employees from and against, one hundred percent (100%) of any Tax-Related Losses that are attributable to, or result from any one or more of the following: (A) the acquisition (other than pursuant to the Contribution, as defined in the Separation Agreement, or the Distribution) of all or a portion of SHC's stock and/or its assets by any means whatsoever by any Person, (B) any negotiations, agreements or arrangements by SHC with respect to transactions or events (including, without limitation, stock issuances, pursuant to the exercise of stock options or otherwise, option grants, capital contributions or acquisitions, or a series of such transactions or events) that cause the Distribution to be treated as part of a plan pursuant to which one or more Persons acquire directly or indirectly stock of SHC representing a Fifty-Percent or Greater Interest therein, (C) any act or failure to act by SHC or a member of the Consolidated Group described in Section 8.03 or (D) any breach by SHC of its agreement and representation set forth in Section 8.01(a).

(c)

(i) To the extent that any Tax-Related Loss is subject to indemnity under both Sections 8.05(a) and (b), responsibility for such Tax-Related Loss shall be shared by SHC and LE according to relative fault.

(ii) Notwithstanding anything in Section 8.05(b) or (c)(i) or any other provision of this Agreement or the Separation Agreement to the contrary:

(A) with respect to (I) any Tax-Related Loss resulting from Section 355(e) of the Code (other than as a result of an acquisition of a Fifty-Percent or Greater Interest in SHC) and (II) any other Tax-Related Loss resulting (for the absence of doubt, in whole or in part) from an acquisition after the Distribution of any stock or assets of LE (or any LE Affiliate) by any means whatsoever by any Person or any action or failure to act by LE affecting the voting rights of LE stock, LE shall be responsible for, and shall indemnify and hold harmless SHC and its Affiliates and each of their respective officers, directors and employees from and against, one hundred percent (100%) of such Tax-Related Loss; and

(B) for purposes of calculating the amount and timing of any Tax-Related Loss for which LE is responsible under this Section 8.05, Tax-Related Losses shall be calculated by assuming that SHC, the Consolidated Group and each Member of the Consolidated Group (I) pay Tax at the highest marginal corporate Tax rates in effect in each relevant taxable year and (II) have no Tax Benefit Items in any relevant taxable year.

(iii) Notwithstanding anything in Section 8.05(a) or (c)(i) or any other provision of this Agreement or the Separation Agreement to the contrary:

(A) with respect to (I) any Tax-Related Loss resulting from Section 355(e) of the Code (other than as a result of an acquisition of a Fifty-Percent or Greater Interest in LE) and (II) any other Tax-Related Loss resulting (for the absence of doubt, in whole or in part) from an acquisition after the Distribution of any stock or assets of SHC (or any SHC Affiliate) by any means whatsoever by any Person, SHC shall be responsible for, and shall indemnify and hold harmless LE and its Affiliates and each of their respective officers, directors and employees from and against, one hundred percent (100%) of such Tax-Related Loss and,

(B) for purposes of calculating the amount and timing of any Tax-Related Loss for which SHC is responsible under this Section 8.05, Tax-Related Losses shall be calculated by assuming that LE and its Subsidiaries (I) pay Tax at the highest marginal corporate Tax rates in effect in each relevant taxable year and (II) have no Tax Benefit Items in any relevant taxable year.

(d) LE shall pay SHC the amount of any Tax-Related Losses for which LE is responsible under this Section 8.05: (A) in the case of Tax-Related Losses described in clause (i) of the definition of Tax-Related Losses no later than five days prior to the date SHC files, or causes to be filed, the applicable Tax Return for the year of the Contribution or Distribution, as applicable (the "**Filing Date**") (provided that if such Tax-Related Losses arise pursuant to a Final Determination described in clause (i), (ii) or (iii) of the definition of "Final Determination", then LE shall pay SHC no later than five days after the date of such Final Determination with interest calculated at the London Interbank Offered Rate plus two and one-half percent, compounded semiannually, from the date that is five days prior to the Filing Date through the date of such Final Determination) and (B) in the case of Tax-Related Losses described in clause (ii) or (iii) of the definition of Tax-Related Losses, no later than five days after the date SHC pays such Tax-Related Losses. SHC shall pay LE the amount of any Tax-Related Losses (described in clause (ii) or (iii) of the definition of Tax-Related Loss) for which SHC is responsible under this Section 8.05 no later than five days after the date LE pays such Tax-Related Losses.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Effective Date. This Agreement applies to all matters related to any Tax Returns filed, Taxes paid, adjustments made in respect of any Tax, and any other matters involving Taxes on or after the Distribution Date between or among (i) SHC or any of its Subsidiaries (other than the LE Entities) and (ii) the LE Entities. Notwithstanding any other provisions of this Agreement, the representations and covenants of Section 8.1 shall be effective as of the date of this Agreement. This Agreement will not become effective until it has been approved by the Audit Committee of the SHC Board of Directors (or a subcommittee thereof, including the Related Party Transactions Subcommittee).

Section 9.02. Complete Agreement. This Agreement constitutes the entire agreement of the parties concerning the subject matter hereof. Any other agreements (including tax sharing agreements), whether or not written, in respect of any Tax between or among SHC and the LE Entities shall be terminated and have no further effect as of the Distribution Date. This Agreement may not be amended except by an agreement in writing signed by the parties hereto.

Section 9.03. Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given (i) when delivered by hand, (ii) three (3) Business Days after it is mailed, certified or registered mail, return receipt requested, with postage prepaid, (iii) on the same Business Day when sent by facsimile or electronic mail (return receipt requested) if the transmission is completed before 5:00 p.m. recipient's time, or one (1) Business Day after the facsimile or email is sent, if the transmission is completed on or after 5:00 p.m. recipient's time or (iv) one (1) Business Day after it is sent by Express Mail, Federal Express or other courier service, as follows (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.03):

If to LE:	Lands' End, Inc. 1 Lands' End Lane Dodgeville, Wisconsin, WI 53595 Attn.: General Counsel Facsimile: (608) 935-6550
If to SHC:	Sears Holdings Corporation 3333 Beverly Road B2-131B Hoffman Estates, IL 60179 Attn.: Vice President, Tax Facsimile: (847) 286-4908
With a copy to:	Sears Holdings Corporation 3333 Beverly Road B6-210B Hoffman Estates, IL 60179 Attn: General Counsel Facsimile: (847) 286-2471

Section 9.04. Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) Governing Law; Jurisdiction. This Agreement (and all claims, controversies or causes of action, whether in contract, tort or otherwise, that may be based upon, arise out of or relate to this Agreement or the negotiation, execution, termination, performance or nonperformance of this Agreement (including any claim, controversy or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement)) shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois, without regard to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois. Each of the parties hereto irrevocably agrees that all proceedings arising out of or relating to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other party hereto or its successors or assigns shall be brought, heard and determined exclusively in any federal or state court sitting in Cook County, Illinois. Consistent with the preceding sentence, each of the parties hereto hereby (a) submits to the exclusive jurisdiction of any federal or state court sitting in Cook County, Illinois for the purpose of any proceeding arising out of or relating to this Agreement or the rights and obligations arising hereunder brought by any party hereto and (b) irrevocably waives, and agrees not to assert by way of motion, defense, counterclaim, or otherwise, in any such proceeding, any claim that it or its property is not subject personally to the jurisdiction of the above-named courts, that the proceeding is brought in an inconvenient forum, that the venue of the proceeding is improper, or that this Agreement, the Distribution or any of the other transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts. Each party agrees that service of process upon such party in any such action or proceeding shall be effective if notice is given in accordance with Section 9.03.

(b) Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE 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 HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section 9.04(b).

Section 9.05. Successors and Assigns. A party's rights and obligations under this Agreement may not be assigned without the prior written consent of the other party. All of the provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. If any party to this Agreement forms or acquires one or more Subsidiaries which become Members of the Consolidated Group or a State Affiliated Company, such party will cause any such Subsidiary to be bound by the terms of this Agreement, and this Agreement shall apply to any such Subsidiary in the same manner and to the same extent as the current party.

Section 9.06. Intended Third Party Beneficiaries. This Agreement is solely for the benefit of the parties to this Agreement and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without this Agreement.

Section 9.07. Legal Enforceability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions. Any prohibition or unenforceability of any provision of this Agreement in any jurisdiction shall not invalidate or render unenforceable the provision in any other jurisdiction.

Section 9.08. Expenses. Unless otherwise expressly provided in this Agreement, each party shall bear any and all expenses that arise from its respective obligations under this Agreement.

Section 9.09. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

Section 9.10. Change in Law. If, after the date this Agreement is executed, as a result of an amendment to the Code, the promulgation of proposed, temporary or final regulations, the issuance of a ruling by a Taxing Authority, the decision of any court, or a change in any applicable state or local law, SHC believes that it is necessary or helpful to amend the provisions of this Agreement in order to preserve the rights and benefits contemplated herein, each of the parties

hereto agrees to negotiate in good faith all such amendments and modifications as shall be necessary or appropriate in order to preserve as nearly as possible for the parties hereto the rights and benefits contemplated herein.

[Remainder of page intentionally left blank; signature page to follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

SEARS HOLDINGS CORPORATION

By: /s/ Lawrence J. Meerschaert
Name: Lawrence J. Meerschaert
Title: Vice-President, Tax

LANDS' END, INC

By: /s/ Karl A. Dahlen
Name: Karl A. Dehlen
Title: SVP, General Counsel and Secretary

Exhibit 10.3

***** Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [*****]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

MASTER LEASE AGREEMENT

THIS MASTER LEASE AGREEMENT (hereinafter "**Lease**") is made and entered into as of this 4th day of April, 2014, provided, however, that the parties agree that the terms and conditions herein are effective as of February 1, 2014 (the "**Commencement Date**"), by and between Sears, Roebuck and Co., a New York corporation, as landlord ("**Landlord**"), and Lands' End, Inc., a Delaware corporation as the tenant ("**Tenant**").

RECITALS:

Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, that certain premises within a building, which building location is set forth on **Annex A** under the column heading "Store Name" (each, a "**Building**"), consisting of approximately the rentable square feet set opposite each Building location on **Annex A** under the column heading "FY-2014 Begin. Sq. Ft." as may be modified from time to time as set forth on Annex A, initially in the same location and configuration as existing for Tenant's store operations within a Building on the date of this Lease (each, a "**Leased Premises**"), upon the terms and conditions provided hereinafter.

NOW, THEREFORE, for and in consideration of and subject to the covenants and agreements hereinafter mentioned, the parties do hereby agree as follows:

1. **Leased Premises**.

   Landlord leases to Tenant, and Tenant leases from Landlord, the Leased Premises.

   Subject to any Third Party Agreements (as defined in Section 22(a) below) and temporary closures or restrictions due to casualty, condemnation, or Landlord's maintenance and repair activities in the Building, Landlord further grants to Tenant, in common with other occupants of the applicable Building: the right of ingress and egress to public roadways and a non-exclusive easement for parking the vehicles of Tenant, its customers, employees and business invitees, and for access, use of, ingress and egress for vehicles and pedestrians in common with the other occupants of such Building, over all parking areas, alleys, roadways, sidewalks, walkways, landscaped areas and surface water drainage systems and for use of parking lot lighting; and a non-exclusive use of the hallways, entryways, elevators, restrooms, adequate storage space (and where provided prior to the Commencement Date, of similar type and size to such space), trash facilities and all other areas and facilities in the applicable Building that are provided and designated from time to time by Landlord for the non-exclusive use of occupants of such Building and their respective customers, employees and business invitees. The facilities and areas set forth above shall be deemed "**Common Areas**".

2. **Term**.

   (a) Unless earlier terminated as to all or any of the Leased Premises pursuant to the express terms and conditions of this Lease, the term ("**Term**") of this Lease with respect to each Leased Premises shall commence on the date hereof (the "**Commencement Date**") and shall expire on the date set forth set forth on **Annex A** under the column heading "Expiration Date" (each,

an "**Expiration Date**"); provided, however, that with respect to any Leased Premises that has an Expiration Date prior to January 31, 2018, if Landlord leasing the applicable Building extends its lease to a date past January 31, 2018, then the Expiration Date for that Leased Premises shall be amended to read January 31, 2018.

(b) Tenant shall have no right to extend the Term of the this Lease with respect to any of the Leased Premises, except that by the date which is referenced on **Annex A** under the column heading "Expiration Date" for each Leased Premises, Tenant may send written notice to Landlord of its desire to negotiate extending the Term with respect to such Leased Premises, and Landlord may (but shall not be obligated to), in its sole discretion, agree to negotiate such an extension on terms and conditions mutually agreeable to Landlord and Tenant.

3. **Rent**.

(a) Rent shall begin to accrue and shall be due to Landlord on the Commencement Date. Tenant agrees to pay rent for the Leased Premises in the annual amount set forth on **Annex A** under the column heading "Rent PSF" for the applicable fiscal year (the "Rent"); provided, however, that the terms and provisions of **Annex B** (Percentage Rent) shall apply with respect to the locations listed thereon. Tenant shall pay one-twelfth (1/12) of the annual Rent (or a prorated amount during partial months), in advance, on the first day of each month, without notice, offset or deductions except as otherwise set forth herein. Rent is inclusive of third-party common area maintenance costs, real estate taxes and utilities but does not cover any other costs or services.

(b) All Rent (as defined below) shall be made payable to Landlord and mailed to Landlord's address as outlined in the "Notice" Section of this Lease until the payee or address is changed by written notice from Landlord.

4. **Hold Over**.

If Tenant does not vacate a Leased Premises upon the expiration of this Lease with respect to such Leased Premises, such holdover shall result in a tenancy at sufferance, and in addition to Tenant paying all damages incurred by Landlord as a result of Tenant holding over, Tenant shall also pay to Landlord, as Rent for the period of such holdover (calculated based on the number of days of the holdover), 150% of the Rent PSF in effect immediately prior to such holdover.

5. **Tenant's Taxes**.

Tenant shall pay to Landlord, promptly upon demand, a sum equal to the aggregate of any municipal, county, state, or federal excise, sales, use, margin or transaction privilege taxes (but not including any taxes paid by Landlord based on its net income) now or hereafter legally levied or imposed against, or on account of, any amounts payable under this Lease by Tenant or the receipt thereof by Landlord. Tenant shall pay all taxes and assessments of every nature, kind and description, levied and assessed against Tenant's fixtures, equipment, merchandise and goods stored in or about the Leased Premises.

6. **Late Charges/Interest**.

In the event any installment of Rent is more than three (3) days past due or any other amount payable by Tenant to Landlord is more than ten (10) days past due, Tenant shall pay to Landlord, as additional rent (i) a late fee equal to five percent (5%) of the amount unpaid to cover

Landlord's administrative costs for collection and loss of income plus (ii) interest at the Default Rate, calculated from the date such unpaid amounts were due. For the purposes of this Lease the Default Rate shall be the rate of eight percent (8%) per annum, compounded monthly.

7. **Use; Operations; and Radius Restriction**.

(a) Tenant shall use the Leased Premises only as a Lands' End retail shop consistent with the current format Tenant is currently operating in each Leased Premises and for no other purpose ("**Permitted Use**"). Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from any Leased Premises, nor take any other action which would constitute a nuisance or which would disturb or endanger any other occupants (including Landlord's retail operations) of the Building, or unreasonably interfere with such other occupants' use of their respective space.

(b) Tenant agrees to continuously operate its business in the entirety of each Leased Premises under the name "Lands' End" throughout the Term of this Lease and for the same operating hours of the Landlord's store in which the Leased Premises are located. If Tenant violates this Section, then in addition to all rights and remedies available to Landlord pursuant to Section 15, Tenant shall also pay to Landlord, upon demand, for each non-compliant Leased Premises, liquidated damages in an amount equal to Five Hundred and No/100 Dollars ($500.00) for each day such violation continues; provided, however, that this provision shall not apply if the Leased Premises should be closed and the business of Tenant temporarily discontinued therein on account of remodeling or renovation which is completed within ten (10) business days. Tenant acknowledges and agrees that if it breaches this Section, Landlord shall be deprived of an important right under this Lease, and as a result thereof, will suffer damages in an amount which is not readily ascertainable, and that the foregoing is a reasonable and equitable determination of the actual damages Landlord shall suffer as a result of Tenant's breach of its obligations under this Section.

(c) Tenant covenants and agrees that during the Term, Tenant (and if Tenant is a corporation, membership entity or partnership, its officers, directors, stockholders, members, managers, affiliates or partners) shall not directly or indirectly, operate or manage any other store or business similar to or in competition with the use for which the Leased Premises are let (including, without limitation, any concession or department operated within another store or business), within the same shopping center or retail center development of which the Building is a part.

8. **Hazardous Materials**.

No Hazardous Material (as hereinafter defined) shall be created, handled, placed, stored, used, transported or disposed of by either party on the Leased Premises. Landlord and Tenant hereby agree to indemnify, defend and hold the other party and its directors, officers, employees and agents (including any successor to Landlord's interest in the Leased Premises) harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which result from either party's breach of this Section. As used herein, "Hazardous Material" shall mean any substance that is toxic, ignitable, reactive, corrosive and that is regulated by any local government, the respective state each Leased Premises is located in, or the United States Government. "Hazardous Material" includes any and all material or substances that are defined as "hazardous waste", "extremely hazardous waste" or a "hazardous substance" pursuant to state, federal or local governmental law. "Hazardous Material" includes, but is not restricted to, asbestos, polychlorobiphenyls ("**PCBs**") and petroleum.

9. **Repairs, Maintenance, Utilities and Other Services**.

(a) Tenant shall accept each Leased Premises in its "AS-IS", "WHERE IS" and "WITH ALL FAULTS" condition. Landlord makes no representations or warranties as to the conditions of any Leased Premises, and Tenant acknowledges that it is fully aware of the existing conditions of each Leased Premises since it has occupied and operated in such Leased Premises prior to the date of this Lease. Landlord shall have no responsibility or obligation to make repairs or replacements to or upon a Leased Premises or to perform any maintenance which becomes necessary during Tenant's occupancy of such Leased Premises. Tenant shall comply with all laws, statutes, governmental regulations and local ordinances (including, without limitation, the Americans with Disabilities Act) and the direction of the proper public officials concerning its use of each Leased Premises. Tenant shall return each Leased Premises to Landlord "broom clean" and in the same condition as it exists as of the beginning of the Term, excluding ordinary wear and tear.

(b) Landlord shall not be liable to Tenant for damages or otherwise if the utilities serving the Leased Premises or Building of which the Leased Premises are a part are interrupted or terminated for any cause.; provided, however, the foregoing shall not limit Tenant's remedies expressly set forth in Section 19.

(c) Landlord and Tenant agree that Landlord is not providing any services to Tenant at any Leased Premises which are not expressly set forth herein; by way of example and without limitation of the foregoing disclaimer, Landlord is expressly not providing the following services to Tenant: cleaning or maintenance of the Leased Premises, loss prevention, general liability or property insurance, stock room replenishment, use of Landlord's Point of Sale system, shipping/receiving, wi-fi or accepting returns of Tenant's merchandise. Sears, Roebuck and Co. and Tenant have entered into that certain Retail Operations Agreement dated as of April 4, 2014 (the "**RSA**") providing for additional services and/or for rules and restrictions governing Tenant's use of the Leased Premises and other portions of Landlord's Buildings.

10. **Fixtures/Alterations**.

Tenant shall only be permitted to make cosmetic changes to the Leased Premises. Tenant shall not have the right to install permanent fixtures, or in any way alter the structure of any Building or alter any non-structural portion of any Leased Premises, without the prior written consent of Landlord, which shall be in Landlord's sole discretion.

11. **Access to Leased Premises**.

Landlord shall have free access to any Leased Premises for the purpose of examining the same during business hours and for any other reasonable purpose, including, by way of example only and without limitation, in furtherance of the terms and provisions of the RSA; provided, however, Landlord shall not unreasonably interfere with the business of Tenant in exercising such rights.

12. **Assignment / Sublease**.

Tenant shall not have the right to assign this Lease, or to license or sublet any Leased Premises, or any part thereof.

13. **Surrender**.

Upon the Expiration Date, Tenant shall surrender and vacate a Leased Premises immediately and deliver possession thereof to Landlord in the condition required by Tenant under Section 9(a) hereof and shall deliver to Landlord all keys to such Leased Premises. Tenant shall remove from the Leased Premises all personal property of Tenant and Tenant's trade fixtures, including, cabling for any of the foregoing at its sole cost and expense. Tenant immediately shall repair all damage resulting from removal of any of Tenant's property at its sole cost and expense. In the event possession of such Leased Premises is not delivered to Landlord when required hereunder, or if Tenant shall fail to remove those items described above, Tenant shall be deemed to have abandoned such property and Landlord may (but shall not be obligated to), at Tenant's expense, remove any of such property and undertake at Tenant's expense such restoration work as Landlord deems necessary or advisable. Tenant's obligations under this Section shall survive the Expiration Date or earlier termination of this Lease.

14. **Right to Relocate**.

Landlord may, at any time, relocate any of Tenant's Leased Premises to another area of the Building in which such Leased Premises are located ("**New Premises**"), provided the New Premises shall have, if possible, approximately the same rentable square footage of space; notwithstanding the foregoing, Landlord shall have the right to offer Tenant New Premises with lesser square footage than the original Leased Premises (but in no event lesser than 70% of the original Leased Premises) if Landlord's store size has been or is in the process of being reduced. Provided that Tenant is open and operating at the applicable Leased Premises at the time Landlord exercises the rights granted by this Section, Landlord agrees to pay all reasonable moving expenses incurred by Tenant incident to such relocation and for improving the New Premises so that the New Premises are similar to the then existing Leased Premises. Landlord shall provide Tenant with at least sixty (60) days prior written notice before making such relocation demand. Tenant shall cooperate with Landlord in all reasonable ways to facilitate the move and shall be responsible for moving all of its inventory and other goods to the New Premises. If Tenant fails to so cooperate, Landlord shall be relieved of all responsibility for damage or injury to Tenant or its property during such move, except as may be caused by Landlord's actual negligence. Notwithstanding the foregoing, if the New Premises identified by Landlord is not acceptable to Tenant, then Tenant may elect to terminate this Lease solely with respect to such Leased Premises by written notice to Landlord within thirty (30) calendar days after receipt of Landlord's written notice of such relocation, with such termination to be effective sixty (60) days after Tenant's election. Upon the completion of a relocation, the Rent shall be adjusted to reflect the actual square footage of the New Premises and the New Premises shall be deemed to have replaced the applicable Leased Premises for all purposes under this Lease.

15. **Default**.

(a) If Tenant (i) defaults in any of its monetary obligations under this Lease or (ii) materially defaults in any of its non-monetary obligations under this Lease, and Tenant fails to cure such default within ten (10) business days after receipt of written notice thereof, then, in addition to all other rights which Landlord has at law or in equity, Landlord shall have the following rights and remedies: (x) to terminate this Lease with respect to the applicable Leased Premises in which event Tenant shall immediately surrender such Leased Premises to Landlord and, if Tenant fails to do so, Landlord may, without prejudice to any other remedy

which Landlord may have for possession or arrearages in Rent, enter upon and take possession of the applicable Leased Premises and expel or remove Tenant and any other person who may be occupying such Leased Premises or any part thereof, by any legal means, without being liable for prosecution for any claim of damages therefore; (y) to enter upon and take possession of the applicable Leased Premises and expel or remove Tenant and any other person who may be occupying such Leased Premises or any part thereof, by any legal means, without being liable for prosecution of any claim for damages therefore with or without having terminated this Lease; (z) do whatever Tenant is obligated to do under the terms of this Lease (and enter upon the applicable Leased Premises in connection therewith if necessary) without being liable for prosecution or any claim for damages therefore, and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease with respect to a Leased Premises, plus interest thereon at the Default Rate, and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action.

(b) In the event Landlord elects to terminate this Lease with respect to a Leased Premises in accordance with the foregoing, then notwithstanding such termination, Tenant shall be liable for and shall pay to Landlord the sum of all Rent and other amounts payable to Landlord pursuant to the terms of this Lease with respect to such Leased Premises which have accrued to the date of such termination, plus, as damages, an amount equal to the net present value of the difference between (i) total Rent reserved by this Lease for the remaining portion of the Term (had such Term not been terminated by Landlord prior to the Expiration Date) less (ii) the net amount Tenant proves Landlord would have received during such remaining portion of the Term through reletting of the applicable Leased Premises. For the purposes hereof, "net present value" shall be determined using a discount rate equal to four percent (4%) per annum.

(c) In the event Landlord elects to repossess the applicable Leased Premises without terminating this Lease with respect to such Leased Premises, then Tenant shall be liable for and shall pay to Landlord all rental and other amounts payable to Landlord (including, without limitation, the damages amount set forth in Section 7(b)) pursuant to the terms of this Lease which have accrued to the date of such repossession, plus, from time to time throughout the remaining Term, total Rent required to be paid by Tenant to Landlord during the remainder of the Leased Term diminished by any net sums thereafter received by Landlord through reletting of the applicable Leased Premises during said period. In no event shall Tenant be entitled to any excess of any rental obtained by reletting over and above the rental herein reserved. Actions to collect amounts due by Tenant to Landlord as provided in this paragraph may be brought from time to time, on one or more occasions, without the necessity of Landlord's waiting until expiration of the Term.

16. **Notices**.

All notices herein provided for shall be in writing and shall be sent by (a) registered or certified mail, postage prepaid, return receipt requested, or (b) reputable overnight air courier, and shall be deemed to have been given (i) five (5) business days after deposit in the mail postage prepaid if sent via mail, and (ii) one (1) business day after being deposited with a reputable overnight air courier for guaranteed next day delivery. Notices shall be addressed to:

Landlord:	
	c/o Sears Holding Corporation 3333 Beverly Road Department 824RE Hoffman Estates, Illinois 60179 Attn: Vice President – Real Estate
With a copy to:	
	Sears Holding Corporation 3333 Beverly Road Department 824RE Hoffman Estates, Illinois 60179 Attn: Associate General Counsel – Real Estate
Tenant:	Lands' End, Inc. 5 Lands' End Lane Dodgeville, WI 53595 Attn: Senior Vice President - Retail
With a copy to:	Lands' End, Inc. 5 Lands' End Lane Dodgeville, WI 53595 Attn: General Counsel

or to any other address furnished in writing by either of the respective parties. However, any change of address furnished shall comply with the notice requirements of this Section and shall include a complete outline of all current notice addresses to be used for the party requesting the change.

17. **Indemnity**.

Tenant shall indemnify Landlord against, and save Landlord harmless of and from, any and all loss, cost, damage, expense or liability (including, but not limited to, attorney's fees and disbursements) incurred by Landlord by reason of, and defend Landlord against all claims, actions, proceedings and suits relating to: (i) the conduct of Tenant's business in, or use, occupancy and management of, each Leased Premises; (ii) any injuries to persons or damages to property occurring in, on or about each Leased Premises; (iii) any work or thing whatsoever done, or any condition created, in, on or about each Leased Premises during the Term hereof; (iv) any act or omission of Tenant, its agents, contractors, servants, employees, invitees, guests or tenants; or (v) a breach of this Lease. Tenant's obligations under this Section shall survive the Expiration Date or earlier termination of this Lease with respect to each Leased Premises.

18. **Insurance**.

(a) Tenant shall maintain, or cause to be maintained on its behalf, during the term:

(i.) Commercial General Liability including Premises Operations, Products and Completed Operations Liability, Contractual Liability covering the Tenant and naming Sears Holdings Management Corporation as additional insured with limits of no less than Two Million Dollars ($2,000,000) combined single limit primary and non-contributory to any liability insurance maintained by Landlord.

(ii.) Workers' Compensation at statutory limits, as required by the state where the work is being performed, and Employer's Liability with limits of no less than $500,000 each accident or occupational disease.

(iii.) Comprehensive Automobile Liability Insurance, which shall include bodily injury and property damage liability, including the ownership, maintenance and operation of any automobile equipment owned, hired and non-owned including the loading and unloading thereof, with limits of at least $2,000,000 for each accident.

(iv.) "All-risk" property damage insurance ("**Tenant's Hazard Insurance**") including Builders' Risk protecting against all risk of physical loss or damage, including without limitation, and sprinkler leakage coverage in amounts not less than the actual replacement cost, covering all of Tenant's inventory, trade fixtures, furnishing, wall covering, floor covering, carpeting, drapes, equipment and all items of personal property of Tenant located within the Premises and within 100 feet of the Leased Premises, against all risks of physical loss or damage.

(b) In addition to the insurance coverage to be maintained by Tenant above, Tenant will require each contractor (if any) performing the Services under the direction of Tenant to obtain insurance coverage in the same form and amounts as detailed above ("**Contractor Insurance**"). The Contractor Insurance shall name Sears Holdings Corporation its subsidiaries and affiliates as additional insured, and shall stipulate that such insurance is primary to, and not contributing with, any other insurance carried by, or for the benefit of, Sears, Roebuck and Co., Kmart Corporation or the other additional insured. Tenant warrants that its Contractors will maintain Workers' Compensation and Employer's Liability insurance. It is the responsibility of Tenant to obtain and maintain a certificate of insurance from each Contractor and make the certificate available to Sears, Roebuck and Co. upon request.

(c) Such insurance set forth in subsection (a) above shall be obtained from insurers of recognized financial responsibility who shall be licensed in the state in which each Leased Premises is located. Tenant shall provide Landlord with certificates evidencing the coverage required hereunder. Landlord and others designated by Landlord in being additional insureds, shall be named as additional insureds under the insurance policies described in this Section 15 18. The certificates of insurance, to the extent the same is standard in the industry, shall provide that the coverage shall not be changed or cancelled, without at least ten (10) days notice to Landlord, provided that if Contractor's insurance company in its certificate to Landlord will state only that (i) the coverage will not be "materially" changed (as opposed to simply "changed") without prior notice to Landlord, and/or (ii) it will "endeavor to give" at least ten (10) days prior written notice to Landlord (as opposed to simply agreeing to give such notice), and it is standard in the insurance industry that an insurance company would provide only such wording, the Contractor's insurer may provide such wording in the certificate of insurance to Landlord.

(d) Waiver of Subrogation Rights. Each party hereto has hereby remised, released, and discharged and does remise, release, and discharge the other party hereto and any officer, agent, employee, or representative of such party of and from any claims, rights of recovery, or liability whatsoever (and each party hereby waives all rights of subrogation) hereafter arising from loss, damage, or injury caused by fire or other casualty of the type which is required to be insured under the policies of insurance required to be maintained by the releasing party as of the date of any

casualty, SUCH WAIVER TO BE EFFECTIVE REGARDLESS OF THE CAUSE OR ORIGIN OF SUCH DAMAGE OR LOSS INCLUDING, WITHOUT LIMITATION, THE NEGLIGENCE OF A PARTY HERETO OR ANY OF ITS OFFICERS, AGENTS, EMPLOYEES OR REPRESENTATIVES. Tenant shall procure an appropriate clause in or endorsement to any policy of insurance covering Tenant's personal property, inventory, fixtures, furnishing and equipment located in the Leased Premises, wherein the insurer waives subrogation or consents to a waiver of its right of recovery.

19. **Casualty**.

If a Building is damaged or destroyed by fire or other casualty, or if it becomes uninhabitable due to the termination of utilities or other services serving the Building, then Landlord shall have the right, in Landlord's sole discretion, to terminate this Lease with respect to all or any portion of the applicable Leased Premises located in such affected Building upon thirty (30) days prior written notice to Tenant. If Landlord does not so elect to terminate this Lease with respect to such affected Leased Premises, then (i) Tenant's obligations under this Lease with respect to such Leased Premises, including but not limited to the payment of Rent, shall be suspended beginning on the third day of such damage or uninhabitability and continuing until such time as the Leased Premises are returned to a habitable condition and (ii) if Landlord is unable to restore the Leased Premises to a habitable condition within six months of the date of the damage or uninhabitability first occurred, Tenant may terminate the Lease for the affected Leased Premises by written notice to Landlord. In no event shall Tenant be entitled to any portion of insurance proceeds available under any policies maintained by Landlord nor shall Landlord have any obligation to restore or repair the affected Building or the applicable Leased Premises.

20. **Condemnation**.

If a Building, or any portion of a Building, is taken under the power of eminent domain, or sold under the threat of the exercise of said power (any of the foregoing, a "**condemnation**") then Landlord shall have the right, to terminate this Lease with respect to all or any portion of the Leased Premises contained in such affected Building upon thirty (30) days prior written notice to Tenant. In no event shall Tenant be entitled to any portion of any proceeds awarded in connection with such condemnation nor shall Landlord have any obligation to restore or repair the affected Building or the Leased Premises contained therein.

21. **No Liens**.

Landlord's title always is and shall be paramount to the title of Tenant, and nothing in this Lease shall empower Tenant to do any act which can, shall or may encumber the title of Landlord to any portion of any Leased Premises. Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed on any part of any Leased Premises or the Building of which the Leased Premises are a part. Tenant covenants and agrees not to suffer or permit any lien of mechanics, materialmen or other lien to be placed against any part of a Leased Premises or any fixture filing or other financing statement to be recorded against any portion of a Leased Premises and in case any such lien or filing attaches or claim of lien is asserted Tenant covenants and agrees to cause such lien, filing or claim to be immediately released and removed of record.

22. **Lease Subject to Possible Third Party Interests**.

(a) Notwithstanding Tenant's rights under this Lease, Tenant hereby acknowledges that Landlord makes no representations or warranties with respect to whether or not Tenant's use of a Leased Premises for its Permitted Use is permitted under any documents encumbering or otherwise affecting Landlord's interest in the applicable Leased Premises (each, a "**Third Party Agreement**"). Tenant understands and agrees that Landlord has not requested the consent of any third party to this Lease with respect to any Leased Premises, which third party may or may not have a right to grant or withhold such consent, and that if Tenant desires to obtain any such consent, then Tenant may seek to obtain such consent at its own cost, risk and expense. Tenant's rights with respect to this Lease, are subject and subordinate to all applicable Third Party Agreements.

(b) Tenant acknowledges and agrees that Landlord has made available to Tenant for copying and review (including by means of any website or other electronic means which have been made available to Tenant prior to the execution of this Lease) all Third Party Agreements in Landlord's possession or control. As such, Tenant shall be deemed to know of the existence of any fact or circumstance as disclosed by any Third Party Agreement for the purposes of this Section 22. Notwithstanding the foregoing, in making such Third Party Agreements available to the Tenant, Tenant acknowledges that Landlord makes no representation or warranty as to the completeness or accuracy of the information provided.

23. **Limitation on Landlord's Liability**.

With respect to collection of any judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants and conditions of this Lease as affecting a Leased Premises, Tenant agrees that it shall look solely to the estate of Landlord in the Building (together with the land on which such Building is located) in which the applicable Leased Premises is located, subject to the prior rights of any mortgagee of such Building or any underlying lessor, and no other assets of Landlord shall be subject to levy, garnishment, attachment, execution or other procedures for the satisfaction of Tenant's remedies.

24. **Additional Documentation**.

From time to time throughout the Term, Tenant shall execute and deliver to Landlord, within ten (10) business days following request therefor, any reasonable document required by Landlord in connection with this Lease or any portion of any Leased Premises including, by way of example and without limitation, tenant estoppel certificates addressed to Landlord and/or Landlord's prospective lender and/or purchaser and Subordination, Non-Disturbance and Attornment Agreements with Landlord's or its purchaser's lender or prospective lender.

25. **Rules and Regulations**.

Tenant agrees to comply with reasonable rules and regulations issues by Landlord governing the conduct of businesses on or about the Leased Premises and any rules and regulations issued by Landlord for the Building.

26. **Signage**.

Tenant shall not install any signage on or about any of the Leased Premises without the prior written consent of Landlord which consent may be granted or withheld in Landlord's sole discretion.

27. **Risk of Loss**.

Tenant assumes all risk of damage or loss of any fixtures, equipment, merchandise or goods located in or about the Leased Premises from any cause whatsoever and for all damage or loss that may arise from, without limitation, the following: delivery, receipt, piling, stacking, storage, or handling the goods and merchandise of Tenant, whether within the Leased Premises or otherwise. Tenant shall be liable for any new installation (subject to Landlord's consent which shall not be unreasonably withheld), repair, maintenance, and payment of all costs associated with new or existing security systems, if any, in the Leased Premises. Landlord shall have no obligation to provide security for any Leased Premises, except as any security measure may be generally available for Landlord's retail operations in the Building where such Leased Premises are located. In no event shall Landlord be responsible for shrinkage experienced by Tenant at any Leased Premises.

28. **Landlord's Early Termination Option**.

Notwithstanding anything in this Lease to the contrary, this Lease shall be terminated with respect to an applicable Leased Premises at any time upon prior written notice to Tenant in the following events:

(i) If Landlord is selling or has sold the Building in which the Leased Premises are located or if Landlord ceases to operate a retail facility in the Building in which the Leased Premises are located in substantially the same manner as existing on the date of this Lease, then Landlord shall terminate this Lease with respect to the applicable Leased Premises by delivery of written notice to Tenant, with such termination to be effective ninety (90) days after the date of such notice; or

(ii) If any third party under a Third Party Agreement objects to this Lease with respect to a Leased Premises, then Landlord shall, in Landlord's sole discretion, either (a) terminate this Lease with respect to the applicable Leased Premises by delivery of written notice to Tenant, with such termination to be effective thirty (30) days after the date of such notice or (b) procure the third party's agreement to permit Tenant to continue to occupy the applicable Leased Premises as provided for under the terms of this Lease.

On or before the effective date of a termination of this Lease with respect to the applicable Leased Premises ("**Termination Date**") as described in either subparagraphs (i) or (ii) above, Tenant shall surrender and vacate the Leased Premises in accordance with Section 13. Tenant covenants and agrees to pay Landlord all sums accruing and/or required to be paid by Tenant pursuant to the provisions of this Lease with respect to such Leased Premises through the Termination Date, as and when any of such sums become due and payable. Tenant's obligations under this Section shall survive the Expiration Date or earlier termination of this Lease.

29. **Quiet Enjoyment.** Provided that Tenant pays the Rent and fully and faithfully observes and performs all of the terms, covenants and conditions set forth in this Lease on Tenant's part to be observed and performed, Landlord shall not do anything during the Term as to unlawfully interfere with Tenant's peaceful and quiet enjoyment of the Leased Premises, subject, nevertheless, to the terms and conditions of this Lease and the RSA. Tenant shall not interfere with the quiet enjoyment of the other tenants of the Building.

30. **Encroachments**.

Notwithstanding any provision in this Lease to the contrary, in the event Tenant operates, occupies or uses any portion of a Building other than the Leased Premises contained in such Building (and other than the non-exclusive use of the Common Areas as provided in Section 1 hereof), Tenant shall have ten (10) days to cure after notice thereof. If Tenant fails to cure such an encroachment within the ten (10) day period, Tenant shall pay an amount equal to the per square foot Rent for the applicable Leased Premises set forth on **Annex A** under the column "Rent PSF" for the particular location where the encroachment occurred, multiplied by the amount of space that is encroached upon, and such increase in Rent shall be retroactive to the date that such operation, occupation or use commenced If such an encroachment occurs more than twice within any twelve (12) month period, Landlord may terminate this Lease with respect to its Leased Premises immediately upon Landlord's written notice to Tenant.

31. **Choice of Law, Litigation, Court Costs and Attorney's Fees**.

In the event that at any time either Landlord or Tenant institutes any action or proceeding against the other relating to the provisions of this Lease or any default hereunder, the prevailing party in such action or proceeding will be entitled to recover from the other party reasonable attorneys' fees and costs. This Lease with respect to each Leased Premises shall be construed in accordance with and governed by the laws of the state in which such Leased Premises are located. Landlord and Tenant waive all rights to (i) trial by jury in any litigation arising under this Lease and (ii) resort to arbitration in the event of any dispute under this Lease.

32. **Counterparts**

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

33. **Acknowledgement of Representation by Legal Counsel**.

Each party hereto warrants and represents that it has reviewed and negotiated the terms and conditions of this Lease with legal counsel of its own choosing, or has had an opportunity to do so, and that it knowingly and voluntarily enters into this Lease having had the opportunity to consult with legal counsel.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

LANDLORD:

SEARS, ROEBUCK AND CO.,
a New York corporation

By: /s/ Robert A. Riecker
Name: Robert A. Riecker
Title: Vice President, Controller and Chief Accounting Officer

TENANT:

LANDS' END, INC.,
a Delaware corporation

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: SVP, General Counsel and Secretary

ANNEX A

Store Num	Store Name	Lease Term	Lease Factor	FY2014 Begin Sq Ft	Yr 1 Rent PSF	Yr 1 Rent	Downsize/ Closure?	FY2015 Begin Sq Ft	Lease Factor	Yr 2 Rent PSF	Yr 2 Rent	FY2016 Begin Sq Ft	Lease Factor	Yr 3 Rent PSF	Yr 3 Rent
1079	1079 PORTLAND WASHINGTON SQ	4.00	[*****]	18,907	[*****]	[*****]	downsize	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]
1163	1163 BURLINGTON	4.00	[*****]	20,936	[*****]	[*****]	downsize	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]
1390	1390 ANN ARBOR	6.00	[*****]	17,489	[*****]	[*****]	downsize	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]
1600	1600 INDIANAPOLIS CASTLETON SQ	6.00	[*****]	20,227	[*****]	[*****]	downsize	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]
1664	1664 PARAMUS	4.00	[*****]	17,910	[*****]	[*****]	downsize	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]
1864	1864 COCKEYSVILLE	4.00	[*****]	18,467	[*****]	[*****]	downsize	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]
1051	1051 STRONGSVILLE	4.00	[*****]	5,833	[*****]	[*****]	min rent	5,833	[*****]	[*****]	[*****]	5,833	[*****]	[*****]	[*****]
1119	1119 PORTLAND	4.00	[*****]	6,442	[*****]	[*****]	min rent	6,442	[*****]	[*****]	[*****]	6,442	[*****]	[*****]	[*****]
1146	1146 CORDOVA/MEMPHIS/GERMANTWN	4.00	[*****]	4,754	[*****]	[*****]	min rent	4,754	[*****]	[*****]	[*****]	4,754	[*****]	[*****]	[*****]
1156	1156 ROSEVILLE	5.00	[*****]	7,565	[*****]	[*****]	min rent	7,565	[*****]	[*****]	[*****]	7,565	[*****]	[*****]	[*****]
1159	1159 FAIRFIELD	4.00	[*****]	4,848	[*****]	[*****]	min rent	4,848	[*****]	[*****]	[*****]	4,848	[*****]	[*****]	[*****]
1179	1179 CANOGA PK/TOPANGA PLZ	2.92	[*****]	4,401	[*****]	[*****]	min rent	4,401	[*****]	[*****]	[*****]	4,401	[*****]	[*****]	[*****]
1192	1192 MUSKEGON	6.00	[*****]	4,261	[*****]	[*****]	min rent	4,261	[*****]	[*****]	[*****]	4,261	[*****]	[*****]	[*****]
1224	1224 HARRISBURG	5.00	[*****]	7,435	[*****]	[*****]	min rent	7,435	[*****]	[*****]	[*****]	7,435	[*****]	[*****]	[*****]
1225	1225 ORLANDO COLONIAL	4.00	[*****]	4,531	[*****]	[*****]	min rent	4,531	[*****]	[*****]	[*****]	4,531	[*****]	[*****]	[*****]
1263	1263 WATERBURY	5.00	[*****]	7,176	[*****]	[*****]	min rent	7,176	[*****]	[*****]	[*****]	7,176	[*****]	[*****]	[*****]
1290	1290 NILES	5.00	[*****]	7,305	[*****]	[*****]	min rent	7,305	[*****]	[*****]	[*****]	7,305	[*****]	[*****]	[*****]
1297	1297 HURST	4.00	[*****]	4,489	[*****]	[*****]	min rent	4,489	[*****]	[*****]	[*****]	4,489	[*****]	[*****]	[*****]
1438	1438 EL CAJON	5.00	[*****]	6,511	[*****]	[*****]	min rent	6,511	[*****]	[*****]	[*****]	6,511	[*****]	[*****]	[*****]
1455	1455 WILMINGTON	5.00	[*****]	5,047	[*****]	[*****]	min rent	5,047	[*****]	[*****]	[*****]	5,047	[*****]	[*****]	[*****]
1460	1460 LIVONIA	6.00	[*****]	5,116	[*****]	[*****]	min rent	5,116	[*****]	[*****]	[*****]	5,116	[*****]	[*****]	[*****]
1570	1570 SCHAUMBURG	6.00	[*****]	6,552	[*****]	[*****]	min rent	6,552	[*****]	[*****]	[*****]	6,552	[*****]	[*****]	[*****]
1610	1610 CINCINNATI NORTHGATE	5.00	[*****]	5,933	[*****]	[*****]	min rent	5,933	[*****]	[*****]	[*****]	5,933	[*****]	[*****]	[*****]
1625	1625 SARASOTA	5.00	[*****]	7,975	[*****]	[*****]	min rent	7,975	[*****]	[*****]	[*****]	7,975	[*****]	[*****]	[*****]
1638	1638 BREA	4.00	[*****]	5,000	[*****]	[*****]	min rent	5,000	[*****]	[*****]	[*****]	5,000	[*****]	[*****]	[*****]
1660	1660 AURORA	4.00	[*****]	8,771	[*****]	[*****]	min rent	8,771	[*****]	[*****]	[*****]	8,771	[*****]	[*****]	[*****]
1685	1685 DULUTH	5.00	[*****]	6,545	[*****]	[*****]	min rent	6,545	[*****]	[*****]	[*****]	6,545	[*****]	[*****]	[*****]
1720	1720 STERLING HTS	5.00	[*****]	8,167	[*****]	[*****]	min rent	8,167	[*****]	[*****]	[*****]	8,167	[*****]	[*****]	[*****]
1888	1888 WEST JORDAN	4.00	[*****]	4,333	[*****]	[*****]	min rent	4,333	[*****]	[*****]	[*****]	4,333	[*****]	[*****]	[*****]
1121	1121 INDEPENDENCE	1.00	[*****]	4,720	[*****]	[*****]		0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]

Store Num	Store Name	FY2017 Begin Sq Ft	Lease Factor	Yr 4 Rent PSF	Yr 4 Rent	FY2018 Begin Sq Ft	Lease Factor	Yr 5 Rent PSF	Yr 5 Rent	FY2019 Begin Sq Ft	Lease Factor	Yr 6 Rent PSF	Yr 6 Rent	Expiration Date	Owned / Leased
1079	1079 PORTLAND WASHINGTON SQ	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	1/31/2018	Owned
1163	1163 BURLINGTON	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	1/31/2018	Owned
1390	1390 ANN ARBOR	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	1/31/2020	Owned
1600	1600 INDIANAPOLIS CASTLETON SQ	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	1/31/2020	Owned
1664	1664 PARAMUS	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	1/31/2018	Owned
1864	1864 COCKEYSVILLE	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	1/31/2018	Owned
1051	1051 STRONGSVILLE	5,833	[*****]	[*****]	[*****]	5,833	[*****]	[*****]	[*****]	5,833	[*****]	[*****]	[*****]	1/31/2018	Owned
1119	1119 PORTLAND	6,442	[*****]	[*****]	[*****]	6,442	[*****]	[*****]	[*****]	6,442	[*****]	[*****]	[*****]	1/31/2018	Owned
1146	1146 CORDOVA/MEMPHIS/GERMANTWN	4,754	[*****]	[*****]	[*****]	4,754	[*****]	[*****]	[*****]	4,754	[*****]	[*****]	[*****]	1/31/2018	Owned
1156	1156 ROSEVILLE	7,565	[*****]	[*****]	[*****]	7,565	[*****]	[*****]	[*****]	7,565	[*****]	[*****]	[*****]	1/31/2019	Owned
1159	1159 FAIRFIELD	4,848	[*****]	[*****]	[*****]	4,848	[*****]	[*****]	[*****]	4,848	[*****]	[*****]	[*****]	1/31/2018	Owned
1179	1179 CANOGA PK/TOPANGA PLZ	4,401	[*****]	[*****]	[*****]	4,401	[*****]	[*****]	[*****]	4,401	[*****]	[*****]	[*****]	12/31/2016	Owned
1192	1192 MUSKEGON	4,261	[*****]	[*****]	[*****]	4,261	[*****]	[*****]	[*****]	4,261	[*****]	[*****]	[*****]	1/31/2020	Owned
1224	1224 HARRISBURG	7,435	[*****]	[*****]	[*****]	7,435	[*****]	[*****]	[*****]	7,435	[*****]	[*****]	[*****]	1/31/2019	Owned
1225	1225 ORLANDO COLONIAL	4,531	[*****]	[*****]	[*****]	4,531	[*****]	[*****]	[*****]	4,531	[*****]	[*****]	[*****]	1/31/2018	Owned
1263	1263 WATERBURY	7,176	[*****]	[*****]	[*****]	7,176	[*****]	[*****]	[*****]	7,176	[*****]	[*****]	[*****]	1/31/2019	Owned
1290	1290 NILES	7,305	[*****]	[*****]	[*****]	7,305	[*****]	[*****]	[*****]	7,305	[*****]	[*****]	[*****]	1/31/2019	Owned
1297	1297 HURST	4,489	[*****]	[*****]	[*****]	4,489	[*****]	[*****]	[*****]	4,489	[*****]	[*****]	[*****]	1/31/2018	Owned
1438	1438 EL CAJON	6,511	[*****]	[*****]	[*****]	6,511	[*****]	[*****]	[*****]	6,511	[*****]	[*****]	[*****]	1/31/2019	Owned
1455	1455 WILMINGTON	5,047	[*****]	[*****]	[*****]	5,047	[*****]	[*****]	[*****]	5,047	[*****]	[*****]	[*****]	1/31/2019	Owned
1460	1460 LIVONIA	5,116	[*****]	[*****]	[*****]	5,116	[*****]	[*****]	[*****]	5,116	[*****]	[*****]	[*****]	1/31/2020	Owned
1570	1570 SCHAUMBURG	6,552	[*****]	[*****]	[*****]	6,552	[*****]	[*****]	[*****]	6,552	[*****]	[*****]	[*****]	1/31/2020	Owned
1610	1610 CINCINNATI NORTHGATE	5,933	[*****]	[*****]	[*****]	5,933	[*****]	[*****]	[*****]	5,933	[*****]	[*****]	[*****]	1/31/2019	Owned
1625	1625 SARASOTA	7,975	[*****]	[*****]	[*****]	7,975	[*****]	[*****]	[*****]	7,975	[*****]	[*****]	[*****]	1/31/2019	Owned
1638	1638 BREA	5,000	[*****]	[*****]	[*****]	5,000	[*****]	[*****]	[*****]	5,000	[*****]	[*****]	[*****]	1/31/2018	Owned
1660	1660 AURORA	8,771	[*****]	[*****]	[*****]	8,771	[*****]	[*****]	[*****]	8,771	[*****]	[*****]	[*****]	1/31/2018	Owned
1685	1685 DULUTH	6,545	[*****]	[*****]	[*****]	6,545	[*****]	[*****]	[*****]	6,545	[*****]	[*****]	[*****]	1/31/2019	Owned
1720	1720 STERLING HTS	8,167	[*****]	[*****]	[*****]	8,167	[*****]	[*****]	[*****]	8,167	[*****]	[*****]	[*****]	1/31/2019	Owned
1888	1888 WEST JORDAN	4,333	[*****]	[*****]	[*****]	4,333	[*****]	[*****]	[*****]	4,333	[*****]	[*****]	[*****]	1/31/2018	Owned
1121	1121 INDEPENDENCE	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	2/1/2015	Owned

Store Num	Store Name	Lease Term	Lease Factor	FY2014 Begin Sq Ft	Yr 1 Rent PSF	Yr 1 Rent	Downsize/ Closure?	FY2015 Begin Sq Ft	Lease Factor	Yr 2 Rent PSF	Yr 2 Rent	FY2016 Begin Sq Ft	Lease Factor	Yr 3 Rent PSF	Yr 3 Rent
1305	1305 SAVANNAH	1.00	[*****]	4,801	[*****]	[*****]		0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]
2934	2934 TAUNTON	1.00	[*****]	4,806	[*****]	[*****]		0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]
2219	2219 LACEY/OLYMPIA	1.00	[*****]	1,136	[*****]	[*****]		0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]
1003	1003 SALEM	5.00	[*****]	8,653	[*****]	[*****]		8,653	[*****]	[*****]	[*****]	8,653	[*****]	[*****]	[*****]
1011	1011 GRANDVILLE	6.00	[*****]	4,621	[*****]	[*****]		4,621	[*****]	[*****]	[*****]	4,621	[*****]	[*****]	[*****]
1012	1012 DES MOINES	6.00	[*****]	4,841	[*****]	[*****]		4,841	[*****]	[*****]	[*****]	4,841	[*****]	[*****]	[*****]
1019	1019 PLEASANTON	5.00	[*****]	8,166	[*****]	[*****]		8,166	[*****]	[*****]	[*****]	8,166	[*****]	[*****]	[*****]
1022	1022 OMAHA	6.00	[*****]	4,760	[*****]	[*****]		4,760	[*****]	[*****]	[*****]	4,760	[*****]	[*****]	[*****]
1023	1023 DULLES/LOUDOUN CNTY	5.00	[*****]	9,535	[*****]	[*****]		9,535	[*****]	[*****]	[*****]	9,535	[*****]	[*****]	[*****]
1029	1029 SPOKANE	5.00	[*****]	6,049	[*****]	[*****]		6,049	[*****]	[*****]	[*****]	6,049	[*****]	[*****]	[*****]
1033	1033 N ATTLEBORO	4.00	[*****]	10,327	[*****]	[*****]		10,327	[*****]	[*****]	[*****]	10,327	[*****]	[*****]	[*****]
1034	1034 PITTSBURGH/ROSS PARK	5.00	[*****]	16,979	[*****]	[*****]		16,979	[*****]	[*****]	[*****]	16,979	[*****]	[*****]	[*****]
1043	1043 MERIDEN	5.00	[*****]	6,910	[*****]	[*****]		6,910	[*****]	[*****]	[*****]	6,910	[*****]	[*****]	[*****]
1053	1053 SAUGUS	6.00	[*****]	5,565	[*****]	[*****]		5,565	[*****]	[*****]	[*****]	5,565	[*****]	[*****]	[*****]
1059	1059 SEATTLE/SHORELINE	5.00	[*****]	6,575	[*****]	[*****]		6,575	[*****]	[*****]	[*****]	6,575	[*****]	[*****]	[*****]
1062	1062 BROOKFIELD	5.00	[*****]	9,484	[*****]	[*****]		9,484	[*****]	[*****]	[*****]	9,484	[*****]	[*****]	[*****]
1063	1063 WEST HARTFORD	4.00	[*****]	7,481	[*****]	[*****]		7,481	[*****]	[*****]	[*****]	7,481	[*****]	[*****]	[*****]
1067	1067 HOUSTON/MEMORIAL	4.00	[*****]	4,941	[*****]	[*****]		4,941	[*****]	[*****]	[*****]	4,941	[*****]	[*****]	[*****]
1069	1069 REDMOND OVERLAKE PARK	4.00	[*****]	11,458	[*****]	[*****]		11,458	[*****]	[*****]	[*****]	11,458	[*****]	[*****]	[*****]
1074	1074 WALDORF/ST CHARLES	6.00	[*****]	8,771	[*****]	[*****]		8,771	[*****]	[*****]	[*****]	8,771	[*****]	[*****]	[*****]
1083	1083 WARWICK	5.00	[*****]	8,188	[*****]	[*****]		8,188	[*****]	[*****]	[*****]	8,188	[*****]	[*****]	[*****]
1089	1089 ANCHORAGE(SUR)	6.00	[*****]	7,398	[*****]	[*****]		7,398	[*****]	[*****]	[*****]	7,398	[*****]	[*****]	[*****]
1101	1101 OVERLAND PARK	6.00	[*****]	8,234	[*****]	[*****]		8,234	[*****]	[*****]	[*****]	8,234	[*****]	[*****]	[*****]
1103	1103 ALBANY	5.00	[*****]	7,513	[*****]	[*****]		7,513	[*****]	[*****]	[*****]	7,513	[*****]	[*****]	[*****]
1104	1104 MARLBOROUGH	5.00	[*****]	9,950	[*****]	[*****]		9,950	[*****]	[*****]	[*****]	9,950	[*****]	[*****]	[*****]
1109	1109 LYNNWOOD	5.00	[*****]	7,044	[*****]	[*****]		7,044	[*****]	[*****]	[*****]	7,044	[*****]	[*****]	[*****]
1110	1110 PORTAGE	6.00	[*****]	5,178	[*****]	[*****]		5,178	[*****]	[*****]	[*****]	5,178	[*****]	[*****]	[*****]
1112	1112 MINNETONKA	6.00	[*****]	5,712	[*****]	[*****]		5,712	[*****]	[*****]	[*****]	5,712	[*****]	[*****]	[*****]
1120	1120 COLUMBUS	6.00	[*****]	8,374	[*****]	[*****]		8,374	[*****]	[*****]	[*****]	8,374	[*****]	[*****]	[*****]
1122	1122 MAPLEWOOD	6.00	[*****]	6,421	[*****]	[*****]		6,421	[*****]	[*****]	[*****]	6,421	[*****]	[*****]	[*****]
1131	1131 LITTLETON DENVER	5.00	[*****]	6,372	[*****]	[*****]		6,372	[*****]	[*****]	[*****]	6,372	[*****]	[*****]	[*****]
1132	1132 BURNSVILLE	6.00	[*****]	5,659	[*****]	[*****]		5,659	[*****]	[*****]	[*****]	5,659	[*****]	[*****]	[*****]

Store Num	Store Name	FY2017 Begin Sq Ft	Lease Factor	Yr 4 Rent PSF	Yr 4 Rent	FY2018 Begin Sq Ft	Lease Factor	Yr 5 Rent PSF	Yr 5 Rent	FY2019 Begin Sq Ft	Lease Factor	Yr 6 Rent PSF	Yr 6 Rent	Expiration Date	Owned / Leased
1305	1305 SAVANNAH	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	2/1/2015	Owned
2934	2934 TAUNTON	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	2/1/2015	Owned
2219	2219 LACEY/OLYMPIA	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	2/1/2015	Owned
1003	1003 SALEM	8,653	[*****]	[*****]	[*****]	8,653	[*****]	[*****]	[*****]	8,653	[*****]	[*****]	[*****]	1/31/2019	Owned
1011	1011 GRANDVILLE	4,621	[*****]	[*****]	[*****]	4,621	[*****]	[*****]	[*****]	4,621	[*****]	[*****]	[*****]	1/31/2020	Owned
1012	1012 DES MOINES	4,841	[*****]	[*****]	[*****]	4,841	[*****]	[*****]	[*****]	4,841	[*****]	[*****]	[*****]	1/31/2020	Owned
1019	1019 PLEASANTON	8,166	[*****]	[*****]	[*****]	8,166	[*****]	[*****]	[*****]	8,166	[*****]	[*****]	[*****]	1/31/2019	Owned
1022	1022 OMAHA	4,760	[*****]	[*****]	[*****]	4,760	[*****]	[*****]	[*****]	4,760	[*****]	[*****]	[*****]	1/31/2020	Owned
1023	1023 DULLES/LOUDOUN CNTY	9,535	[*****]	[*****]	[*****]	9,535	[*****]	[*****]	[*****]	9,535	[*****]	[*****]	[*****]	1/31/2019	Owned
1029	1029 SPOKANE	6,049	[*****]	[*****]	[*****]	6,049	[*****]	[*****]	[*****]	6,049	[*****]	[*****]	[*****]	1/31/2019	Owned
1033	1033 N ATTLEBORO	10,327	[*****]	[*****]	[*****]	10,327	[*****]	[*****]	[*****]	10,327	[*****]	[*****]	[*****]	1/31/2018	Owned
1034	1034 PITTSBURGH/ROSS PARK	16,979	[*****]	[*****]	[*****]	16,979	[*****]	[*****]	[*****]	16,979	[*****]	[*****]	[*****]	1/31/2019	Owned
1043	1043 MERIDEN	6,910	[*****]	[*****]	[*****]	6,910	[*****]	[*****]	[*****]	6,910	[*****]	[*****]	[*****]	1/31/2019	Owned
1053	1053 SAUGUS	5,565	[*****]	[*****]	[*****]	5,565	[*****]	[*****]	[*****]	5,565	[*****]	[*****]	[*****]	1/31/2020	Owned
1059	1059 SEATTLE/SHORELINE	6,575	[*****]	[*****]	[*****]	6,575	[*****]	[*****]	[*****]	6,575	[*****]	[*****]	[*****]	1/31/2019	Owned
1062	1062 BROOKFIELD	9,484	[*****]	[*****]	[*****]	9,484	[*****]	[*****]	[*****]	9,484	[*****]	[*****]	[*****]	1/31/2019	Owned
1063	1063 WEST HARTFORD	7,481	[*****]	[*****]	[*****]	7,481	[*****]	[*****]	[*****]	7,481	[*****]	[*****]	[*****]	1/31/2018	Owned
1067	1067 HOUSTON/MEMORIAL	4,941	[*****]	[*****]	[*****]	4,941	[*****]	[*****]	[*****]	4,941	[*****]	[*****]	[*****]	1/31/2018	Owned
1069	1069 REDMOND OVERLAKE PARK	11,458	[*****]	[*****]	[*****]	11,458	[*****]	[*****]	[*****]	11,458	[*****]	[*****]	[*****]	1/31/2018	Owned
1074	1074 WALDORF/ST CHARLES	8,771	[*****]	[*****]	[*****]	8,771	[*****]	[*****]	[*****]	8,771	[*****]	[*****]	[*****]	1/31/2020	Owned
1083	1083 WARWICK	8,188	[*****]	[*****]	[*****]	8,188	[*****]	[*****]	[*****]	8,188	[*****]	[*****]	[*****]	1/31/2019	Owned
1089	1089 ANCHORAGE(SUR)	7,398	[*****]	[*****]	[*****]	7,398	[*****]	[*****]	[*****]	7,398	[*****]	[*****]	[*****]	1/31/2020	Owned
1101	1101 OVERLAND PARK	8,234	[*****]	[*****]	[*****]	8,234	[*****]	[*****]	[*****]	8,234	[*****]	[*****]	[*****]	1/31/2020	Owned
1103	1103 ALBANY	7,513	[*****]	[*****]	[*****]	7,513	[*****]	[*****]	[*****]	7,513	[*****]	[*****]	[*****]	1/31/2019	Owned
1104	1104 MARLBOROUGH	9,950	[*****]	[*****]	[*****]	9,950	[*****]	[*****]	[*****]	9,950	[*****]	[*****]	[*****]	1/31/2019	Owned
1109	1109 LYNNWOOD	7,044	[*****]	[*****]	[*****]	7,044	[*****]	[*****]	[*****]	7,044	[*****]	[*****]	[*****]	1/31/2019	Owned
1110	1110 PORTAGE	5,178	[*****]	[*****]	[*****]	5,178	[*****]	[*****]	[*****]	5,178	[*****]	[*****]	[*****]	1/31/2020	Owned
1112	1112 MINNETONKA	5,712	[*****]	[*****]	[*****]	5,712	[*****]	[*****]	[*****]	5,712	[*****]	[*****]	[*****]	1/31/2020	Owned
1120	1120 COLUMBUS	8,374	[*****]	[*****]	[*****]	8,374	[*****]	[*****]	[*****]	8,374	[*****]	[*****]	[*****]	1/31/2020	Owned
1122	1122 MAPLEWOOD	6,421	[*****]	[*****]	[*****]	6,421	[*****]	[*****]	[*****]	6,421	[*****]	[*****]	[*****]	1/31/2020	Owned
1131	1131 LITTLETON DENVER	6,372	[*****]	[*****]	[*****]	6,372	[*****]	[*****]	[*****]	6,372	[*****]	[*****]	[*****]	1/31/2019	Owned
1132	1132 BURNSVILLE	5,659	[*****]	[*****]	[*****]	5,659	[*****]	[*****]	[*****]	5,659	[*****]	[*****]	[*****]	1/31/2020	Owned

Store Num	Store Name	Lease Term	Lease Factor	FY2014 Begin Sq Ft	Yr 1 Rent PSF	Yr 1 Rent	Downsize/ Closure?	FY2015 Begin Sq Ft	Lease Factor	Yr 2 Rent PSF	Yr 2 Rent	FY2016 Begin Sq Ft	Lease Factor	Yr 3 Rent PSF	Yr 3 Rent
1136	1136 BIRMINGHAM/RIVERCHASE	6.00	[*****]	4,215	[*****]	[*****]		4,215	[*****]	[*****]	[*****]	4,215	[*****]	[*****]	[*****]
1140	1140 GRAND RAPIDS	5.00	[*****]	7,821	[*****]	[*****]		7,821	[*****]	[*****]	[*****]	7,821	[*****]	[*****]	[*****]
1142	1142 EDEN PRAIRIE	6.00	[*****]	6,837	[*****]	[*****]		6,837	[*****]	[*****]	[*****]	6,837	[*****]	[*****]	[*****]
1148	1148 VENTURA	6.00	[*****]	6,691	[*****]	[*****]		6,691	[*****]	[*****]	[*****]	6,691	[*****]	[*****]	[*****]
1155	1155 KENNESAW	5.00	[*****]	8,086	[*****]	[*****]		8,086	[*****]	[*****]	[*****]	8,086	[*****]	[*****]	[*****]
1171	1171 SPRINGFIELD	6.00	[*****]	4,748	[*****]	[*****]		4,748	[*****]	[*****]	[*****]	4,748	[*****]	[*****]	[*****]
1178	1178 SANTA MONICA	4.00	[*****]	5,818	[*****]	[*****]		5,818	[*****]	[*****]	[*****]	5,818	[*****]	[*****]	[*****]
1182	1182 ST PETERS	5.00	[*****]	8,004	[*****]	[*****]		8,004	[*****]	[*****]	[*****]	8,004	[*****]	[*****]	[*****]
1185	1185 ASHEVILLE	6.00	[*****]	8,263	[*****]	[*****]		8,263	[*****]	[*****]	[*****]	8,263	[*****]	[*****]	[*****]
1186	1186 MEMPHIS/POPLAR	5.00	[*****]	4,899	[*****]	[*****]		4,899	[*****]	[*****]	[*****]	4,899	[*****]	[*****]	[*****]
1193	1193 WATERFORD	6.00	[*****]	7,484	[*****]	[*****]		7,484	[*****]	[*****]	[*****]	7,484	[*****]	[*****]	[*****]
1204	1204 FREEHOLD	5.00	[*****]	7,987	[*****]	[*****]		7,987	[*****]	[*****]	[*****]	7,987	[*****]	[*****]	[*****]
1209	1209 LONG BEACH	2.92	[*****]	7,459	[*****]	[*****]		7,459	[*****]	[*****]	[*****]	7,459	[*****]	[*****]	[*****]
1210	1210 COLUMBUS/POLARIS	6.00	[*****]	6,611	[*****]	[*****]		6,611	[*****]	[*****]	[*****]	6,611	[*****]	[*****]	[*****]
1220	1220 TOLEDO	5.00	[*****]	8,772	[*****]	[*****]		8,772	[*****]	[*****]	[*****]	8,772	[*****]	[*****]	[*****]
1221	1221 COLORADO SPRINGS	5.00	[*****]	5,076	[*****]	[*****]		5,076	[*****]	[*****]	[*****]	5,076	[*****]	[*****]	[*****]
1264	1264 HICKSVILLE	4.00	[*****]	8,369	[*****]	[*****]		8,369	[*****]	[*****]	[*****]	8,369	[*****]	[*****]	[*****]
1265	1265 VIRGINIA BEACH	6.00	[*****]	8,290	[*****]	[*****]		8,290	[*****]	[*****]	[*****]	8,290	[*****]	[*****]	[*****]
1271	1271 LITTLETON/DENVER SW	6.00	[*****]	5,885	[*****]	[*****]		5,885	[*****]	[*****]	[*****]	5,885	[*****]	[*****]	[*****]
1275	1275 ATLANTA/NORTHLAKE	5.00	[*****]	7,993	[*****]	[*****]		7,993	[*****]	[*****]	[*****]	7,993	[*****]	[*****]	[*****]
1284	1284 ALEXANDRIA	6.00	[*****]	9,608	[*****]	[*****]		9,608	[*****]	[*****]	[*****]	9,608	[*****]	[*****]	[*****]
1294	1294 WATCHUNG	5.00	[*****]	9,042	[*****]	[*****]		9,042	[*****]	[*****]	[*****]	9,042	[*****]	[*****]	[*****]
1300	1300 OAK BROOK	4.00	[*****]	13,485	[*****]	[*****]		13,485	[*****]	[*****]	[*****]	13,485	[*****]	[*****]	[*****]
1303	1303 DANBURY	4.00	[*****]	8,357	[*****]	[*****]		8,357	[*****]	[*****]	[*****]	8,357	[*****]	[*****]	[*****]
1313	1313 NASHUA	4.00	[*****]	7,573	[*****]	[*****]		7,573	[*****]	[*****]	[*****]	7,573	[*****]	[*****]	[*****]
1314	1314 NEW BRUNSWICK	6.00	[*****]	7,107	[*****]	[*****]		7,107	[*****]	[*****]	[*****]	7,107	[*****]	[*****]	[*****]
1333	1333 POUGHKEEPSIE	5.00	[*****]	5,523	[*****]	[*****]		5,523	[*****]	[*****]	[*****]	5,523	[*****]	[*****]	[*****]
1337	1337 PLANO	6.00	[*****]	4,196	[*****]	[*****]		4,196	[*****]	[*****]	[*****]	4,196	[*****]	[*****]	[*****]
1350	1350 MENTOR	5.00	[*****]	10,420	[*****]	[*****]		10,420	[*****]	[*****]	[*****]	10,420	[*****]	[*****]	[*****]
1353	1353 DE WITT/SYRACUSE	6.00	[*****]	8,801	[*****]	[*****]		8,801	[*****]	[*****]	[*****]	8,801	[*****]	[*****]	[*****]
1354	1354 WILLOW GROVE	4.00	[*****]	9,100	[*****]	[*****]		9,100	[*****]	[*****]	[*****]	9,100	[*****]	[*****]	[*****]
1364	1364 LAKE GROVE	4.00	[*****]	7,133	[*****]	[*****]		7,133	[*****]	[*****]	[*****]	7,133	[*****]	[*****]	[*****]

Store Num	Store Name	FY2017 Begin Sq Ft	Lease Factor	Yr 4 Rent PSF	Yr 4 Rent	FY2018 Begin Sq Ft	Lease Factor	Yr 5 Rent PSF	Yr 5 Rent	FY2019 Begin Sq Ft	Lease Factor	Yr 6 Rent PSF	Yr 6 Rent	Expiration Date	Owned / Leased
1136	1136 BIRMINGHAM/RIVERCHASE	4,215	[*****]	[*****]	[*****]	4,215	[*****]	[*****]	[*****]	4,215	[*****]	[*****]	[*****]	1/31/2020	Owned
1140	1140 GRAND RAPIDS	7,821	[*****]	[*****]	[*****]	7,821	[*****]	[*****]	[*****]	7,821	[*****]	[*****]	[*****]	1/31/2019	Owned
1142	1142 EDEN PRAIRIE	6,837	[*****]	[*****]	[*****]	6,837	[*****]	[*****]	[*****]	6,837	[*****]	[*****]	[*****]	1/31/2020	Owned
1148	1148 VENTURA	6,691	[*****]	[*****]	[*****]	6,691	[*****]	[*****]	[*****]	6,691	[*****]	[*****]	[*****]	1/31/2020	Owned
1155	1155 KENNESAW	8,086	[*****]	[*****]	[*****]	8,086	[*****]	[*****]	[*****]	8,086	[*****]	[*****]	[*****]	1/31/2019	Owned
1171	1171 SPRINGFIELD	4,748	[*****]	[*****]	[*****]	4,748	[*****]	[*****]	[*****]	4,748	[*****]	[*****]	[*****]	1/31/2020	Owned
1178	1178 SANTA MONICA	5,818	[*****]	[*****]	[*****]	5,818	[*****]	[*****]	[*****]	5,818	[*****]	[*****]	[*****]	1/31/2018	Owned
1182	1182 ST PETERS	8,004	[*****]	[*****]	[*****]	8,004	[*****]	[*****]	[*****]	8,004	[*****]	[*****]	[*****]	1/31/2019	Owned
1185	1185 ASHEVILLE	8,263	[*****]	[*****]	[*****]	8,263	[*****]	[*****]	[*****]	8,263	[*****]	[*****]	[*****]	1/31/2020	Owned
1186	1186 MEMPHIS/POPLAR	4,899	[*****]	[*****]	[*****]	4,899	[*****]	[*****]	[*****]	4,899	[*****]	[*****]	[*****]	1/31/2019	Owned
1193	1193 WATERFORD	7,484	[*****]	[*****]	[*****]	7,484	[*****]	[*****]	[*****]	7,484	[*****]	[*****]	[*****]	1/31/2020	Owned
1204	1204 FREEHOLD	7,987	[*****]	[*****]	[*****]	7,987	[*****]	[*****]	[*****]	7,987	[*****]	[*****]	[*****]	1/31/2019	Owned
1209	1209 LONG BEACH	7,459	[*****]	[*****]	[*****]	7,459	[*****]	[*****]	[*****]	7,459	[*****]	[*****]	[*****]	12/31/2016	Owned
1210	1210 COLUMBUS/POLARIS	6,611	[*****]	[*****]	[*****]	6,611	[*****]	[*****]	[*****]	6,611	[*****]	[*****]	[*****]	1/31/2020	Owned
1220	1220 TOLEDO	8,772	[*****]	[*****]	[*****]	8,772	[*****]	[*****]	[*****]	8,772	[*****]	[*****]	[*****]	1/31/2019	Owned
1221	1221 COLORADO SPRINGS	5,076	[*****]	[*****]	[*****]	5,076	[*****]	[*****]	[*****]	5,076	[*****]	[*****]	[*****]	1/31/2019	Owned
1264	1264 HICKSVILLE	8,369	[*****]	[*****]	[*****]	8,369	[*****]	[*****]	[*****]	8,369	[*****]	[*****]	[*****]	1/31/2018	Owned
1265	1265 VIRGINIA BEACH	8,290	[*****]	[*****]	[*****]	8,290	[*****]	[*****]	[*****]	8,290	[*****]	[*****]	[*****]	1/31/2020	Owned
1271	1271 LITTLETON/DENVER SW	5,885	[*****]	[*****]	[*****]	5,885	[*****]	[*****]	[*****]	5,885	[*****]	[*****]	[*****]	1/31/2020	Owned
1275	1275 ATLANTA/NORTHLAKE	7,993	[*****]	[*****]	[*****]	7,993	[*****]	[*****]	[*****]	7,993	[*****]	[*****]	[*****]	1/31/2019	Owned
1284	1284 ALEXANDRIA	9,608	[*****]	[*****]	[*****]	9,608	[*****]	[*****]	[*****]	9,608	[*****]	[*****]	[*****]	1/31/2020	Owned
1294	1294 WATCHUNG	9,042	[*****]	[*****]	[*****]	9,042	[*****]	[*****]	[*****]	9,042	[*****]	[*****]	[*****]	1/31/2019	Owned
1300	1300 OAK BROOK	13,485	[*****]	[*****]	[*****]	13,485	[*****]	[*****]	[*****]	13,485	[*****]	[*****]	[*****]	1/31/2018	Owned
1303	1303 DANBURY	8,357	[*****]	[*****]	[*****]	8,357	[*****]	[*****]	[*****]	8,357	[*****]	[*****]	[*****]	1/31/2018	Owned
1313	1313 NASHUA	7,573	[*****]	[*****]	[*****]	7,573	[*****]	[*****]	[*****]	7,573	[*****]	[*****]	[*****]	1/31/2018	Owned
1314	1314 NEW BRUNSWICK	7,107	[*****]	[*****]	[*****]	7,107	[*****]	[*****]	[*****]	7,107	[*****]	[*****]	[*****]	1/31/2020	Owned
1333	1333 POUGHKEEPSIE	5,523	[*****]	[*****]	[*****]	5,523	[*****]	[*****]	[*****]	5,523	[*****]	[*****]	[*****]	1/31/2019	Owned
1337	1337 PLANO	4,196	[*****]	[*****]	[*****]	4,196	[*****]	[*****]	[*****]	4,196	[*****]	[*****]	[*****]	1/31/2020	Owned
1350	1350 MENTOR	10,420	[*****]	[*****]	[*****]	10,420	[*****]	[*****]	[*****]	10,420	[*****]	[*****]	[*****]	1/31/2019	Owned
1353	1353 DE WITT/SYRACUSE	8,801	[*****]	[*****]	[*****]	8,801	[*****]	[*****]	[*****]	8,801	[*****]	[*****]	[*****]	1/31/2020	Owned
1354	1354 WILLOW GROVE	9,100	[*****]	[*****]	[*****]	9,100	[*****]	[*****]	[*****]	9,100	[*****]	[*****]	[*****]	1/31/2018	Owned
1364	1364 LAKE GROVE	7,133	[*****]	[*****]	[*****]	7,133	[*****]	[*****]	[*****]	7,133	[*****]	[*****]	[*****]	1/31/2018	Owned

Store Num	Store Name	Lease Term	Lease Factor	FY2014 Begin Sq Ft	Yr 1 Rent PSF	Yr 1 Rent	Downsize/ Closure?	FY2015 Begin Sq Ft	Lease Factor	Yr 2 Rent PSF	Yr 2 Rent	FY2016 Begin Sq Ft	Lease Factor	Yr 3 Rent PSF	Yr 3 Rent
1375	1375 WINSTON SALEM	6.00	[*****]	10,406	[*****]	[*****]		10,406	[*****]	[*****]	[*****]	10,406	[*****]	[*****]	[*****]
1385	1385 ATLANTA	6.00	[*****]	7,587	[*****]	[*****]		7,587	[*****]	[*****]	[*****]	7,587	[*****]	[*****]	[*****]
1388	1388 COSTA MESA	5.00	[*****]	8,042	[*****]	[*****]		8,042	[*****]	[*****]	[*****]	8,042	[*****]	[*****]	[*****]
1410	1410 CANTON	6.00	[*****]	8,979	[*****]	[*****]		8,979	[*****]	[*****]	[*****]	8,979	[*****]	[*****]	[*****]
1414	1414 NANUET	6.00	[*****]	7,562	[*****]	[*****]		7,562	[*****]	[*****]	[*****]	7,562	[*****]	[*****]	[*****]
1415	1415 CLEARWATER/COUNTRYSIDE	6.00	[*****]	6,012	[*****]	[*****]		6,012	[*****]	[*****]	[*****]	6,012	[*****]	[*****]	[*****]
1424	1424 BETHESDA	4.00	[*****]	11,680	[*****]	[*****]		11,680	[*****]	[*****]	[*****]	11,680	[*****]	[*****]	[*****]
1430	1430 MIDDLEBURG HTS/CLEVELAND	5.00	[*****]	7,381	[*****]	[*****]		7,381	[*****]	[*****]	[*****]	7,381	[*****]	[*****]	[*****]
1434	1434 WAYNE	4.00	[*****]	9,652	[*****]	[*****]		9,652	[*****]	[*****]	[*****]	9,652	[*****]	[*****]	[*****]
1443	1443 MANCHESTER	4.00	[*****]	6,482	[*****]	[*****]		6,482	[*****]	[*****]	[*****]	6,482	[*****]	[*****]	[*****]
1445	1445 RICHMOND	6.00	[*****]	5,390	[*****]	[*****]		5,390	[*****]	[*****]	[*****]	5,390	[*****]	[*****]	[*****]
1447	1447 FT WORTH	5.00	[*****]	4,387	[*****]	[*****]		4,387	[*****]	[*****]	[*****]	4,387	[*****]	[*****]	[*****]
1450	1450 ROSEVILLE	5.00	[*****]	10,019	[*****]	[*****]		10,019	[*****]	[*****]	[*****]	10,019	[*****]	[*****]	[*****]
1454	1454 BENSALEM/CORNWELLS HTS	6.00	[*****]	7,123	[*****]	[*****]		7,123	[*****]	[*****]	[*****]	7,123	[*****]	[*****]	[*****]
1464	1464 DEPTFORD	5.00	[*****]	7,995	[*****]	[*****]		7,995	[*****]	[*****]	[*****]	7,995	[*****]	[*****]	[*****]
1468	1468 CUPERTINO	4.00	[*****]	6,483	[*****]	[*****]		6,483	[*****]	[*****]	[*****]	6,483	[*****]	[*****]	[*****]
1475	1475 DURHAM	6.00	[*****]	7,596	[*****]	[*****]		7,596	[*****]	[*****]	[*****]	7,596	[*****]	[*****]	[*****]
1478	1478 SAN BRUNO	5.00	[*****]	8,698	[*****]	[*****]		8,698	[*****]	[*****]	[*****]	8,698	[*****]	[*****]	[*****]
1490	1490 TROY	5.00	[*****]	9,074	[*****]	[*****]		9,074	[*****]	[*****]	[*****]	9,074	[*****]	[*****]	[*****]
1504	1504 WILLIAMSVILLE/BUFFALO	4.00	[*****]	6,946	[*****]	[*****]		6,946	[*****]	[*****]	[*****]	6,946	[*****]	[*****]	[*****]
1520	1520 AKRON CHAPEL HILL	6.00	[*****]	7,495	[*****]	[*****]		7,495	[*****]	[*****]	[*****]	7,495	[*****]	[*****]	[*****]
1538	1538 CITRUS HTS SUNRISE	6.00	[*****]	8,827	[*****]	[*****]		8,827	[*****]	[*****]	[*****]	8,827	[*****]	[*****]	[*****]
1560	1560 DAYTON DAYTON MALL	6.00	[*****]	8,969	[*****]	[*****]		8,969	[*****]	[*****]	[*****]	8,969	[*****]	[*****]	[*****]
1574	1574 MIDDLETOWN	6.00	[*****]	8,471	[*****]	[*****]		8,471	[*****]	[*****]	[*****]	8,471	[*****]	[*****]	[*****]
1584	1584 VICTOR	6.00	[*****]	7,688	[*****]	[*****]		7,688	[*****]	[*****]	[*****]	7,688	[*****]	[*****]	[*****]
1595	1595 GREENVILLE	5.00	[*****]	5,742	[*****]	[*****]		5,742	[*****]	[*****]	[*****]	5,742	[*****]	[*****]	[*****]
1605	1605 RALEIGH	5.00	[*****]	7,204	[*****]	[*****]		7,204	[*****]	[*****]	[*****]	7,204	[*****]	[*****]	[*****]
1614	1614 LIVINGSTON	5.00	[*****]	8,270	[*****]	[*****]		8,270	[*****]	[*****]	[*****]	8,270	[*****]	[*****]	[*****]
1620	1620 VERNON HILLS	5.00	[*****]	7,853	[*****]	[*****]		7,853	[*****]	[*****]	[*****]	7,853	[*****]	[*****]	[*****]
1623	1623 CLAY (SYRACUSE)	6.00	[*****]	8,542	[*****]	[*****]		8,542	[*****]	[*****]	[*****]	8,542	[*****]	[*****]	[*****]
1624	1624 STATEN ISLAND	4.00	[*****]	8,821	[*****]	[*****]		8,821	[*****]	[*****]	[*****]	8,821	[*****]	[*****]	[*****]

Store Num	Store Name	FY2017 Begin Sq Ft	Lease Factor	Yr 4 Rent PSF	Yr 4 Rent	FY2018 Begin Sq Ft	Lease Factor	Yr 5 Rent PSF	Yr 5 Rent	FY2019 Begin Sq Ft	Lease Factor	Yr 6 Rent PSF	Yr 6 Rent	Expiration Date	Owned / Leased
1375	1375 WINSTON SALEM	10,406	[*****]	[*****]	[*****]	10,406	[*****]	[*****]	[*****]	10,406	[*****]	[*****]	[*****]	1/31/2020	Owned
1385	1385 ATLANTA	7,587	[*****]	[*****]	[*****]	7,587	[*****]	[*****]	[*****]	7,587	[*****]	[*****]	[*****]	1/31/2020	Owned
1388	1388 COSTA MESA	8,042	[*****]	[*****]	[*****]	8,042	[*****]	[*****]	[*****]	8,042	[*****]	[*****]	[*****]	1/31/2019	Owned
1410	1410 CANTON	8,979	[*****]	[*****]	[*****]	8,979	[*****]	[*****]	[*****]	8,979	[*****]	[*****]	[*****]	1/31/2020	Owned
1414	1414 NANUET	7,562	[*****]	[*****]	[*****]	7,562	[*****]	[*****]	[*****]	7,562	[*****]	[*****]	[*****]	1/31/2020	Owned
1415	1415 CLEARWATER/COUNTRYSIDE	6,012	[*****]	[*****]	[*****]	6,012	[*****]	[*****]	[*****]	6,012	[*****]	[*****]	[*****]	1/31/2020	Owned
1424	1424 BETHESDA	11,680	[*****]	[*****]	[*****]	11,680	[*****]	[*****]	[*****]	11,680	[*****]	[*****]	[*****]	1/31/2018	Owned
1430	1430 MIDDLEBURG HTS/CLEVELAND	7,381	[*****]	[*****]	[*****]	7,381	[*****]	[*****]	[*****]	7,381	[*****]	[*****]	[*****]	1/31/2019	Owned
1434	1434 WAYNE	9,652	[*****]	[*****]	[*****]	9,652	[*****]	[*****]	[*****]	9,652	[*****]	[*****]	[*****]	1/31/2018	Owned
1443	1443 MANCHESTER	6,482	[*****]	[*****]	[*****]	6,482	[*****]	[*****]	[*****]	6,482	[*****]	[*****]	[*****]	1/31/2018	Owned
1445	1445 RICHMOND	5,390	[*****]	[*****]	[*****]	5,390	[*****]	[*****]	[*****]	5,390	[*****]	[*****]	[*****]	1/31/2020	Owned
1447	1447 FT WORTH	4,387	[*****]	[*****]	[*****]	4,387	[*****]	[*****]	[*****]	4,387	[*****]	[*****]	[*****]	1/31/2019	Owned
1450	1450 ROSEVILLE	10,019	[*****]	[*****]	[*****]	10,019	[*****]	[*****]	[*****]	10,019	[*****]	[*****]	[*****]	1/31/2019	Owned
1454	1454 BENSALEM/CORNWELLS HTS	7,123	[*****]	[*****]	[*****]	7,123	[*****]	[*****]	[*****]	7,123	[*****]	[*****]	[*****]	1/31/2020	Owned
1464	1464 DEPTFORD	7,995	[*****]	[*****]	[*****]	7,995	[*****]	[*****]	[*****]	7,995	[*****]	[*****]	[*****]	1/31/2019	Owned
1468	1468 CUPERTINO	6,483	[*****]	[*****]	[*****]	6,483	[*****]	[*****]	[*****]	6,483	[*****]	[*****]	[*****]	1/31/2018	Owned
1475	1475 DURHAM	7,596	[*****]	[*****]	[*****]	7,596	[*****]	[*****]	[*****]	7,596	[*****]	[*****]	[*****]	1/31/2020	Owned
1478	1478 SAN BRUNO	8,698	[*****]	[*****]	[*****]	8,698	[*****]	[*****]	[*****]	8,698	[*****]	[*****]	[*****]	1/31/2019	Owned
1490	1490 TROY	9,074	[*****]	[*****]	[*****]	9,074	[*****]	[*****]	[*****]	9,074	[*****]	[*****]	[*****]	1/31/2019	Owned
1504	1504 WILLIAMSVILLE/BUFFALO	6,946	[*****]	[*****]	[*****]	6,946	[*****]	[*****]	[*****]	6,946	[*****]	[*****]	[*****]	1/31/2018	Owned
1520	1520 AKRON CHAPEL HILL	7,495	[*****]	[*****]	[*****]	7,495	[*****]	[*****]	[*****]	7,495	[*****]	[*****]	[*****]	1/31/2020	Owned
1538	1538 CITRUS HTS SUNRISE	8,827	[*****]	[*****]	[*****]	8,827	[*****]	[*****]	[*****]	8,827	[*****]	[*****]	[*****]	1/31/2020	Owned
1560	1560 DAYTON DAYTON MALL	8,969	[*****]	[*****]	[*****]	8,969	[*****]	[*****]	[*****]	8,969	[*****]	[*****]	[*****]	1/31/2020	Owned
1574	1574 MIDDLETOWN	8,471	[*****]	[*****]	[*****]	8,471	[*****]	[*****]	[*****]	8,471	[*****]	[*****]	[*****]	1/31/2020	Owned
1584	1584 VICTOR	7,688	[*****]	[*****]	[*****]	7,688	[*****]	[*****]	[*****]	7,688	[*****]	[*****]	[*****]	1/31/2020	Owned
1595	1595 GREENVILLE	5,742	[*****]	[*****]	[*****]	5,742	[*****]	[*****]	[*****]	5,742	[*****]	[*****]	[*****]	1/31/2019	Owned
1605	1605 RALEIGH	7,204	[*****]	[*****]	[*****]	7,204	[*****]	[*****]	[*****]	7,204	[*****]	[*****]	[*****]	1/31/2019	Owned
1614	1614 LIVINGSTON	8,270	[*****]	[*****]	[*****]	8,270	[*****]	[*****]	[*****]	8,270	[*****]	[*****]	[*****]	1/31/2019	Owned
1620	1620 VERNON HILLS	7,853	[*****]	[*****]	[*****]	7,853	[*****]	[*****]	[*****]	7,853	[*****]	[*****]	[*****]	1/31/2019	Owned
1623	1623 CLAY (SYRACUSE)	8,542	[*****]	[*****]	[*****]	8,542	[*****]	[*****]	[*****]	8,542	[*****]	[*****]	[*****]	1/31/2020	Owned
1624	1624 STATEN ISLAND	8,821	[*****]	[*****]	[*****]	8,821	[*****]	[*****]	[*****]	8,821	[*****]	[*****]	[*****]	1/31/2018	Owned

Store Num	Store Name	Lease Term	Lease Factor	FY2014 Begin Sq Ft	Yr 1 Rent PSF	Yr 1 Rent	Downsize/ Closure?	FY2015 Begin Sq Ft	Lease Factor	Yr 2 Rent PSF	Yr 2 Rent	FY2016 Begin Sq Ft	Lease Factor	Yr 3 Rent PSF	Yr 3 Rent
1645	1645 BOCA RATON	5.00	[*****]	6,696	[*****]	[*****]		6,696	[*****]	[*****]	[*****]	6,696	[*****]	[*****]	[*****]
1648	1648 SAN DIEGO NORTH	4.00	[*****]	9,818	[*****]	[*****]		9,818	[*****]	[*****]	[*****]	9,818	[*****]	[*****]	[*****]
1658	1658 SANTA ROSA	6.00	[*****]	3,871	[*****]	[*****]		3,871	[*****]	[*****]	[*****]	3,871	[*****]	[*****]	[*****]
1690	1690 CHESTERFIELD	6.00	[*****]	8,489	[*****]	[*****]		8,489	[*****]	[*****]	[*****]	8,489	[*****]	[*****]	[*****]
1710	1710 NO OLMSTED	6.00	[*****]	8,789	[*****]	[*****]		8,789	[*****]	[*****]	[*****]	8,789	[*****]	[*****]	[*****]
1730	1730 FLORENCE	5.00	[*****]	6,338	[*****]	[*****]		6,338	[*****]	[*****]	[*****]	6,338	[*****]	[*****]	[*****]
1734	1734 LAWRENCEVILLE	6.00	[*****]	10,295	[*****]	[*****]		10,295	[*****]	[*****]	[*****]	10,295	[*****]	[*****]	[*****]
1744	1744 OCEAN	5.00	[*****]	8,224	[*****]	[*****]		8,224	[*****]	[*****]	[*****]	8,224	[*****]	[*****]	[*****]
1750	1750 ORLAND PARK	6.00	[*****]	7,154	[*****]	[*****]		7,154	[*****]	[*****]	[*****]	7,154	[*****]	[*****]	[*****]
1754	1754 GAITHERSBURG	6.00	[*****]	8,839	[*****]	[*****]		8,839	[*****]	[*****]	[*****]	8,839	[*****]	[*****]	[*****]
1760	1760 NOVI	4.00	[*****]	8,769	[*****]	[*****]		8,769	[*****]	[*****]	[*****]	8,769	[*****]	[*****]	[*****]
1764	1764 ROCKAWAY	4.00	[*****]	8,188	[*****]	[*****]		8,188	[*****]	[*****]	[*****]	8,188	[*****]	[*****]	[*****]
1794	1794 EAST NORTHPORT	4.00	[*****]	8,350	[*****]	[*****]		8,350	[*****]	[*****]	[*****]	8,350	[*****]	[*****]	[*****]
1800	1800 MISHAWAKA	6.00	[*****]	5,927	[*****]	[*****]		5,927	[*****]	[*****]	[*****]	5,927	[*****]	[*****]	[*****]
1804	1804 BARBOURSVILLE	5.00	[*****]	8,441	[*****]	[*****]		8,441	[*****]	[*****]	[*****]	8,441	[*****]	[*****]	[*****]
1805	1805 RALEIGH	5.00	[*****]	7,318	[*****]	[*****]		7,318	[*****]	[*****]	[*****]	7,318	[*****]	[*****]	[*****]
1810	1810 CINCINNATI	6.00	[*****]	8,305	[*****]	[*****]		8,305	[*****]	[*****]	[*****]	8,305	[*****]	[*****]	[*****]
1814	1814 FAIRFAX	4.00	[*****]	11,668	[*****]	[*****]		11,668	[*****]	[*****]	[*****]	11,668	[*****]	[*****]	[*****]
1830	1830 FT WAYNE	6.00	[*****]	6,455	[*****]	[*****]		6,455	[*****]	[*****]	[*****]	6,455	[*****]	[*****]	[*****]
1844	1844 COLUMBIA	4.00	[*****]	7,098	[*****]	[*****]		7,098	[*****]	[*****]	[*****]	7,098	[*****]	[*****]	[*****]
1853	1853 WILMINGTON	4.00	[*****]	8,415	[*****]	[*****]		8,415	[*****]	[*****]	[*****]	8,415	[*****]	[*****]	[*****]
1854	1854 PARKVILLE	6.00	[*****]	7,928	[*****]	[*****]		7,928	[*****]	[*****]	[*****]	7,928	[*****]	[*****]	[*****]
1944	1944 YORKTOWN HEIGHTS	4.00	[*****]	6,334	[*****]	[*****]		6,334	[*****]	[*****]	[*****]	6,334	[*****]	[*****]	[*****]
2092	2092 APPLETON	6.00	[*****]	5,792	[*****]	[*****]		5,792	[*****]	[*****]	[*****]	5,792	[*****]	[*****]	[*****]
2183	2183 SO PORTLAND	5.00	[*****]	5,564	[*****]	[*****]		5,564	[*****]	[*****]	[*****]	5,564	[*****]	[*****]	[*****]
2212	2212 CEDAR RAPIDS	6.00	[*****]	4,876	[*****]	[*****]		4,876	[*****]	[*****]	[*****]	4,876	[*****]	[*****]	[*****]
2239	2239 VANCOUVER	5.00	[*****]	4,750	[*****]	[*****]		4,750	[*****]	[*****]	[*****]	4,750	[*****]	[*****]	[*****]
2250	2250 CRYSTAL LAKE	6.00	[*****]	7,155	[*****]	[*****]		7,155	[*****]	[*****]	[*****]	7,155	[*****]	[*****]	[*****]
2271	2271 FT COLLINS	0.49	[*****]	5,904	[*****]	[*****]		5,904	[*****]	[*****]	[*****]	5,904	[*****]	[*****]	[*****]
2308	2308 SANTA CRUZ	5.00	[*****]	5,709	[*****]	[*****]		5,709	[*****]	[*****]	[*****]	5,709	[*****]	[*****]	[*****]
2309	2309 SILVERDALE	5.00	[*****]	4,226	[*****]	[*****]		4,226	[*****]	[*****]	[*****]	4,226	[*****]	[*****]	[*****]
2382	2382 MADISON WEST	6.00	[*****]	8,062	[*****]	[*****]		8,062	[*****]	[*****]	[*****]	8,062	[*****]	[*****]	[*****]
2443	2443 MANCHESTER	5.00	[*****]	8,961	[*****]	[*****]		8,961	[*****]	[*****]	[*****]	8,961	[*****]	[*****]	[*****]
2514	2514 WARRENTON	4.00	[*****]	7,130	[*****]	[*****]		7,130	[*****]	[*****]	[*****]	7,130	[*****]	[*****]	[*****]
2663	2663 NEWINGTON/PORTSMOUTH	5.00	[*****]	6,938	[*****]	[*****]		6,938	[*****]	[*****]	[*****]	6,938	[*****]	[*****]	[*****]

Store Num	Store Name	FY2017 Begin Sq Ft	Lease Factor	Yr 4 Rent PSF	Yr 4 Rent	FY2018 Begin Sq Ft	Lease Factor	Yr 5 Rent PSF	Yr 5 Rent	FY2019 Begin Sq Ft	Lease Factor	Yr 6 Rent PSF	Yr 6 Rent	Expiration Date	Owned / Leased
1645	1645 BOCA RATON	6,696	[*****]	[*****]	[*****]	6,696	[*****]	[*****]	[*****]	6,696	[*****]	[*****]	[*****]	1/31/2019	Owned
1648	1648 SAN DIEGO NORTH	9,818	[*****]	[*****]	[*****]	9,818	[*****]	[*****]	[*****]	9,818	[*****]	[*****]	[*****]	1/31/2018	Owned
1658	1658 SANTA ROSA	3,871	[*****]	[*****]	[*****]	3,871	[*****]	[*****]	[*****]	3,871	[*****]	[*****]	[*****]	1/31/2020	Owned
1690	1690 CHESTERFIELD	8,489	[*****]	[*****]	[*****]	8,489	[*****]	[*****]	[*****]	8,489	[*****]	[*****]	[*****]	1/31/2020	Owned
1710	1710 NO OLMSTED	8,789	[*****]	[*****]	[*****]	8,789	[*****]	[*****]	[*****]	8,789	[*****]	[*****]	[*****]	1/31/2020	Owned
1730	1730 FLORENCE	6,338	[*****]	[*****]	[*****]	6,338	[*****]	[*****]	[*****]	6,338	[*****]	[*****]	[*****]	1/31/2019	Owned
1734	1734 LAWRENCEVILLE	10,295	[*****]	[*****]	[*****]	10,295	[*****]	[*****]	[*****]	10,295	[*****]	[*****]	[*****]	1/31/2020	Owned
1744	1744 OCEAN	8,224	[*****]	[*****]	[*****]	8,224	[*****]	[*****]	[*****]	8,224	[*****]	[*****]	[*****]	1/31/2019	Owned
1750	1750 ORLAND PARK	7,154	[*****]	[*****]	[*****]	7,154	[*****]	[*****]	[*****]	7,154	[*****]	[*****]	[*****]	1/31/2020	Owned
1754	1754 GAITHERSBURG	8,839	[*****]	[*****]	[*****]	8,839	[*****]	[*****]	[*****]	8,839	[*****]	[*****]	[*****]	1/31/2020	Owned
1760	1760 NOVI	8,769	[*****]	[*****]	[*****]	8,769	[*****]	[*****]	[*****]	8,769	[*****]	[*****]	[*****]	1/31/2018	Owned
1764	1764 ROCKAWAY	8,188	[*****]	[*****]	[*****]	8,188	[*****]	[*****]	[*****]	8,188	[*****]	[*****]	[*****]	1/31/2018	Owned
1794	1794 EAST NORTHPORT	8,350	[*****]	[*****]	[*****]	8,350	[*****]	[*****]	[*****]	8,350	[*****]	[*****]	[*****]	1/31/2018	Owned
1800	1800 MISHAWAKA	5,927	[*****]	[*****]	[*****]	5,927	[*****]	[*****]	[*****]	5,927	[*****]	[*****]	[*****]	1/31/2020	Owned
1804	1804 BARBOURSVILLE	8,441	[*****]	[*****]	[*****]	8,441	[*****]	[*****]	[*****]	8,441	[*****]	[*****]	[*****]	1/31/2019	Owned
1805	1805 RALEIGH	7,318	[*****]	[*****]	[*****]	7,318	[*****]	[*****]	[*****]	7,318	[*****]	[*****]	[*****]	1/31/2019	Owned
1810	1810 CINCINNATI	8,305	[*****]	[*****]	[*****]	8,305	[*****]	[*****]	[*****]	8,305	[*****]	[*****]	[*****]	1/31/2020	Owned
1814	1814 FAIRFAX	11,668	[*****]	[*****]	[*****]	11,668	[*****]	[*****]	[*****]	11,668	[*****]	[*****]	[*****]	1/31/2018	Owned
1830	1830 FT WAYNE	6,455	[*****]	[*****]	[*****]	6,455	[*****]	[*****]	[*****]	6,455	[*****]	[*****]	[*****]	1/31/2020	Owned
1844	1844 COLUMBIA	7,098	[*****]	[*****]	[*****]	7,098	[*****]	[*****]	[*****]	7,098	[*****]	[*****]	[*****]	1/31/2018	Owned
1853	1853 WILMINGTON	8,415	[*****]	[*****]	[*****]	8,415	[*****]	[*****]	[*****]	8,415	[*****]	[*****]	[*****]	1/31/2018	Owned
1854	1854 PARKVILLE	7,928	[*****]	[*****]	[*****]	7,928	[*****]	[*****]	[*****]	7,928	[*****]	[*****]	[*****]	1/31/2020	Owned
1944	1944 YORKTOWN HEIGHTS	6,334	[*****]	[*****]	[*****]	6,334	[*****]	[*****]	[*****]	6,334	[*****]	[*****]	[*****]	1/31/2018	Owned
2092	2092 APPLETON	5,792	[*****]	[*****]	[*****]	5,792	[*****]	[*****]	[*****]	5,792	[*****]	[*****]	[*****]	1/31/2020	Owned
2183	2183 SO PORTLAND	5,564	[*****]	[*****]	[*****]	5,564	[*****]	[*****]	[*****]	5,564	[*****]	[*****]	[*****]	1/31/2019	Owned
2212	2212 CEDAR RAPIDS	4,876	[*****]	[*****]	[*****]	4,876	[*****]	[*****]	[*****]	4,876	[*****]	[*****]	[*****]	1/31/2020	Owned
2239	2239 VANCOUVER	4,750	[*****]	[*****]	[*****]	4,750	[*****]	[*****]	[*****]	4,750	[*****]	[*****]	[*****]	1/31/2019	Owned
2250	2250 CRYSTAL LAKE	7,155	[*****]	[*****]	[*****]	7,155	[*****]	[*****]	[*****]	7,155	[*****]	[*****]	[*****]	1/31/2020	Owned
2271	2271 FT COLLINS	5,904	[*****]	[*****]	[*****]	5,904	[*****]	[*****]	[*****]	5,904	[*****]	[*****]	[*****]	#VALUE!	Owned
2308	2308 SANTA CRUZ	5,709	[*****]	[*****]	[*****]	5,709	[*****]	[*****]	[*****]	5,709	[*****]	[*****]	[*****]	1/31/2019	Owned
2309	2309 SILVERDALE	4,226	[*****]	[*****]	[*****]	4,226	[*****]	[*****]	[*****]	4,226	[*****]	[*****]	[*****]	1/31/2019	Owned
2382	2382 MADISON WEST	8,062	[*****]	[*****]	[*****]	8,062	[*****]	[*****]	[*****]	8,062	[*****]	[*****]	[*****]	1/31/2020	Owned
2443	2443 MANCHESTER	8,961	[*****]	[*****]	[*****]	8,961	[*****]	[*****]	[*****]	8,961	[*****]	[*****]	[*****]	1/31/2019	Owned
2514	2514 WARRENTON	7,130	[*****]	[*****]	[*****]	7,130	[*****]	[*****]	[*****]	7,130	[*****]	[*****]	[*****]	1/31/2018	Owned
2663	2663 NEWINGTON/PORTSMOUTH	6,938	[*****]	[*****]	[*****]	6,938	[*****]	[*****]	[*****]	6,938	[*****]	[*****]	[*****]	1/31/2019	Owned

ANNEX B
PERCENTAGE RENT

Commencing on February 1, 2016, with respect to the Leased Premises listed below (the "**Contingent Rent Locations**"), Tenant shall pay as Rent the greater of (i) the Rent set forth on **Annex A** or (ii) seven and one-half percent (7.5%) of Tenant's Gross Sales for each applicable location as described on this **Annex B**. With respect to each Contingent Rent Location, Tenant shall pay to Landlord each month throughout the Term the Rent set forth on **Annex A**, subject to reconciliation as set forth below.

Contingent Rent Locations:

1179 CANOGA PK/TOPANGA PLZ
1051 STRONGSVILLE
1119 PORTLAND
1146 CORDOVA/MEMPHIS/GERMANTWN
1159 FAIRFIELD
1225 ORLANDO COLONIAL
1297 HURST
1638 BREA
1660 AURORA
1888 WEST JORDAN
1156 ROSEVILLE
1224 HARRISBURG
1263 WATERBURY
1290 NILES
1438 EL CAJON
1455 WILMINGTON
1610 CINCINNATI NORTHAGE
1625 SARASOTA
1685 DULUTH
1720 STERLING HTS
1192 MUSKEGON
1460 LIVONIA
1570 SCHAUMBURG

With respect to each Contingent Rent Location, the term "**Gross Sales**", shall mean all cash, check, charge account or credit sales of Tenant's merchandise (excluding sales of gift cards until time of redemption) made in or from the applicable Leased Premises, and sales or service by any sublessee, assignee, concessionaire or licensee in such Leased Premises, as determined in accordance with GAAP, as amended, after deductions for refunds and merchandise returned by customers. No deduction shall be allowed for uncollected or uncollectible credit accounts. Gross Sales shall not include (i) any sums collected and paid out for any sales or excise tax imposed by any duly constituted governmental authority, (ii) the exchange of merchandise between the stores of Tenant, if any, where such exchanges of goods or merchandise are made solely for the convenient operation of the business of Tenant and not for the purpose of consummating a sale which has theretofore been made at, in, from or upon the applicable Leased Premises, and/or for the purpose of depriving Landlord of the benefit of a sale which otherwise would be made at, in, from or upon such Leased Premises, (iii) the amount of returns to shippers or manufacturers, (iv) the amount of any cash or credit refund made upon any sale where the merchandise sold, or some part thereof, is thereafter returned by the customer and accepted by Tenant, (v) receipts from customers for carrying charges or other credit charges, or (vi) the sale of fixtures after their use in the conduct of business in such Leased Premises.

Within thirty (30) days after the close of each fiscal year, Tenant shall, for each Contingent Rent Location, deliver to Landlord a statement of Gross Sales for each such fiscal year showing the Gross Sales made during such fiscal year, certified by a duly qualified officer of Tenant as being true, complete and correct. For any Contingent Rent Location at which the calculation of 7.5% of Tenant's Gross Sales (the "**Percentage Rent Payment**") is greater than the amount of Rent which was paid for such location pursuant to **Annex A**, Tenant's statement of Gross Sales shall also be accompanied by a payment of the difference between the Percentage Rent Payment and the Rent which was paid pursuant to **Annex A**.

Exhibit 10.4

***** Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [*****]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

MASTER SUBLEASE AGREEMENT

THIS MASTER SUBLEASE AGREEMENT (hereinafter "**Sublease**") is made and entered into as of this 4th day of April, 2014, provided, however, that the parties agree that the terms and conditions herein are effective as of February 1, 2014 (the "**Commencement Date**"), by and between Sears, Roebuck and Co., a New York corporation, and Kmart Corporation, a Michigan corporation (as their interests may appear), each as a sublandlord (collectively, "**Sublandlord**"), and Lands' End, Inc., a Delaware corporation as the subtenant ("**Subtenant**").

RECITALS:

Sublandlord, pursuant to the leases set forth on **Annex B** (including any amendments thereto) (each lease, a "**Master Lease**"), by and between Sublandlord and the applicable landlord under each Master Lease (each, a "**Landlord**"), desires to sublease to Subtenant and Subtenant desires to sublease from Sublandlord that certain premises within a building, which building location is set forth on **Annex A** under the column heading "Store Name" (each, a "**Building**"), consisting of approximately the rentable square feet set opposite each Building location on **Annex A** under the column heading "FY-2014 Begin. Sq. Ft." as may be modified from time to time as set forth on **Annex A**, initially in the same location and configuration as existing for Subtenant's store operations within a Building on the date of this Sublease (each, a "**Subleased Premises**"), upon the terms and conditions provided hereinafter.

NOW, THEREFORE, for and in consideration of and subject to the covenants and agreements hereinafter mentioned, the parties do hereby agree as follows:

1. Subleased Premises

Subject to all of the terms and conditions of each Master Lease and subject to the terms and conditions hereof, Sublandlord subleases to Subtenant and Subtenant subleases from Sublandlord, the Subleased Premises.

Subject to any Third Party Agreements (as defined in Section 22(a) below) and temporary closures or restrictions due to casualty, condemnation, or Sublandlord's maintenance and repair activities in the Building, Sublandlord further grants to Subtenant, in common with other occupants of the applicable Building and subject to the provisions of this Sublease, the applicable Master Lease and all applicable legal requirements: the right of ingress and egress to public roadways and a non-exclusive easement for parking the vehicles of Subtenant, its customers, employees and business invitees, and for access, use of, ingress and egress for vehicles and pedestrians in common with the other occupants of such Building, over all parking areas, alleys, roadways, sidewalks, walkways, landscaped areas and surface water drainage systems and for use of parking lot lighting; and a non-exclusive use of the hallways, entryways, elevators, restrooms, adequate storage space (and where provided prior to the Commencement Date, of similar type and size to such space), trash facilities and all other areas and facilities in the applicable Building that are provided and designated from time to time by Sublandlord for the non-exclusive use of occupants of such Building and their respective customers, employees and business invitees. The facilities and areas set forth above shall be deemed "**Common Areas**".

2. Term.

(a) Unless earlier terminated as to all or any of the Subleased Premises pursuant to the express terms and conditions of this Sublease and subject to all of the terms and conditions of the applicable Master Lease, including, without limitation, the extension, expiration, rejection or earlier termination provisions thereof, and subject to the terms and conditions hereof, the term ("**Term**") of this Sublease with respect to each Subleased Premises shall commence on the date hereof (the "**Commencement Date**") and shall expire on the earlier to occur of (i) the expiration, rejection or earlier termination of the applicable Master Lease or (ii) the date set forth set forth on **Annex A** under the column heading "Expiration Date" (provided, however, that with respect to any Subleased Premises that has an Expiration Date prior to January 31, 2018, if Sublandlord leasing the a Building extends the applicable Master Lease to a date past January 31, 2018, then the Expiration Date for that Subleased Premises shall be amended to read January 31, 2018 on **Annex A**) (each, an "**Expiration Date**"). In the event that the Master Lease shall terminate early, the Sublandlord shall provide notice to the Subtenant.

(b) Subtenant shall have no right to extend the Term of the this Sublease with respect to any of the Subleased Premises, except that by the date which is referenced on **Annex A** under the column heading "Expiration Date" for each Subleased Premises, Subtenant may send written notice to Sublandlord of its desire to negotiate extending the Term with respect to such Subleased Premises, and Sublandlord may (but shall not be obligated to), in its sole discretion, agree to negotiate such an extension on terms and conditions mutually agreeable to Sublandlord and Subtenant.

3. Rent.

(a) Rent shall begin to accrue and shall be due to Sublandlord on the Commencement Date. Subtenant agrees to pay rent for the Subleased Premises in the annual amount set forth on **Annex A** under the column heading "Rent PSF" for the applicable fiscal year (the "**Rent**"); provided, however, that the terms and provisions of **Annex C** ("**Percentage Rent**") shall apply with respect to the locations listed thereon. Subtenant shall pay one-twelfth (1/12) of the annual Rent (or a prorated amount during partial months), in advance, on the first day of each month, without notice, offset or deductions except as otherwise set forth herein. Rent is inclusive of third-party common area maintenance costs, real estate taxes and utilities but does not cover any other costs or services.

(b) All Rent (as defined below) shall be made payable to Sublandlord and mailed to Sublandlord's address as outlined in the "Notice" Section of this Sublease until the payee or address is changed by written notice from Sublandlord.

4. Hold Over.

If Subtenant does not vacate a Subleased Premises upon the expiration of this Sublease with respect to such Subleased Premises, such holdover shall result in a tenancy at sufferance, and in addition to Subtenant paying all damages incurred by Sublandlord as a result of Subtenant holding over (including, but without limitation, all loss, costs, damages and expenses arising under the Master Lease), Subtenant shall also pay to Sublandlord, as Rent for the period of such holdover (calculated based on the number of days of the holdover), 150% of the Rent PSF in effect immediately prior to such holdover.

5. Subtenant's Taxes.

Subtenant shall pay to Sublandlord, promptly upon demand, a sum equal to the aggregate of any municipal, county, state, or federal excise, sales, use, margin or transaction privilege taxes (but not including any taxes paid by Sublandlord based on its net income) now or hereafter legally levied or imposed against, or on account of, any amounts payable under this Sublease by Subtenant or the receipt thereof by Sublandlord. Subtenant shall pay all taxes and assessments of every nature, kind and description, levied and assessed against Subtenant's fixtures, equipment, merchandise and goods stored in or about the Subleased Premises.

6. Late Charges/Interest.

In the event any installment of Rent is more than three (3) days past due or any other amount payable by Subtenant to Sublandlord is more than ten (10) days past due, Subtenant shall pay to Sublandlord, as additional rent (i) a late fee equal to five percent (5%) of the amount unpaid to cover Sublandlord's administrative costs for collection and loss of income plus (ii) interest at the Default Rate, calculated from the date such unpaid amounts were due. For the purposes of this Sublease the Default Rate shall be the rate of eight percent (8%) per annum, compounded monthly.

7. Use; Operations; and Radius Restriction.

(a) Subtenant shall use the Subleased Premises only as a Lands' End retail shop consistent with the current format Subtenant is currently operating in each Subleased Premises and for no other purpose ("**Permitted Use**"). Subtenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from any Subleased Premises, nor take any other action which would constitute a nuisance or which would disturb or endanger any other occupants (including Sublandlord's retail operations) of the Building, or unreasonably interfere with such other occupants' use of their respective space.

(b) Subtenant agrees to continuously operate its business in the entirety of each Subleased Premises under the name "Lands' End" throughout the Term of this Sublease and for the same operating hours of Sublandlord's store in which the Subleased Premises are located. If Subtenant violates this Section, then in addition to all rights and remedies available to Sublandlord pursuant to Section 15, Subtenant shall also pay to Sublandlord, upon demand, for each non-compliant Subleased Premises, liquidated damages in an amount equal to Five Hundred and No/100 Dollars ($500.00) for each day such violation continues; provided, however, that this provision shall not apply if the Subleased Premises should be closed and the business of Subtenant temporarily discontinued therein on account of remodeling or renovation which is completed within ten (10) business days. Subtenant acknowledges and agrees that if it breaches this Section, Sublandlord shall be deprived of an important right under this Sublease, and as a result thereof, will suffer damages in an amount which is not readily ascertainable, and that the foregoing is a reasonable and equitable determination of the actual damages Sublandlord shall suffer as a result of Subtenant's breach of its obligations under this Section.

(c) Subtenant covenants and agrees that during the Term, Subtenant (and if Subtenant is a corporation, membership entity or partnership, its officers, directors, stockholders, members, managers, affiliates or partners) shall not directly or indirectly, operate or manage any other store or business similar to or in competition with the use for which the Subleased Premises are let (including, without limitation, any concession or department operated within another store or business), within the same shopping center or retail center development of which the Building is a part.

8. Hazardous Materials.

No Hazardous Material (as hereinafter defined) shall be created, handled, placed, stored, used, transported or disposed of by either party on the Subleased Premises. Sublandlord and Subtenant hereby indemnify, defend and hold the other party and its directors, officers, employees and agents (including any successor to Sublandlord's interest in the Subleased Premise) harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which result from either party's breach of this Section. As used herein, "Hazardous Material" shall mean any substance that is toxic, ignitable, reactive, corrosive and that is regulated by any local government, the respective state each Subleased Premises is located in, or the United States Government. "Hazardous Material" includes any and all material or substances that are defined as "hazardous waste", "extremely hazardous waste" or a "hazardous substance" pursuant to state, federal or local governmental law. "Hazardous Material" includes, but is not restricted to, asbestos, polychlorobiphenyls ("**PCBs**") and petroleum.

9. Repairs, Maintenance, Utilities and Other Services.

(a) Subtenant shall accept each Subleased Premises in its "AS-IS", "WHERE IS" and "WITH ALL FAULTS" condition. Sublandlord makes no representations or warranties as to the conditions of any Subleased Premises, and Subtenant acknowledges that it is fully aware of the existing conditions of each Subleased Premises since it has occupied and operated in such Subleased Premises prior to the date of this Sublease. Sublandlord shall have no responsibility or obligation to make repairs or replacements to or upon a Subleased Premises or to perform any maintenance which becomes necessary during Subtenant's occupancy of such Subleased Premises. Subtenant shall comply with all laws, statutes, governmental regulations and local ordinances (including, without limitation, the Americans with Disabilities Act) and the direction of the proper public officials concerning its use of each Subleased Premises. Subtenant shall return each Subleased Premises to Sublandlord "broom clean" and in the same condition as it exists as of the beginning of the Term, excluding ordinary wear and tear.

(b) Sublandlord shall not be liable to Subtenant for damages or otherwise if the utilities serving the Subleased Premises or Building of which the Subleased Premises are a part are interrupted or terminated for any cause; provided, however, the foregoing shall not limit Subtenant's remedies expressly set forth in Section 19.

(c) Sublandlord and Subtenant agree that Sublandlord is not providing any services to Subtenant at any Subleased Premises which are not expressly set forth herein; by way of example and without limitation of the foregoing disclaimer, Sublandlord is expressly not providing the following services to Subtenant: cleaning or maintenance of the Subleased Premises, loss prevention, general liability or property insurance, stock room replenishment, use of Sublandlord's Point of Sale system, shipping/receiving, wi-fi or accepting returns of Subtenant's merchandise. Sears, Roebuck and Co. and Subtenant have entered into that certain Retail Operations Agreement dated as of April 4, 2014 (the "**RSA**") providing for additional services and/or for rules and restrictions governing Subtenant's use of the Subleased Premises and other portions of Sublandlord's Buildings.

10. Fixtures/Alterations.

Subtenant shall only be permitted to make cosmetic changes to the Subleased Premises. Subtenant shall not have the right to install permanent fixtures, or in any way alter the structure of any Building or alter any non-structural portion of any Subleased Premises, without the prior written consent of Sublandlord, which shall be in Sublandlord's sole discretion.

11. Access to Subleased Premises.

Sublandlord shall have free access to any Subleased Premises for the purpose of examining the same during business hours and for any other reasonable purpose, including, by way of example only and without limitation, in furtherance of the terms and provisions of the RSA; provided, however, Sublandlord shall not unreasonably interfere with the business of Subtenant in exercising such rights.

12. Assignment / Sublease.

Subtenant shall not have the right to assign this Sublease, or to license or sublet any Subleased Premises, or any part thereof.

13. Surrender.

Upon the Expiration Date, Subtenant shall surrender and vacate a Subleased Premises immediately and deliver possession thereof to Sublandlord in the condition required by Subtenant under Section 9(a) hereof and shall deliver to Sublandlord all keys to such Subleased Premises. Subtenant shall remove from the Subleased Premises all personal property of Subtenant and Subtenant's trade fixtures, including, cabling for any of the foregoing at its sole cost and expense. Subtenant immediately shall repair all damage resulting from removal of any of Subtenant's property at its sole cost and expense. In the event possession of such Subleased Premises is not delivered to Sublandlord when required hereunder, or if Subtenant shall fail to remove those items described above, Subtenant shall be deemed to have abandoned such property and Sublandlord may (but shall not be obligated to), at Subtenant's expense, remove any of such property and undertake at Subtenant's expense such restoration work as Sublandlord deems necessary or advisable. Subtenant's obligations under this Section shall survive the Expiration Date or earlier termination of this Sublease.

14. Right to Relocate.

Sublandlord may, at any time, relocate any of Subtenant's Subleased Premises to another area of the Building in which such Subleased Premises are located ("**New Premises**"), provided the New Premises shall have, if possible, approximately the same rentable square footage of space; notwithstanding the foregoing, Sublandlord shall have the right to offer Subtenant New Premises with lesser square footage than the original Subleased Premises (but in no event lesser than 70% of the original Subleased Premises) if Sublandlord's store size has been or is in the process of being reduced. Provided that Subtenant is open and operating at the applicable Subleased Premises at the time Sublandlord exercises the rights granted by this Section, Sublandlord agrees to pay all reasonable moving expenses incurred by Subtenant incident to such relocation and for improving the New Premises so that the New Premises are similar to the then existing Subleased Premises. Sublandlord shall provide Subtenant with at least sixty (60) days prior written notice before making such relocation demand. Subtenant shall cooperate with Sublandlord in all

reasonable ways to facilitate the move and shall be responsible for moving all of its inventory and other goods to the New Premises. If Subtenant fails to so cooperate, Sublandlord shall be relieved of all responsibility for damage or injury to Subtenant or its property during such move, except as may be caused by Sublandlord's actual negligence. Notwithstanding the foregoing, if the New Premises identified by Sublandlord is not acceptable to Subtenant, then Subtenant may elect to terminate this Sublease solely with respect to such Subleased Premises by written notice to Sublandlord within thirty (30) calendar days after receipt of Sublandlord's written notice of such relocation, with such termination to be effective sixty (60) days after Subtenant's election. Upon the completion of a relocation, the Rent shall be adjusted to reflect the actual square footage of the New Premises and the New Premises shall be deemed to have replaced the applicable Subleased Premises for all purposes under this Sublease.

15. Default.

(a) If Subtenant (i) defaults in any of its monetary obligations under this Sublease or (ii) materially defaults in any of its non-monetary obligations under this Sublease, and Subtenant fails to cure such default within ten (10) business days after receipt of written notice thereof, then, in addition to all other rights which Sublandlord has at law or in equity, Sublandlord shall have the following rights and remedies: (x) to terminate this Sublease with respect to the applicable Subleased Premises in which event Subtenant shall immediately surrender such Subleased Premises to Sublandlord and, if Subtenant fails to do so, Sublandlord may, without prejudice to any other remedy which Sublandlord may have for possession or arrearages in Rent, enter upon and take possession of the applicable Subleased Premises and expel or remove Subtenant and any other person who may be occupying such Subleased Premises or any part thereof, by any legal means, without being liable for prosecution for any claim of damages therefore; (y) to enter upon and take possession of the applicable Subleased Premises and expel or remove Subtenant and any other person who may be occupying such Subleased Premises or any part thereof, by any legal means, without being liable for prosecution of any claim for damages therefore with or without having terminated this Sublease; (z) do whatever Subtenant is obligated to do under the terms of this Sublease (and enter upon the applicable Subleased Premises in connection therewith if necessary) without being liable for prosecution or any claim for damages therefore, and Subtenant agrees to reimburse Sublandlord on demand for any expenses which Sublandlord may incur in thus effecting compliance with Subtenant's obligations under this Sublease with respect to a Subleased Premises, plus interest thereon at the Default Rate, and Subtenant further agrees that Sublandlord shall not be liable for any damages resulting to Subtenant from such action.

(b) In the event Sublandlord elects to terminate this Sublease with respect to a Subleased Premises in accordance with the foregoing, then notwithstanding such termination, Subtenant shall be liable for and shall pay to Sublandlord the sum of all Rent and other amounts payable to Sublandlord pursuant to the terms of this Sublease with respect to such Subleased Premises which have accrued to the date of such termination, plus, as damages, an amount equal to the net present value of the difference between (i) total Rent reserved by this Sublease for the remaining portion of the Term (had such Term not been terminated by Sublandlord prior to the Expiration Date) less (ii) the net amount Subtenant proves Sublandlord would have received during such remaining portion of the Term through reletting of the applicable Subleased Premises. For the purposes hereof, "net present value" shall be determined using a discount rate equal to four percent (4%) per annum.

(c) In the event Sublandlord elects to repossess the applicable Subleased Premises without terminating this Sublease with respect to such Subleased Premises, then Subtenant shall be

liable for and shall pay to Sublandlord all rental and other amounts payable to Sublandlord (including, without limitation, the damages amount set forth in Section 7(b)) pursuant to the terms of this Sublease which have accrued to the date of such repossession, plus, from time to time throughout the remaining Term, total Rent required to be paid by Subtenant to Sublandlord during the remainder of the Term diminished by any net sums thereafter received by Sublandlord through reletting of the applicable Subleased Premises during said period. In no event shall Subtenant be entitled to any excess of any rental obtained by reletting over and above the rental herein reserved. Actions to collect amounts due by Subtenant to Sublandlord as provided in this paragraph may be brought from time to time, on one or more occasions, without the necessity of Sublandlord's waiting until expiration of the Term.

16. Notices.

All notices herein provided for shall be in writing and shall be sent by (a) registered or certified mail, postage prepaid, return receipt requested, or (b) reputable overnight air courier, and shall be deemed to have been given (i) five (5) business days after deposit in the mail postage prepaid if sent via mail, and (ii) one (1) business day after being deposited with a reputable overnight air courier for guaranteed next day delivery. Notices shall be addressed to:

Sublandlord:

c/o Sears Holding Corporation
3333 Beverly Road
Department 824RE
Hoffman Estates, Illinois 60179
Attn: Vice President – Real Estate

With a copy to:

Sears Holding Corporation
3333 Beverly Road
Department 824RE
Hoffman Estates, Illinois 60179
Attn: Associate General Counsel – Real Estate

Subtenant:

Lands' End, Inc.
5 Lands' End Lane
Dodgeville, Wisconsin 53595
Attn: Senior Vice President

With a copy to:

Lands' End, Inc.
5 Lands' End Lane
Dodgeville, Wisconsin 53595
Attn: General Counsel

or to any other address furnished in writing by either of the respective parties. However, any change of address furnished shall comply with the notice requirements of this Section and shall include a complete outline of all current notice addresses to be used for the party requesting the change.

17. Indemnity.

Subtenant shall indemnify Sublandlord against, and save Sublandlord harmless of and from, any and all loss, cost, damage, expense or liability (including, but not limited to, attorney's fees and disbursements) incurred by Sublandlord by reason of, and defend Sublandlord against all claims, actions, proceedings and suits relating to: (i) the conduct of Subtenant's business in, or use, occupancy and management of, each Subleased Premises; (ii) any injuries to persons or damages to property occurring in, on or about each Subleased Premises; (iii) any work or thing whatsoever done, or any condition created, in, on or about each Subleased Premises during the Term hereof; (iv) any act or omission of Subtenant, its agents, contractors, servants, employees, invitees, guests or tenants; (v) a breach of this Sublease; (vi) any breach or default in the performance by Subtenant of any term, provision or covenant under this Sublease or any Master Lease. Subtenant's obligations under this Section shall survive the Expiration Date or earlier termination of this Sublease with respect to each Subleased Premises.

18. Insurance.

(a) Subtenant shall maintain, or cause to be maintained on its behalf, during the Term:

(i) Commercial General Liability including Premises Operations, Products and Completed Operations Liability, Contractual Liability covering the Subtenant and naming Sears Holdings Management Corporation as additional insured with limits of no less than Two Million Dollars ($2,000,000) combined single limit primary and non-contributory to any liability insurance maintained by Sublandlord.

(ii) Workers' Compensation at statutory limits, as required by the state where the work is being performed, and Employer's Liability with limits of no less than $500,000 each accident or occupational disease.

(iii) Comprehensive Automobile Liability Insurance, which shall include bodily injury and property damage liability, including the ownership, maintenance and operation of any automobile equipment owned, hired and non-owned including the loading and unloading thereof, with limits of at least $2,000,000 for each accident.

(iv) "All-risk" property damage insurance ("**Subtenant's Hazard Insurance**") including Builders' Risk protecting against all risk of physical loss or damage, including without limitation, and sprinkler leakage coverage in amounts not less than the actual replacement cost, covering all of Subtenant's inventory, trade fixtures, furnishing, wall covering, floor covering, carpeting, drapes, equipment and all items of personal property of Subtenant located within the Subleased Premises and within 100 feet of the Subleased Premises, against all risks of physical loss or damage.

(b) In addition to the insurance coverage to be maintained by Subtenant above, Subtenant will require each contractor (if any) performing the services under the direction of Subtenant to obtain insurance coverage in the same form and amounts as detailed above ("**Contractor Insurance**"). The Contractor Insurance shall name Sears Holdings Corporation its subsidiaries and affiliates as additional insured, and shall stipulate that such insurance is primary to, and not contributing with, any other insurance carried by, or for the benefit of, Sears, Roebuck and Co., Kmart Corporation, or the other additional insured. Subtenant warrants that its contractors will maintain Workers' Compensation and Employer's Liability

insurance. It is the responsibility of Subtenant to obtain and maintain a certificate of insurance from each contractor and make the certificate available to Sears, Roebuck and Co. upon request.

(c) Such insurance set forth in subsection (a) above shall be obtained from insurers of recognized financial responsibility who shall be licensed in the state in which each Subleased Premises is located. Subtenant shall provide Sublandlord with certificates evidencing the coverage required hereunder. Sublandlord and others designated by Sublandlord in being additional insureds, shall be named as additional insureds under the insurance policies described in this Section 18. The certificates of insurance, to the extent the same is standard in the industry, shall provide that the coverage shall not be changed or cancelled, without at least ten (10) days notice to Sublandlord, provided that if contractor's insurance company in its certificate to Sublandlord will state only that (i) the coverage will not be "materially" changed (as opposed to simply "changed") without prior notice to Sublandlord, and/or (ii) it will "endeavor to give" at least ten (10) days prior written notice to Sublandlord (as opposed to simply agreeing to give such notice), and it is standard in the insurance industry that an insurance company would provide only such wording, the contractor's insurer may provide such wording in the certificate of insurance to Sublandlord.

(d) Waiver of Subrogation Rights. Each party hereto has hereby remised, released, and discharged and does remise, release, and discharge the other party hereto and any officer, agent, employee, or representative of such party of and from any claims, rights of recovery, or liability whatsoever (and each party hereby waives all rights of subrogation) hereafter arising from loss, damage, or injury caused by fire or other casualty of the type which is required to be insured under the policies of insurance required to be maintained by the releasing party as of the date of any casualty, SUCH WAIVER TO BE EFFECTIVE REGARDLESS OF THE CAUSE OR ORIGIN OF SUCH DAMAGE OR LOSS INCLUDING, WITHOUT LIMITATION, THE NEGLIGENCE OF A PARTY HERETO OR ANY OF ITS OFFICERS, AGENTS, EMPLOYEES OR REPRESENTATIVES. Subtenant shall procure an appropriate clause in or endorsement to any policy of insurance covering Subtenant's personal property, inventory, fixtures, furnishing and equipment located in the Subleased Premises, wherein the insurer waives subrogation or consents to a waiver of its right of recovery.

19. Casualty.

If a Building is damaged or destroyed by fire or other casualty, or if it becomes uninhabitable due to the termination of utilities or other services serving the Building, then Sublandlord shall have the right, in Sublandlord's sole discretion, to terminate this Sublease with respect to all or any portion of the applicable Subleased Premises located in such affected Building upon thirty (30) days prior written notice to Subtenant. If Sublandlord does not so elect to terminate this Sublease with respect to such affected Subleased Premises, then (i) Subtenant's obligations under this Subleaseease with respect to such Subleased Premises, including but not limited to the payment of Rent, shall be suspended beginning on the third day of such damage or uninhabitability and continuing until such time as the Subleased Premises are returned to a habitable condition and (ii) if Sublandlord is unable to restore the Subleased Premises to a habitable condition within six months of the date of the damage or uninhabitability first occurred, Subtenant may terminate the Sublease for the affected Subleased Premises by written notice to Sublandlord. In no event shall Subtenant be entitled to any portion of insurance proceeds available under any policies maintained by Sublandlord nor shall Sublandlord have any obligation to restore or repair the affected Building or the applicable Subleased Premises.

20. Condemnation.

If a Building, or any portion of a Building, is taken under the power of eminent domain, or sold under the threat of the exercise of said power (any of the foregoing, a "**condemnation**") then Sublandlord shall have the right to terminate this Sublease with respect to all or any portion of the Subleased Premises contained in such affected Building upon thirty (30) days prior written notice to Subtenant. In no event shall Subtenant be entitled to any portion of any proceeds awarded in connection with such condemnation nor shall Sublandlord have any obligation to restore or repair the affected Building or the Subleased Premises contained therein.

21. No Liens.

Sublandlord's title always is and shall be paramount to the title of Subtenant, and nothing in this Sublease shall empower Subtenant to do any act which can, shall or may encumber the title of Sublandlord to any portion of any Subleased Premises. Subtenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Subtenant, operation of law or otherwise, to attach to or be placed on any part of any Subleased Premises or the Building of which the Subleased Premises are a part. Subtenant covenants and agrees not to suffer or permit any lien of mechanics, materialmen or other lien to be placed against any part of a Subleased Premises or any fixture filing or other financing statement to be recorded against any portion of a Subleased Premises and in case any such lien or filing attaches or claim of lien is asserted Subtenant covenants and agrees to cause such lien, filing or claim to be immediately released and removed of record.

22. Sublease Subject to Possible Third Party Interests.

(a) Notwithstanding Subtenant's rights under this Sublease, Subtenant hereby acknowledges that Sublandlord makes no representations or warranties with respect to whether or not Subtenant's use of a Subleased Premises for its Permitted Use is permitted under any documents encumbering or otherwise affecting Sublandlord's interest in the applicable Subleased Premises (each, a "**Third Party Agreement**"). Subtenant understands and agrees that Sublandlord has not requested the consent of any third party to this Sublease with respect to any Subleased Premises, which third party may or may not have a right to grant or withhold such consent, and that if Subtenant desires to obtain any such consent, then Subtenant may seek to obtain such consent at its own cost, risk and expense. Subtenant's rights with respect to this Sublease, are subject and subordinate to all applicable Third Party Agreements.

(b) Subtenant acknowledges and agrees that Sublandlord has made available to Subtenant for copying and review (including by means of any website or other electronic means which have been made available to Subtenant prior to the execution of this Sublease) all Third Party Agreements in Sublandlord's possession or control. As such, Subtenant shall be deemed to know of the existence of any fact or circumstance as disclosed by any Third Party Agreement for the purposes of this Section 22. Notwithstanding the foregoing, in making such Third Party Agreements available to the Subtenant, Subtenant acknowledges that Sublandlord makes no representation or warranty as to the completeness or accuracy of the information provided.

23. Limitation on Sublandlord's Liability.

With respect to collection of any judgment (or other judicial process) requiring the payment of money by Sublandlord in the event of any default or breach by Sublandlord with respect to any of the terms, covenants and conditions of this Sublease or any Master Lease as affecting a Subleased Premises, Subtenant agrees that it shall look solely to the estate of Sublandlord in the Building (together with the land on which such Building is located) in which the applicable Subleased Premises is located, subject to the prior rights of any mortgagee of such Building or any underlying lessor, and no other assets of each Sublandlord shall be subject to levy, garnishment, attachment, execution or other procedures for the satisfaction of Subtenant's remedies.

24. Additional Documentation.

From time to time throughout the Term, Subtenant shall execute and deliver to Sublandlord, within ten (10) business days following request therefor, any reasonable document required by Sublandlord in connection with this Sublease or any portion of any Subleased Premises including, by way of example and without limitation, tenant estoppel certificates addressed to Sublandlord and/or Sublandlord's prospective lender and/or purchaser and Subordination, Non-Disturbance and Attornment Agreements with Sublandlord's or its purchaser's lender or prospective lender.

25. Rules and Regulations.

Subtenant agrees to comply with reasonable rules and regulations issues by Sublandlord governing the conduct of businesses on or about the Subleased Premises and any rules and regulations issued by Sublandlord for the Building.

26. Signage.

Subtenant shall not install any signage on or about any of the Subleased Premises without the prior written consent of Sublandlord or the applicable Landlord, if applicable, which consent may be granted or withheld in Sublandlord's or such Landlord's sole discretion.

27. Master Lease

This Sublease is and shall be at all times subject and subordinate to each Master Lease. The terms, conditions and respective obligations of Sublandlord and Subtenant to each other under this Sublease shall be the terms and conditions of the applicable Master Lease with respect to each Subleased Premises except for those provisions of a Master Lease which are directly

contradicted by this Sublease in which event the terms of this Sublease shall control over such Master Lease. During the term of this Sublease and for all periods subsequent for obligations which have arisen prior to the termination of this Sublease, Subtenant does hereby expressly assume and agree to perform and comply with, for the benefit of Sublandlord and the applicable Landlord, each and every obligation of tenant under a Master Lease. In the event of the expiration or termination of the Master Lease for any reason whatsoever, this Sublease shall automatically terminate on the date of the expiration or termination of the Master Lease, and Subtenant shall have no claim against Sublandlord of any kind whatsoever on account thereof, and the parties hereto shall thereupon be relieved of all liability and obligation hereunder, excepting liabilities and obligations which accrued or arose prior to the date of such termination or expiration. Subtenant shall not violate or breach any of the terms, covenants or conditions of any Master Lease nor do or fail to do or permit anything to be done which would violate, breach or be contrary to a Master Lease or cause such Master Lease to be terminated or forfeited. Subtenant is not hereby granted any of the rights granted to Sublandlord, as tenant under a Master Lease, including, without limitation, Sublandlord's right to exercise renewal term options.

28. Risk of Loss.

Subtenant assumes all risk of damage or loss of any fixtures, equipment, merchandise or goods located in or about the Subleased Premises from any cause whatsoever and for all damage or loss that may arise from, without limitation, the following: delivery, receipt, piling, stacking, storage, or handling the goods and merchandise of Subtenant, whether within the Subleased Premises or otherwise. Subtenant shall be liable for any new installation (subject to Sublandlord's consent which shall not be unreasonably withheld), repair, maintenance, and payment of all costs associated with new or existing security systems, if any, in the Subleased Premises. Sublandlord shall have no obligation to provide security for any Subleased Premises, except as any security measure may be generally available for Sublandlord's retail operations in the Building where such Subleased Premises are located. In no event shall Sublandlord be responsible for shrinkage experienced by Subtenant at any Subleased Premises.

29. Sublandlord's Early Termination Option.

Notwithstanding anything in this Sublease to the contrary, this Sublease shall be terminated with respect to an applicable Subleased Premises at any time upon prior written notice to Subtenant in the following events:

(i) If Sublandlord is selling or has sold the Building in which the Subleased Premises are located or if Sublandlord ceases to operate a retail facility in the Building in which the Subleased Premises are located in substantially the same manner as existing on the date of this Sublease, then Sublandlord shall terminate this Sublease with respect to the applicable Subleased Premises by delivery of written notice to Subtenant, with such termination to be effective ninety (90) days after the date of such notice; or

(ii) If any third party under a Third Party Agreement objects to this Sublease with respect to a Subleased Premises, then Sublandlord shall, in Sublandlord's sole discretion, either (a) terminate this Sublease with respect to the applicable Subleased Premises by delivery of written notice to Subtenant, with such termination to be effective thirty (30) days after the date of such notice or (b) procure the third party's agreement to permit Subtenant to continue to occupy the applicable Subleased Premises as provided for under the terms of this Sublease.

On or before the effective date of a termination of this Sublease with respect to the applicable Subleased Premises ("**Termination Date**") as described in either subparagraphs (i) or (ii) above, Subtenant shall surrender and vacate the Subleased Premises in accordance with Section 13. Subtenant covenants and agrees to pay Sublandlord all sums accruing and/or required to be paid by Subtenant pursuant to the provisions of this Sublease with respect to such Subleased Premises through the Termination Date, as and when any of such sums become due and payable. Subtenant's obligations under this Section shall survive the Expiration Date or earlier termination of this Sublease.

30. Quiet Enjoyment.

Provided that Subtenant pays the Rent and fully and faithfully observes and performs all of the terms, covenants and conditions set forth in this Sublease on Subtenant's part to be observed and performed, Sublandlord shall not do anything during the Term as to unlawfully interfere with Subtenant's peaceful and quiet enjoyment of the Subleased Premises, subject, nevertheless, to the terms and conditions of this Sublease and the RSA. Subtenant shall not interfere with the quiet enjoyment of the other tenants of the Building.

31. Encroachments.

Notwithstanding any provision in this Sublease to the contrary, in the event Subtenant operates, occupies or uses any portion of a Building other than the Subleased Premises contained in such Building (and other than the non-exclusive use of the Common Areas as provided in Section 1 hereof), Subtenant shall have ten (10) days to cure after notice thereof. If Subtenant fails to cure such an encroachment within the ten (10) day period, Subtenant shall: (a) pay an amount equal to the per square foot Gross Rent for the applicable Subleased Premises set forth on **Annex A** under the column "Rent PSF" for the particular location where the encroachment occurred, multiplied by the amount of space that is encroached upon, and such increase in Rent shall be retroactive to the date that such operation, occupation or use commenced. If such an encroachment occurs more than twice within any twelve (12) month period, Sublandlord may terminate this Sublease with respect to its Subleased Premises immediately upon Sublandlord's written notice to Subtenant.

32. Choice of Law, Litigation, Court Costs and Attorney's Fees.

In the event that at any time either Sublandlord or Subtenant institutes any action or proceeding against the other relating to the provisions of this Sublease or any default hereunder, the prevailing party in such action or proceeding will be entitled to recover from the other party reasonable attorneys' fees and costs. This Sublease with respect to each Subleased Premises shall be construed in accordance with and governed by the laws of the state in which such Subleased Premises are located. Sublandlord and Subtenant waive all rights to (i) trial by jury in any litigation arising under this Sublease and (ii) resort to arbitration in the event of any dispute under this Sublease.

33. Counterparts

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

34. Acknowledgement of Representation by Legal Counsel.

Each party hereto warrants and represents that it has reviewed and negotiated the terms and conditions of this Sublease with legal counsel of its own choosing, or has had an opportunity to do so, and that it knowingly and voluntarily enters into this Sublease having had the opportunity to consult with legal counsel.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Sublease as of the day and year first above written.

SUBLANDLORD:

SEARS, ROEBUCK AND CO.,
a New York corporation

By: /s/ Robert A. Riecker
Name: Robert A. Riecker
Title: Vice President, Controller and Chief Accounting Officer

KMART CORPORATION,
a Michigan corporation

By: /s/ Robert A. Riecker
Name: Robert A. Riecker
Title: Vice President, Controller and Chief Accounting Officer

SUBTENANT:

LANDS' END, INC.,
a Delaware corporation

By: /s/ Karl A. Dahlen
Name: Karl A. Dahlen
Title: SVP, General Counsel and Secretary

Store Num	Store Name	Lease Term	Lease Factor	FY2014 Begin Sq Ft	Yr 1 Rent PSF	Yr 1 Rent	Downsize/ Closure?	FY2015 Begin Sq Ft	Lease Factor	Yr 2 Rent PSF	Yr 2 Rent	FY2016 Begin Sq Ft	Lease Factor	Yr 3 Rent PSF	Yr 3 Rent
2035	2035 COLUMBIA	0.08	[*****]	6,145	[*****]	[*****]		6,145	[*****]	[*****]	[*****]	6,145	[*****]	[*****]	[*****]
1200	1200 CHICAGO/STATE ST	0.23	[*****]	10,060	[*****]	[*****]		10,060	[*****]	[*****]	[*****]	10,060	[*****]	[*****]	[*****]
2875	2875 FRANKLIN/NASHVILLE	0.29	[*****]	6,921	[*****]	[*****]		0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]
1199	1199 SAN MATEO	0.49	[*****]	8,997	[*****]	[*****]		8,997	[*****]	[*****]	[*****]	8,997	[*****]	[*****]	[*****]
1031	1031 DENVER/CHERRY CREEK	1.00	[*****]	17,027	[*****]	[*****]		0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]
1223	1223 BROCKTON	1.00	[*****]	5,951	[*****]	[*****]		0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]
1554	1554 MAYS LANDING	1.00	[*****]	8,792	[*****]	[*****]		0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]
2027	2027 WASILLA	1.00	[*****]	1,157	[*****]	[*****]		0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]
2494	2494 ALTOONA	1.00	[*****]	4,962	[*****]	[*****]		0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]
1243	1243 HANOVER	1.07	[*****]	15,329	[*****]	[*****]		15,329	[*****]	[*****]	[*****]	15,329	[*****]	[*****]	[*****]
2173	2173 SARATOGA	1.45	[*****]	6,281	[*****]	[*****]		6,281	[*****]	[*****]	[*****]	6,281	[*****]	[*****]	[*****]
1334	1334 PITTSBURGH SOUTH HILLS	1.48	[*****]	7,909	[*****]	[*****]		7,909	[*****]	[*****]	[*****]	7,909	[*****]	[*****]	[*****]
2824	2824 CARY	1.49	[*****]	5,868	[*****]	[*****]		5,868	[*****]	[*****]	[*****]	5,868	[*****]	[*****]	[*****]
2023	2023 CONCORD	1.49	[*****]	6,718	[*****]	[*****]		6,718	[*****]	[*****]	[*****]	6,718	[*****]	[*****]	[*****]
2603	2603 NEW HARTFORD	1.49	[*****]	8,657	[*****]	[*****]		8,657	[*****]	[*****]	[*****]	8,657	[*****]	[*****]	[*****]
2623	2623 RUTLAND	1.49	[*****]	5,965	[*****]	[*****]		5,965	[*****]	[*****]	[*****]	5,965	[*****]	[*****]	[*****]
2344	2344 STATE COLLEGE	1.57	[*****]	3,056	[*****]	[*****]		3,056	[*****]	[*****]	[*****]	3,056	[*****]	[*****]	[*****]
1470	1470 GREENWOOD	1.66	[*****]	4,707	[*****]	[*****]		4,707	[*****]	[*****]	[*****]	4,707	[*****]	[*****]	[*****]
1984	1984 BUFFALO/HAMBURG	1.66	[*****]	8,118	[*****]	[*****]		8,118	[*****]	[*****]	[*****]	8,118	[*****]	[*****]	[*****]
2043	2043 KINGSTON	1.75	[*****]	5,359	[*****]	[*****]		5,359	[*****]	[*****]	[*****]	5,359	[*****]	[*****]	[*****]
2684	2684 FRACKVILLE	1.75	[*****]	4,557	[*****]	[*****]	min rent	4,557	[*****]	[*****]	[*****]	4,557	[*****]	[*****]	[*****]
1534	1534 SCRANTON	1.91	[*****]	5,963	[*****]	[*****]		5,963	[*****]	[*****]	[*****]	5,963	[*****]	[*****]	[*****]
1850	1850 LOUISVILLE OXMOOR	2.00	[*****]	8,345	[*****]	[*****]		8,345	[*****]	[*****]	[*****]	8,345	[*****]	[*****]	[*****]
1304	1304 SILVER SPRING	2.08	[*****]	4,973	[*****]	[*****]		4,973	[*****]	[*****]	[*****]	4,973	[*****]	[*****]	[*****]
1758	1758 ESCONDIDO	2.08	[*****]	4,035	[*****]	[*****]	min rent	4,035	[*****]	[*****]	[*****]	4,035	[*****]	[*****]	[*****]
2373	2373 NO DARTMOUTH	2.19	[*****]	4,076	[*****]	[*****]		4,076	[*****]	[*****]	[*****]	4,076	[*****]	[*****]	[*****]
1646	1646 PINEVILLE	2.47	[*****]	5,894	[*****]	[*****]		5,894	[*****]	[*****]	[*****]	5,894	[*****]	[*****]	[*****]
1684	1684 WOODBRIDGE	2.51	[*****]	9,422	[*****]	[*****]	min rent	9,422	[*****]	[*****]	[*****]	9,422	[*****]	[*****]	[*****]
1368	1368 CONCORD	2.72	[*****]	9,947	[*****]	[*****]		9,947	[*****]	[*****]	[*****]	9,947	[*****]	[*****]	[*****]
2343	2343 LANESBORO(PITTSFIELD)	2.73	[*****]	5,537	[*****]	[*****]		5,537	[*****]	[*****]	[*****]	5,537	[*****]	[*****]	[*****]

Store Num	Store Name	FY2017 Begin Sq Ft	Lease Factor	Yr 4 Rent PSF	Yr 4 Rent	FY2018 Begin Sq Ft	Lease Factor	Yr 5 Rent PSF	Yr 5 Rent	FY2019 Begin Sq Ft	Lease Factor	Yr 6 Rent PSF	Yr 6 Rent	Expiration Date	Owned / Leased
2035	2035 COLUMBIA	6,145	[*****]	[*****]	[*****]	6,145	[*****]	[*****]	[*****]	6,145	[*****]	[*****]	[*****]	3/2/2014	GL
1200	1200 CHICAGO/STATE ST	10,060	[*****]	[*****]	[*****]	10,060	[*****]	[*****]	[*****]	10,060	[*****]	[*****]	[*****]	4/25/2014	GL
2875	2875 FRANKLIN/NASHVILLE	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	5/18/2014	GL
1199	1199 SAN MATEO	8,997	[*****]	[*****]	[*****]	8,997	[*****]	[*****]	[*****]	8,997	[*****]	[*****]	[*****]	7/31/2014	GL
1031	1031 DENVER/CHERRY CREEK	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	2/1/2015	GL
1223	1223 BROCKTON	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	2/1/2015	GL
1554	1554 MAYS LANDING	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	2/1/2015	GL
2027	2027 WASILLA	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	2/1/2015	GL
2494	2494 ALTOONA	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	0	[*****]	[*****]	[*****]	2/1/2015	GL
1243	1243 HANOVER	15,329	[*****]	[*****]	[*****]	15,329	[*****]	[*****]	[*****]	15,329	[*****]	[*****]	[*****]	2/28/2015	GL
2173	2173 SARATOGA	6,281	[*****]	[*****]	[*****]	6,281	[*****]	[*****]	[*****]	6,281	[*****]	[*****]	[*****]	7/17/2015	GL
1334	1334 PITTSBURGH SOUTH HILLS	7,909	[*****]	[*****]	[*****]	7,909	[*****]	[*****]	[*****]	7,909	[*****]	[*****]	[*****]	7/27/2015	GL
2824	2824 CARY	5,868	[*****]	[*****]	[*****]	5,868	[*****]	[*****]	[*****]	5,868	[*****]	[*****]	[*****]	7/30/2015	GL
2023	2023 CONCORD	6,718	[*****]	[*****]	[*****]	6,718	[*****]	[*****]	[*****]	6,718	[*****]	[*****]	[*****]	7/31/2015	GL
2603	2603 NEW HARTFORD	8,657	[*****]	[*****]	[*****]	8,657	[*****]	[*****]	[*****]	8,657	[*****]	[*****]	[*****]	7/31/2015	GL
2623	2623 RUTLAND	5,965	[*****]	[*****]	[*****]	5,965	[*****]	[*****]	[*****]	5,965	[*****]	[*****]	[*****]	7/31/2015	GL
2344	2344 STATE COLLEGE	3,056	[*****]	[*****]	[*****]	3,056	[*****]	[*****]	[*****]	3,056	[*****]	[*****]	[*****]	8/28/2015	GL
1470	1470 GREENWOOD	4,707	[*****]	[*****]	[*****]	4,707	[*****]	[*****]	[*****]	4,707	[*****]	[*****]	[*****]	9/30/2015	GL
1984	1984 BUFFALO/HAMBURG	8,118	[*****]	[*****]	[*****]	8,118	[*****]	[*****]	[*****]	8,118	[*****]	[*****]	[*****]	9/30/2015	GL
2043	2043 KINGSTON	5,359	[*****]	[*****]	[*****]	5,359	[*****]	[*****]	[*****]	5,359	[*****]	[*****]	[*****]	10/31/2015	GL
2684	2684 FRACKVILLE	4,557	[*****]	[*****]	[*****]	4,557	[*****]	[*****]	[*****]	4,557	[*****]	[*****]	[*****]	10/31/2015	GL
1534	1534 SCRANTON	5,963	[*****]	[*****]	[*****]	5,963	[*****]	[*****]	[*****]	5,963	[*****]	[*****]	[*****]	12/31/2015	GL
1850	1850 LOUISVILLE OXMOOR	8,345	[*****]	[*****]	[*****]	8,345	[*****]	[*****]	[*****]	8,345	[*****]	[*****]	[*****]	1/31/2016	GL
1304	1304 SILVER SPRING	4,973	[*****]	[*****]	[*****]	4,973	[*****]	[*****]	[*****]	4,973	[*****]	[*****]	[*****]	3/1/2016	GL
1758	1758 ESCONDIDO	4,035	[*****]	[*****]	[*****]	4,035	[*****]	[*****]	[*****]	4,035	[*****]	[*****]	[*****]	3/1/2016	GL
2373	2373 NO DARTMOUTH	4,076	[*****]	[*****]	[*****]	4,076	[*****]	[*****]	[*****]	4,076	[*****]	[*****]	[*****]	4/12/2016	GL
1646	1646 PINEVILLE	5,894	[*****]	[*****]	[*****]	5,894	[*****]	[*****]	[*****]	5,894	[*****]	[*****]	[*****]	7/23/2016	GL
1684	1684 WOODBRIDGE	9,422	[*****]	[*****]	[*****]	9,422	[*****]	[*****]	[*****]	9,422	[*****]	[*****]	[*****]	8/5/2016	GL
1368	1368 CONCORD	9,947	[*****]	[*****]	[*****]	9,947	[*****]	[*****]	[*****]	9,947	[*****]	[*****]	[*****]	10/19/2016	GL
2343	2343 LANESBORO(PITTSFIELD)	5,537	[*****]	[*****]	[*****]	5,537	[*****]	[*****]	[*****]	5,537	[*****]	[*****]	[*****]	10/25/2016	GL

Store Num	Store Name	Lease Term	Lease Factor	FY2014 Begin Sq Ft	Yr 1 Rent PSF	Yr 1 Rent	Downsize/ Closure?	FY2015 Begin Sq Ft	Lease Factor	Yr 2 Rent PSF	Yr 2 Rent	FY2016 Begin Sq Ft	Lease Factor	Yr 3 Rent PSF	Yr 3 Rent
1064	1064 LANGHORNE/OXFORD VLY	3.04	[*****]	8,103	[*****]	[*****]		8,103	[*****]	[*****]	[*****]	8,103	[*****]	[*****]	[*****]
1323	1323 MIDDLETOWN	3.33	[*****]	6,299	[*****]	[*****]		6,299	[*****]	[*****]	[*****]	6,299	[*****]	[*****]	[*****]
1232	1232 COON RAPIDS	3.50	[*****]	6,491	[*****]	[*****]		6,491	[*****]	[*****]	[*****]	6,491	[*****]	[*****]	[*****]
2453	2453 GLENS FALLS	3.50	[*****]	5,266	[*****]	[*****]		5,266	[*****]	[*****]	[*****]	5,266	[*****]	[*****]	[*****]
1092	1092 WESTLAND(DETROIT)	3.72	[*****]	3,506	[*****]	[*****]	min rent	3,506	[*****]	[*****]	[*****]	3,506	[*****]	[*****]	[*****]
1213	1213 AUBURN	3.75	[*****]	9,695	[*****]	[*****]		9,695	[*****]	[*****]	[*****]	9,695	[*****]	[*****]	[*****]
1725	1725 ANNAPOLIS	3.83	[*****]	14,383	[*****]	[*****]		14,383	[*****]	[*****]	[*****]	14,383	[*****]	[*****]	[*****]
1014	1014 ENFIELD	4.00	[*****]	7,435	[*****]	[*****]		7,435	[*****]	[*****]	[*****]	7,435	[*****]	[*****]	[*****]
1124	1124 BAY SHORE	4.00	[*****]	6,217	[*****]	[*****]		6,217	[*****]	[*****]	[*****]	6,217	[*****]	[*****]	[*****]
5539	5539 SOLON	4.16	[*****]	7,240	[*****]	[*****]		7,240	[*****]	[*****]	[*****]	7,240	[*****]	[*****]	[*****]
1244	1244 YORK/GALLERIA	4.00	[*****]	9,706	[*****]	[*****]	min rent	9,706	[*****]	[*****]	[*****]	9,706	[*****]	[*****]	[*****]
1139	1139 TUKWILA	4.50	[*****]	8,759	[*****]	[*****]		8,759	[*****]	[*****]	[*****]	8,759	[*****]	[*****]	[*****]
2664	2664 FREDERICK	4.50	[*****]	7,829	[*****]	[*****]		7,829	[*****]	[*****]	[*****]	7,829	[*****]	[*****]	[*****]
1674	1674 WHITE PLAINS	4.58	[*****]	8,729	[*****]	[*****]		8,729	[*****]	[*****]	[*****]	8,729	[*****]	[*****]	[*****]
2113	2113 ROTTERDAM(SCHENECTADY)	4.58	[*****]	6,546	[*****]	[*****]	min rent	6,546	[*****]	[*****]	[*****]	6,546	[*****]	[*****]	[*****]
1695	1695 ALPHARETTA	4.72	[*****]	12,110	[*****]	[*****]		12,110	[*****]	[*****]	[*****]	12,110	[*****]	[*****]	[*****]
1202	1202 BEAVERCREEK/DAYTON	4.73	[*****]	7,316	[*****]	[*****]		7,316	[*****]	[*****]	[*****]	7,316	[*****]	[*****]	[*****]
1765	1765 PALM BEACH GARDENS	4.75	[*****]	6,188	[*****]	[*****]		6,188	[*****]	[*****]	[*****]	6,188	[*****]	[*****]	[*****]
1024	1024 FALLS CHURCH	4.83	[*****]	7,070	[*****]	[*****]		7,070	[*****]	[*****]	[*****]	7,070	[*****]	[*****]	[*****]
2395	2395 MANASSAS	5.37	[*****]	7,407	[*****]	[*****]		7,407	[*****]	[*****]	[*****]	7,407	[*****]	[*****]	[*****]
1280	1280 SPRINGDALE	5.50	[*****]	16,506	[*****]	[*****]		16,506	[*****]	[*****]	[*****]	16,506	[*****]	[*****]	[*****]
2353	2353 KINGSTON	5.66	[*****]	6,207	[*****]	[*****]		6,207	[*****]	[*****]	[*****]	6,207	[*****]	[*****]	[*****]
1073	1073 EXTON	5.68	[*****]	9,039	[*****]	[*****]		9,039	[*****]	[*****]	[*****]	9,039	[*****]	[*****]	[*****]
2071	2071 CINCINNATI WESTERN HILLS	5.72	[*****]	5,937	[*****]	[*****]		5,937	[*****]	[*****]	[*****]	5,937	[*****]	[*****]	[*****]
1273	1273 HOLYOKE	5.73	[*****]	7,635	[*****]	[*****]		7,635	[*****]	[*****]	[*****]	7,635	[*****]	[*****]	[*****]
1170	1170 LANSING	5.83	[*****]	9,553	[*****]	[*****]		9,553	[*****]	[*****]	[*****]	9,553	[*****]	[*****]	[*****]
1330	1330 EVANSVILLE	5.83	[*****]	4,495	[*****]	[*****]		4,495	[*****]	[*****]	[*****]	4,495	[*****]	[*****]	[*****]
2323	2323 HYANNIS	5.83	[*****]	7,915	[*****]	[*****]		7,915	[*****]	[*****]	[*****]	7,915	[*****]	[*****]	[*****]
1004	1004 GARDEN CITY	6.00	[*****]	19,847	[*****]	[*****]	downsize	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]
1013	1013 GLEN BURNIE	6.00	[*****]	8,050	[*****]	[*****]		8,050	[*****]	[*****]	[*****]	8,050	[*****]	[*****]	[*****]
1044	1044 JERSEY CTY/NEWPORT	6.00	[*****]	5,411	[*****]	[*****]		5,411	[*****]	[*****]	[*****]	5,411	[*****]	[*****]	[*****]

Store Num	Store Name	FY2017 Begin Sq Ft	Lease Factor	Yr 4 Rent PSF	Yr 4 Rent	FY2018 Begin Sq Ft	Lease Factor	Yr 5 Rent PSF	Yr 5 Rent	FY2019 Begin Sq Ft	Lease Factor	Yr 6 Rent PSF	Yr 6 Rent	Expiration Date	Owned / Leased
1064	1064 LANGHORNE/OXFORD VLY	8,103	[*****]	[*****]	[*****]	8,103	[*****]	[*****]	[*****]	8,103	[*****]	[*****]	[*****]	2/15/2017	GL
1323	1323 MIDDLETOWN	6,299	[*****]	[*****]	[*****]	6,299	[*****]	[*****]	[*****]	6,299	[*****]	[*****]	[*****]	5/31/2017	GL
1232	1232 COON RAPIDS	6,491	[*****]	[*****]	[*****]	6,491	[*****]	[*****]	[*****]	6,491	[*****]	[*****]	[*****]	7/31/2017	GL
2453	2453 GLENS FALLS	5,266	[*****]	[*****]	[*****]	5,266	[*****]	[*****]	[*****]	5,266	[*****]	[*****]	[*****]	7/31/2017	GL
1092	1092 WESTLAND(DETROIT)	3,506	[*****]	[*****]	[*****]	3,506	[*****]	[*****]	[*****]	3,506	[*****]	[*****]	[*****]	10/21/2017	GL
1213	1213 AUBURN	9,695	[*****]	[*****]	[*****]	9,695	[*****]	[*****]	[*****]	9,695	[*****]	[*****]	[*****]	10/31/2017	GL
1725	1725 ANNAPOLIS	14,383	[*****]	[*****]	[*****]	14,383	[*****]	[*****]	[*****]	14,383	[*****]	[*****]	[*****]	11/30/2017	GL
1014	1014 ENFIELD	7,435	[*****]	[*****]	[*****]	7,435	[*****]	[*****]	[*****]	7,435	[*****]	[*****]	[*****]	1/31/2018	GL
1124	1124 BAY SHORE	6,217	[*****]	[*****]	[*****]	6,217	[*****]	[*****]	[*****]	6,217	[*****]	[*****]	[*****]	1/31/2018	GL
5539	5539 SOLON	7,240	[*****]	[*****]	[*****]	7,240	[*****]	[*****]	[*****]	7,240	[*****]	[*****]	[*****]	3/31/2018	GL
1244	1244 YORK/GALLERIA	9,706	[*****]	[*****]	[*****]	9,706	[*****]	[*****]	[*****]	9,706	[*****]	[*****]	[*****]	1/31/2018	Lease
1139	1139 TUKWILA	8,759	[*****]	[*****]	[*****]	8,759	[*****]	[*****]	[*****]	8,759	[*****]	[*****]	[*****]	7/31/2018	Lease
2664	2664 FREDERICK	7,829	[*****]	[*****]	[*****]	7,829	[*****]	[*****]	[*****]	7,829	[*****]	[*****]	[*****]	7/31/2018	Lease
1674	1674 WHITE PLAINS	8,729	[*****]	[*****]	[*****]	8,729	[*****]	[*****]	[*****]	8,729	[*****]	[*****]	[*****]	8/31/2018	Lease
2113	2113 ROTTERDAM(SCHENECTADY)	6,546	[*****]	[*****]	[*****]	6,546	[*****]	[*****]	[*****]	6,546	[*****]	[*****]	[*****]	8/31/2018	Lease
1695	1695 ALPHARETTA	12,110	[*****]	[*****]	[*****]	12,110	[*****]	[*****]	[*****]	12,110	[*****]	[*****]	[*****]	10/19/2018	Lease
1202	1202 BEAVERCREEK/DAYTON	7,316	[*****]	[*****]	[*****]	7,316	[*****]	[*****]	[*****]	7,316	[*****]	[*****]	[*****]	10/26/2018	Lease
1765	1765 PALM BEACH GARDENS	6,188	[*****]	[*****]	[*****]	6,188	[*****]	[*****]	[*****]	6,188	[*****]	[*****]	[*****]	10/31/2018	Lease
1024	1024 FALLS CHURCH	7,070	[*****]	[*****]	[*****]	7,070	[*****]	[*****]	[*****]	7,070	[*****]	[*****]	[*****]	11/30/2018	Lease
2395	2395 MANASSAS	7,407	[*****]	[*****]	[*****]	7,407	[*****]	[*****]	[*****]	7,407	[*****]	[*****]	[*****]	6/14/2019	Lease
1280	1280 SPRINGDALE	16,506	[*****]	[*****]	[*****]	16,506	[*****]	[*****]	[*****]	16,506	[*****]	[*****]	[*****]	7/31/2019	Lease
2353	2353 KINGSTON	6,207	[*****]	[*****]	[*****]	6,207	[*****]	[*****]	[*****]	6,207	[*****]	[*****]	[*****]	9/30/2019	Lease
1073	1073 EXTON	9,039	[*****]	[*****]	[*****]	9,039	[*****]	[*****]	[*****]	9,039	[*****]	[*****]	[*****]	10/5/2019	Lease
2071	2071 CINCINNATI WESTERN HILLS	5,937	[*****]	[*****]	[*****]	5,937	[*****]	[*****]	[*****]	5,937	[*****]	[*****]	[*****]	10/19/2019	Lease
1273	1273 HOLYOKE	7,635	[*****]	[*****]	[*****]	7,635	[*****]	[*****]	[*****]	7,635	[*****]	[*****]	[*****]	10/24/2019	Lease
1170	1170 LANSING	9,553	[*****]	[*****]	[*****]	9,553	[*****]	[*****]	[*****]	9,553	[*****]	[*****]	[*****]	11/30/2019	Lease
1330	1330 EVANSVILLE	4,495	[*****]	[*****]	[*****]	4,495	[*****]	[*****]	[*****]	4,495	[*****]	[*****]	[*****]	11/30/2019	Lease
2323	2323 HYANNIS	7,915	[*****]	[*****]	[*****]	7,915	[*****]	[*****]	[*****]	7,915	[*****]	[*****]	[*****]	11/30/2019	Lease
1004	1004 GARDEN CITY	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	1/31/2020	Lease
1013	1013 GLEN BURNIE	8,050	[*****]	[*****]	[*****]	8,050	[*****]	[*****]	[*****]	8,050	[*****]	[*****]	[*****]	1/31/2020	Lease
1044	1044 JERSEY CTY/NEWPORT	5,411	[*****]	[*****]	[*****]	5,411	[*****]	[*****]	[*****]	5,411	[*****]	[*****]	[*****]	1/31/2020	Lease

Store Num	Store Name	Lease Term	Lease Factor	FY2014 Begin Sq Ft	Yr 1 Rent PSF	Yr 1 Rent	Downsize/ Closure?	FY2015 Begin Sq Ft	Lease Factor	Yr 2 Rent PSF	Yr 2 Rent	FY2016 Begin Sq Ft	Lease Factor	Yr 3 Rent PSF	Yr 3 Rent
1048	1048 PASADENA	6.00	[*****]	7,168	[*****]	[*****]		7,168	[*****]	[*****]	[*****]	7,168	[*****]	[*****]	[*****]
1123	1123 DEDHAM	6.00	[*****]	8,522	[*****]	[*****]		8,522	[*****]	[*****]	[*****]	8,522	[*****]	[*****]	[*****]
1133	1133 LEOMINSTER	6.00	[*****]	7,483	[*****]	[*****]		7,483	[*****]	[*****]	[*****]	7,483	[*****]	[*****]	[*****]
1134	1134 MILFORD	6.00	[*****]	9,130	[*****]	[*****]		9,130	[*****]	[*****]	[*****]	9,130	[*****]	[*****]	[*****]
1143	1143 BROOKLYN/KINGS PLZ	6.00	[*****]	7,105	[*****]	[*****]		7,105	[*****]	[*****]	[*****]	7,105	[*****]	[*****]	[*****]
1154	1154 WHITEHALL	6.00	[*****]	7,401	[*****]	[*****]		7,401	[*****]	[*****]	[*****]	7,401	[*****]	[*****]	[*****]
1162	1162 AMHERST	6.00	[*****]	7,207	[*****]	[*****]		7,207	[*****]	[*****]	[*****]	7,207	[*****]	[*****]	[*****]
1253	1253 PEABODY	6.00	[*****]	16,272	[*****]	[*****]		16,272	[*****]	[*****]	[*****]	16,272	[*****]	[*****]	[*****]
1254	1254 WILMINGTON	6.00	[*****]	7,863	[*****]	[*****]		7,863	[*****]	[*****]	[*****]	7,863	[*****]	[*****]	[*****]
1274	1274 RICHMOND/CHESTERFIELD	6.00	[*****]	7,551	[*****]	[*****]		7,551	[*****]	[*****]	[*****]	7,551	[*****]	[*****]	[*****]
1278	1278 TORRANCE	6.00	[*****]	7,489	[*****]	[*****]		7,489	[*****]	[*****]	[*****]	7,489	[*****]	[*****]	[*****]
1283	1283 BRAINTREE	6.00	[*****]	10,747	[*****]	[*****]		10,747	[*****]	[*****]	[*****]	10,747	[*****]	[*****]	[*****]
1335	1335 GREENSBORO	6.00	[*****]	5,856	[*****]	[*****]		5,856	[*****]	[*****]	[*****]	5,856	[*****]	[*****]	[*****]
1374	1374 BEL AIR	6.00	[*****]	6,517	[*****]	[*****]		6,517	[*****]	[*****]	[*****]	6,517	[*****]	[*****]	[*****]
1395	1395 KNOXVILLE WEST TOWN	6.00	[*****]	7,705	[*****]	[*****]		7,705	[*****]	[*****]	[*****]	7,705	[*****]	[*****]	[*****]
1403	1403 NATICK	6.00	[*****]	19,306	[*****]	[*****]	downsize	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]
1404	1404 MASSAPEQUA	6.00	[*****]	6,997	[*****]	[*****]		6,997	[*****]	[*****]	[*****]	6,997	[*****]	[*****]	[*****]
1463	1463 BURLINGTON	6.00	[*****]	7,315	[*****]	[*****]		7,315	[*****]	[*****]	[*****]	7,315	[*****]	[*****]	[*****]
1494	1494 MOORESTOWN	6.00	[*****]	8,126	[*****]	[*****]		8,126	[*****]	[*****]	[*****]	8,126	[*****]	[*****]	[*****]
1528	1528 SAN RAFAEL	6.00	[*****]	6,922	[*****]	[*****]		6,922	[*****]	[*****]	[*****]	6,922	[*****]	[*****]	[*****]
1544	1544 REGO PARK	6.00	[*****]	7,421	[*****]	[*****]		7,421	[*****]	[*****]	[*****]	7,421	[*****]	[*****]	[*****]
1548	1548 LAGUNA HILLS	6.00	[*****]	8,173	[*****]	[*****]		8,173	[*****]	[*****]	[*****]	8,173	[*****]	[*****]	[*****]
1644	1644 LANCASTER	6.00	[*****]	8,635	[*****]	[*****]		8,635	[*****]	[*****]	[*****]	8,635	[*****]	[*****]	[*****]
1654	1654 MEDIA	6.00	[*****]	8,919	[*****]	[*****]		8,919	[*****]	[*****]	[*****]	8,919	[*****]	[*****]	[*****]
1722	1722 BLOOMINGTON	6.00	[*****]	8,564	[*****]	[*****]		8,564	[*****]	[*****]	[*****]	8,564	[*****]	[*****]	[*****]
1733	1733 YONKERS	6.00	[*****]	8,470	[*****]	[*****]		8,470	[*****]	[*****]	[*****]	8,470	[*****]	[*****]	[*****]
1834	1834 NORTH WALES	6.00	[*****]	9,819	[*****]	[*****]		9,819	[*****]	[*****]	[*****]	9,819	[*****]	[*****]	[*****]
1884	1884 KING OF PRUSSIA	6.00	[*****]	9,967	[*****]	[*****]		9,967	[*****]	[*****]	[*****]	9,967	[*****]	[*****]	[*****]
1958	1958 SAN JOSE/OAK RIDGE	6.00	[*****]	7,547	[*****]	[*****]		7,547	[*****]	[*****]	[*****]	7,547	[*****]	[*****]	[*****]
2138	2138 SANTA BARBARA	6.00	[*****]	5,841	[*****]	[*****]		5,841	[*****]	[*****]	[*****]	5,841	[*****]	[*****]	[*****]
2435	2435 CHARLOTTESVILLE	6.00	[*****]	6,125	[*****]	[*****]		6,125	[*****]	[*****]	[*****]	6,125	[*****]	[*****]	[*****]
2694	2694 FREDERICKSBURG	6.00	[*****]	5,347	[*****]	[*****]		5,347	[*****]	[*****]	[*****]	5,347	[*****]	[*****]	[*****]

Store Num	Store Name	FY2017 Begin Sq Ft	Lease Factor	Yr 4 Rent PSF	Yr 4 Rent	FY2018 Begin Sq Ft	Lease Factor	Yr 5 Rent PSF	Yr 5 Rent	FY2019 Begin Sq Ft	Lease Factor	Yr 6 Rent PSF	Yr 6 Rent	Expiration Date	Owned / Leased
1048	1048 PASADENA	7,168	[*****]	[*****]	[*****]	7,168	[*****]	[*****]	[*****]	7,168	[*****]	[*****]	[*****]	1/31/2020	Lease
1123	1123 DEDHAM	8,522	[*****]	[*****]	[*****]	8,522	[*****]	[*****]	[*****]	8,522	[*****]	[*****]	[*****]	1/31/2020	Lease
1133	1133 LEOMINSTER	7,483	[*****]	[*****]	[*****]	7,483	[*****]	[*****]	[*****]	7,483	[*****]	[*****]	[*****]	1/31/2020	Lease
1134	1134 MILFORD	9,130	[*****]	[*****]	[*****]	9,130	[*****]	[*****]	[*****]	9,130	[*****]	[*****]	[*****]	1/31/2020	Lease
1143	1143 BROOKLYN/KINGS PLZ	7,105	[*****]	[*****]	[*****]	7,105	[*****]	[*****]	[*****]	7,105	[*****]	[*****]	[*****]	1/31/2020	Lease
1154	1154 WHITEHALL	7,401	[*****]	[*****]	[*****]	7,401	[*****]	[*****]	[*****]	7,401	[*****]	[*****]	[*****]	1/31/2020	Lease
1162	1162 AMHERST	7,207	[*****]	[*****]	[*****]	7,207	[*****]	[*****]	[*****]	7,207	[*****]	[*****]	[*****]	1/31/2020	Lease
1253	1253 PEABODY	16,272	[*****]	[*****]	[*****]	16,272	[*****]	[*****]	[*****]	16,272	[*****]	[*****]	[*****]	1/31/2020	Lease
1254	1254 WILMINGTON	7,863	[*****]	[*****]	[*****]	7,863	[*****]	[*****]	[*****]	7,863	[*****]	[*****]	[*****]	1/31/2020	Lease
1274	1274 RICHMOND/CHESTERFIELD	7,551	[*****]	[*****]	[*****]	7,551	[*****]	[*****]	[*****]	7,551	[*****]	[*****]	[*****]	1/31/2020	Lease
1278	1278 TORRANCE	7,489	[*****]	[*****]	[*****]	7,489	[*****]	[*****]	[*****]	7,489	[*****]	[*****]	[*****]	1/31/2020	Lease
1283	1283 BRAINTREE	10,747	[*****]	[*****]	[*****]	10,747	[*****]	[*****]	[*****]	10,747	[*****]	[*****]	[*****]	1/31/2020	Lease
1335	1335 GREENSBORO	5,856	[*****]	[*****]	[*****]	5,856	[*****]	[*****]	[*****]	5,856	[*****]	[*****]	[*****]	1/31/2020	Lease
1374	1374 BEL AIR	6,517	[*****]	[*****]	[*****]	6,517	[*****]	[*****]	[*****]	6,517	[*****]	[*****]	[*****]	1/31/2020	Lease
1395	1395 KNOXVILLE WEST TOWN	7,705	[*****]	[*****]	[*****]	7,705	[*****]	[*****]	[*****]	7,705	[*****]	[*****]	[*****]	1/31/2020	Lease
1403	1403 NATICK	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	15,000	[*****]	[*****]	[*****]	1/31/2020	Lease
1404	1404 MASSAPEQUA	6,997	[*****]	[*****]	[*****]	6,997	[*****]	[*****]	[*****]	6,997	[*****]	[*****]	[*****]	1/31/2020	Lease
1463	1463 BURLINGTON	7,315	[*****]	[*****]	[*****]	7,315	[*****]	[*****]	[*****]	7,315	[*****]	[*****]	[*****]	1/31/2020	Lease
1494	1494 MOORESTOWN	8,126	[*****]	[*****]	[*****]	8,126	[*****]	[*****]	[*****]	8,126	[*****]	[*****]	[*****]	1/31/2020	Lease
1528	1528 SAN RAFAEL	6,922	[*****]	[*****]	[*****]	6,922	[*****]	[*****]	[*****]	6,922	[*****]	[*****]	[*****]	1/31/2020	Lease
1544	1544 REGO PARK	7,421	[*****]	[*****]	[*****]	7,421	[*****]	[*****]	[*****]	7,421	[*****]	[*****]	[*****]	1/31/2020	Lease
1548	1548 LAGUNA HILLS	8,173	[*****]	[*****]	[*****]	8,173	[*****]	[*****]	[*****]	8,173	[*****]	[*****]	[*****]	1/31/2020	Lease
1644	1644 LANCASTER	8,635	[*****]	[*****]	[*****]	8,635	[*****]	[*****]	[*****]	8,635	[*****]	[*****]	[*****]	1/31/2020	Lease
1654	1654 MEDIA	8,919	[*****]	[*****]	[*****]	8,919	[*****]	[*****]	[*****]	8,919	[*****]	[*****]	[*****]	1/31/2020	Lease
1722	1722 BLOOMINGTON	8,564	[*****]	[*****]	[*****]	8,564	[*****]	[*****]	[*****]	8,564	[*****]	[*****]	[*****]	1/31/2020	Lease
1733	1733 YONKERS	8,470	[*****]	[*****]	[*****]	8,470	[*****]	[*****]	[*****]	8,470	[*****]	[*****]	[*****]	1/31/2020	Lease
1834	1834 NORTH WALES	9,819	[*****]	[*****]	[*****]	9,819	[*****]	[*****]	[*****]	9,819	[*****]	[*****]	[*****]	1/31/2020	Lease
1884	1884 KING OF PRUSSIA	9,967	[*****]	[*****]	[*****]	9,967	[*****]	[*****]	[*****]	9,967	[*****]	[*****]	[*****]	1/31/2020	Lease
1958	1958 SAN JOSE/OAK RIDGE	7,547	[*****]	[*****]	[*****]	7,547	[*****]	[*****]	[*****]	7,547	[*****]	[*****]	[*****]	1/31/2020	Lease
2138	2138 SANTA BARBARA	5,841	[*****]	[*****]	[*****]	5,841	[*****]	[*****]	[*****]	5,841	[*****]	[*****]	[*****]	1/31/2020	Lease
2435	2435 CHARLOTTESVILLE	6,125	[*****]	[*****]	[*****]	6,125	[*****]	[*****]	[*****]	6,125	[*****]	[*****]	[*****]	1/31/2020	Lease
2694	2694 FREDERICKSBURG	5,347	[*****]	[*****]	[*****]	5,347	[*****]	[*****]	[*****]	5,347	[*****]	[*****]	[*****]	1/31/2020	Lease

ANNEX B

MASTER LEASES

ALASKA

Store No. 2027 (Wasilla, AK)

1. Ground Lease, dated November 16, 1992, between Newcomb Family Trust dated September 29, 1988 and Wal-Mart Stores, Inc. (as predecessor-in-interest to Sears, Roebuck and Co.)
2. Partial Release of Lessee's Interest, dated December 5, 1996, between State of Alaska, acting by and through its Department of Transportation and Public Facilities and Wal-Mart Real Estate Business Trust (predecessor-in-interest to Sears, Roebuck and Co.)
3. Memorandum of Lease, dated November 16, 1996, recorded January 6, 1993 in Book 703, Page 345, Records of the Palmer Recording District
4. First Amendment to Ground Lease, dated April 1, 2006, between Newcomb Family Trust dated September 29, 1988 and Sears, Roebuck and Co.
5. Memorandum of Assignment and Assumption of Ground Lease, dated January 29, 2011, recorded January 31, 2001, in Book 1113, Page 725 Records of the Palmer Recording District
6. Assignment and Assumption of Ground Lease, dated January 30, 2001, between Wal-Mart Realty Company and Sears, Roebuck and Co.

CALIFORNIA

Store No. 1048 (Pasadena, CA)

1. Sublease dated July 18, 1958 between Second Searsvale Properties, Inc. and Sears, Roebuck and Co.
2. Assignment dated July 22, 1958 between Second Searsvale Properties, Inc., Continental Illinois National Bank and Trust Company of Chicago and E.J. Friedrich (Trustees), and Sears, Roebuck and Co.
3. Assignment dated July 30, 1958 between Second Searsvale Properties, Inc., as assignor, and Silvale Properties Company, as assignee
4. Assignment dated August 27, 1981 between Silvale Properties Company, as assignor and Montross Corporation, as assignee
5. Assignment dated April 5, 1984 between Montross Corporation, as assignor and G&D Centers, Inc., as assignee
6. Notice of Exercise of Options dated April 13, 1984 between G&D Centers, Inc. and Sears, Roebuck and Co. (term ends April 29, 2024)
7. Assignment dated April 17, 1984 between G&D Centers, Inc., as assignor, and Hastings Ranch Plaza Associates, as assignee

8. Assignment dated October 22, 1986 between Hastings Ranch Plaza Associates, as assignor, and Rivin Properties, as assignee
9. Assignment dated January 15, 1997 between Barton Riven, as assignor, and Rivin Properties, L.P., as assignee
10. Letter dated January 9, 2002 from Sears, Roebuck and Co. to Rivin Properties, L.P. (regarding assignment consent)
11. Assignment and Assumption of Leases, Contracts, Warranties and Tradename dated February 28, 2003 between Rivin Properties, L.P., as assignor, and Hastings Ranch Shopping Center, L.P., as assignee
12. Letter Agreement dated October 25, 2004 between Sears, Roebuck and Co. and Riviera Center Management Company
13. Letter Agreement dated August 18, 2005 between Sears, Roebuck and Co. and Riviera Center Management Company

Store No. 1199 (San Mateo, CA)

1. Sublease dated December 30, 1996 between Sears Development Co., as sublandlord, and Sears, Roebuck and Co., as subtenant
2. Letter, dated September 30, 2006, from Sears, Roebuck and Co. regarding extension of lease term to December 31, 2016

Store No. 1278 (Torrance, CA)

1. Lease dated June 29, 1959 between Fourth Searsvale Properties, Inc. and Sears, Roebuck and Co.
2. Notice and Lease dated June 29, 1959
3. First Supplement to Indenture of Lease dated December 10, 1959 between Fourth Searsvale Properties, Inc. and Sears, Roebuck and Co.
4. Notice of Extension of Lease dated September 12, 1988 (extending term through June 30, 2049)
5. Notice of Extension of Lease, dated November 14, 1988 (extending term through June 30, 2049)

Store No. 1368 (Concord, CA)

1. Ground Lease dated August 29, 1963 between Hope Bartnett Belloc and Sears, Roebuck and Co.
2. Notice and Lease dated August 29, 1963
3. First Agreement Supplementing Lease dated March 31, 1965 between Hope Bartnett Belloc and Sears, Roebuck and Co.
4. Notice of Extension of Lease dated October 4, 2005 (extending term to October 9, 2016)

Store No. 1528 (San Rafael, CA)

1. Indenture of Ground Lease dated September 2, 1970 between M&T Incorporated and Sears, Roebuck and Co.
2. Short Form of Indenture of Ground Lease dated September 2, 1970
3. Agreement dated May 3, 1971 between Sears, Roebuck and Co. and M&T Incorporated and Brown-Ely Co.
4. Agreement of Assignment and Assumption dated June 30, 1981 between M&T Incorporated, as assignor, and M&T Properties, Inc., as assignee
5. First Amendment to Lease dated February 26, 1985 between M&T Properties, Inc. and Sears, Roebuck and Co.
6. Assumption of Lease dated March 29, 1985 by M&T Properties, Inc.
7. Assignment and Assumption of Lessor's Interest in Ground Lease dated December 3, 1985 between M&T Properties, Inc., as assignor, and Northgate Mall Associates, as assignee
8. Second Amendment to Lease dated August 21, 2009 between Northgate Mall Associates and Sears, Roebuck and Co.
9. Rent Directive dated April 27, 2010 (change in rent payment address)

Store No. 1548 (Laguna Hills, CA)

1. Ground Lease dated October 5, 1971 between Rossmoor Corporation and Sears, Roebuck and Co.
2. Short Form of Lease dated October 5, 1971
3. First Agreement Supplementing Lease dated August 22, 1972 between Rossmoor Corporation and Sears, Roebuck and Co.
4. First Amendment to Ground Lease dated April 18, 1974 between Rossmoor Corporation and Sears, Roebuck and Co.
5. Letter Agreement dated April 30, 2013 between Simon Property Group, Inc. and Sears, Roebuck and Co. (regarding site plan changes)
6. Landlord Change Letter dated May 10, 2013

Store No. 1758 (Escondido, CA)

1. Ground Lease dated November 26, 1986 between the City of Escondido and Sears, Roebuck and Co.
2. Short-Form Lease dated November 26, 1986
3. Lease Extension Notice dated August 18, 2010 to EWH Escondido Associates, L.P. and North Country Fair LP (extending term to March 1, 2016)

Store No. 1958 (San Jose, CA)

1. Sublease dated September 29, 1978 between Oakridge Associates, as landlord, and Federated Department Stores, Inc., as tenant ("Sublease")
2. Short Form Lease dated September 29, 1978
3. Assignment and Assumption Agreement dated January 23, 1985 between Federated Department Stores, Inc. as, assignor, and Nordstrom, Inc., as assignee
4. Assignment and Assumption Agreement dated April 13, 1995 between Nordstrom, Inc., as assignor, and Sears, Roebuck and Co., as assignee (assigning interest in Sublease and in REA to Sears)
5. Consent to Assignment dated April 21, 1995 by Oakridge Associates
6. Letter Agreement dated June 18, 2002 between Sears, Roebuck and Co. and Westfield Corporation, Inc.
7. Notice of Exercise of Option to Lease dated July 29, 2003 from Sears, Roebuck and Co. to Oakridge Mall, L.P. c/o Westfield Corporation, Inc.
8. First Amendment to Sublease dated November 3, 2003 between Oakridge Mall LP and Sears, Roebuck and Co.
9. Lease Renewal Notification dated September 19, 2012 to Oakridge Mall LLC (extending term to September 25, 2023)

Store No. 2138 (Santa Barbara, CA)

1. Lease dated October 22, 1965 between P. Paul Riparetti, Pauline Riparetti, Attilio Panizzon, Marguerite Panizzon, Angelina L .Cochrane, Jimmy Riparetti and Robert Panizzon, collectively as landlord, and La Cumbre Associates, as tenant
2. Supplemental Agreement dated July 14, 2006 between Riviera Dairy Property, LLC (Prime Landlord), SBR, LLC (Tenant) and Sears, Roebuck and Co. (Subtenant) (*referenced in 2010 estoppel certificate as being dated March 17, 2006*)
3. Indenture of Lease dated May 4, 1966 between La Cumbre Associates as Landlord and Sears, Roebuck and Co. as Tenant ("Sublease")
4. Notice and Lease dated June 23, 1966

5. First Amended Notice and Lease dated March 7, 1969
6. Second Amended Notice and Lease dated August 10, 1972
7. Grant of Option dated January 27, 1969
8. Assignment and Conveyance of Lease dated January 27, 1969 between La Cumbre Associates, as assignor, and Sears, Roebuck and Co., as assignee
9. Memorandum of Agreement dated May 4, 1966 between P. Paul Riparetti, Pauline Riparetti, Attilio Panizzon, Marguerite Panizzon, Angelina L .Cochrane, Jimmy Riparetti and Robert Panizzon as Landlord and La Cumbre Associates as Tenant and Sears, Roebuck and Co. as Prime Subtenant
10. First Agreement Supplementing Lease dated March 7, 1969 between La Cumbre Associates and Sears, Roebuck and Co.
11. Second Agreement Supplementing Lease dated August 10, 1972 between La Cumbre Associates and Sears, Roebuck and Co.
12. Assignment of Lessor's Interest in Sublease dated November 26, 1973 between La Cumbre Associates as Assignor and T.I.M Inc. as Assignee
13. Assignment of Lessor's Interest in Sublease dated December 6, 1973 between T.I.M Inc. as Assignor and Marjorie Brothers, et al. as Assignee
14. Assignment and Assumption of Lease dated December 23, 1986 between Pipe Crooner Corp.
15. Settlement Agreement for Ground Rent dated May 13, 1997
16. Letter Agreement dated June 25, 2002 between Riviera Dairy Property LLC and Sears Roebuck and Co. (*regarding definition of term "Lease Year" under the Prime Lease*)
17. Tri-Party Rent Adjustment Agreement dated July 14, 2006 between Riviera Dairy Property, LLC (Prime Landlord), SBR, LLC (Tenant) and Sears, Roebuck and Co. (Subtenant)
18. Rent Directive Notice dated October 16, 2012 (*rental payment address change*)
19. Lease Renewal Letter dated June 17, 2013 from Sears, Roebuck and Co. to Macerich La Cumbre 9.45AC LLC (*extending term to June 30, 2024*)

COLORADO

Store No. 1031 (Denver, CO)

1. Ground Lease, dated December 19, 2001, between Tower Cherry Creek L.L.C. (as predecessor-in-interest to AmCap Clayton (SRCo) LLC) and Sears, Roebuck and Co.

2. Memorandum of Lease and Notice of Control Area, dated December 19, 2001, between Tower Cherry Creek L.L.C. (as predecessor-in-interest to AmCap Clayton (SRCo) LLC) and Sears, Roebuck and Co.

3. First Amendment to Lease (Ground Lease), dated March 19, 2003, between Clayton Street Associates, LLC (as predecessor-in-interest to AmCap Clayton (SRCo) LLC) and Sears, Roebuck and Co.

CONNECTICUT

Store No. 1134 (Millford, CT)

1. Lease, dated March 17, 1999, between The Connecticut Post Limited Partnership, and Sears, Roebuck and Co.

2. Notice of Lease, dated February 1, 2000, recorded in the Office of the Clerk of the City of Milford on February 23, 2000, in Volume 2395, Page 495, Document 001507.

3. Collateral Agreement, dated March 17, 1999, between The Connecticut Post Limited Partnership, and Sears, Roebuck and Co.

4. Request for Notices to a Third Party, dated December 15, 1999

5. Lease Supplement, dated April 1, 2000, between The Connecticut Post Limited Partnership, and Sears, Roebuck and Co.

Store No. 1014 (Enfield, CT)

1. Lease, dated August 12, 1996, between CenterMark Properties, Inc. (as predecessor-in-interest to Centro Enfield LLC)

2. Collateral Agreement, dated August 12, 1996, between CenterMark Properties, Inc. (as predecessor-in-interest to Centro Enfield LLC)

3. Notice of Lease, dated August 12, 1996, recorded October 30, 1996 in the Enfield Land Records in Volume 1015, Page 085, between CenterMark Properties, Inc. (as predecessor-in-interest to Centro Enfield LLC)

4. Lease Supplement, dated May 27, 1997, between CenterMark Properties, Inc. (as predecessor-in-interest to Centro Enfield LLC)

5. Letter, dated November 12, 2003, from Sears, Roebuck and Co. regarding termination of membership with merchants association.

DELAWARE

Store No. 1254 (Wilmington, DE)

1. Lease dated February 1, 1962 between Jardel Co., Inc. and Sears, Roebuck and Co.
2. Memorandum of Lease dated August 7, 1965
3. Letter Agreement dated March 23, 1962 between Jardel Co., Inc. and Sears, Roebuck and Co.
4. Letter Agreement dated June 13, 1963 between Jardel Co., Inc. and Sears, Roebuck and Co.
5. Confirmation of Lease and Notice of Rent Assignment dated June 28, 1963
6. Letter Agreement dated August 7, 1963 between Jardel Co., Inc. and Sears, Roebuck and Co.
7. Letter Agreement dated December 21, 1964 between Jardel Co., Inc. and Sears, Roebuck and Co.
8. Agreement dated May 31, 1966 between Jardel Co., Inc. and Sears, Roebuck and Co.
9. Lease Amendment dated May 31, 1984 between Jardel Co., Inc. and Sears, Roebuck and Co.
10. Lease Amendment dated April 16, 1985 between Jardel Co., Inc. and Sears, Roebuck and Co.
11. Lease Amendment dated April 19, 1985 between Jardel Co., Inc. and Sears, Roebuck and Co.
12. Lease Supplement dated January 20, 1986 between Jardel Co., Inc. and Sears, Roebuck and Co.
13. Lease Summary and Lease Amendment dated July 1, 1986 between Jardel Co., Inc. and Sears, Roebuck and Co.
14. Lease Extension dated August 11, 1986 between Jardel Co., Inc. and Sears, Roebuck and Co.
15. Amendment to Lease dated May 4, 1995 between Jardel Co., Inc. and Sears, Roebuck and Co.
16. Lease Amendment Supplement dated December 1, 1995 between Jardel Co., Inc. and Sears, Roebuck and Co. (supplementing Lease Amendment dated May 4, 1995)
17. First Notice of Extension of Lease dated April 18, 2000 between Jardel Co., Inc. and Sears, Roebuck and Co. (extending term through June 30, 2011)
18. Letter Agreement dated April 26, 2000 between Jardel Co., Inc. and Sears, Roebuck and Co. (regarding lease extension through June 30, 2011)
19. Lease Extension Notice dated June 21, 2010 to Jardel Co., Inc. (extending term through June 30, 2021)

FLORIDA

Store No. 1765 (Palm Beach Gardens, FL)

1. Ground Lease dated June 14, 1984 by and between John E. Corbally, James M. Furman and Philip M. Grace, not personally, but solely as Trustees under Trust Agreement dated December 28, 1983, and known as the “MacArthur Liquidating Trust” and Forbes/Cohen Florida Properties Limited Partnership, as amended by instruments dated July 24, 1986, and May 29, 1987

2. Sublease dated May 29, 1987 between Forbes/Cohen Florida Properties Limited Partnership, as sublandlord, and Sears, Roebuck and Co., subtenant
3. Memorandum of Sublease and Supplemental Agreement dated May 29, 1987 by and between Forbes/Cohen Florida Properties Limited Partnership and Sears, Roebuck and Co.
4. Agreement dated May 29, 1987 by and between John E. Corbally, James M. Furman and Philip M. Grace, not personally, but solely as Trustees under Trust Agreement dated December 28, 1983, and known as the "MacArthur Liquidating Trust" and Sears, Roebuck and Co.
5. Supplemental Agreement dated May 29, 1987 by and between Forbes/Cohen Florida Properties Limited Partnership and Sears, Roebuck and Co.
6. Letter and Acceptance dated May 29, 1987 from Sears, Roebuck and Co. to Forbes/Cohen Florida Properties Limited Partnership
7. Letter and Acceptance dated August 27, 2002 from Forbes/Cohen Florida Properties Limited Partnership to Sears, Roebuck and Co.
8. Amendment to Supplemental Agreement dated August 31, 2004 between Forbes/Cohen Florida Properties Limited Partnership and Sears, Roebuck and Co.
9. Letter and Acceptance dated July 11, 2012 from Sears, Roebuck and Co. to Forbes/Cohen Florida Properties, Limited Partnership

GEORGIA

Store No. 1695 (Alpharetta, GA)

1. Lease Agreement, dated August 27, 1992, between Northpoint Mall Limited Partnership (predecessor-in-interest to North Point Mall, LLC) and Sears, Roebuck and Co.
2. First Amendment to Lease Agreement, dated April 26, 1993, between Northpoint Mall Limited Partnership (predecessor-in-interest to North Point Mall, LLC) and Sears, Roebuck and Co.
3. Second Amendment to Lease Agreement, dated March 3, 1994, between Northpoint Mall Limited Partnership (predecessor-in-interest to North Point Mall, LLC) and Sears, Roebuck and Co.
4. Third Amendment to Lease Agreement, dated January 6, 2000, between GGP-North Point, Inc. (predecessor-in-interest to North Point Mall, LLC) and Sears, Roebuck and Co.
5. Sears Global Agreement, dated July 29, 2008
6. Lease Renewal Notification, dated September 19, 2012
7. Notice of Lease Assignment, dated September 3, 2013, from North Point Mall, LLC

ILLINOIS

Store No. 1200 (Chicago, IL)

1. Lease Agreement dated April 30, 1999 between 1 North Dearborn, Inc. and Sears, Roebuck and Co.
2. Agreement Regarding Lease dated December 18, 1998 by and between One North Dearborn, Inc., not personally, but as Trustee for One North Dearborn Trust, and Sears, Roebuck and Co.
3. Memorandum of Lease dated April 30, 1999 by 1 North Dearborn, Inc. and Sears, Roebuck and Co.
4. Supplemental Agreement Regarding Sears Lease dated February 3, 2000 by and between One North Dearborn, Inc., not personally, but as Trustee for One North Dearborn Trust, and Sears, Roebuck and Co.

INDIANA

Store No. 1330 (Evansville, IN)

1. Lease dated April 6, 1962 by and between Erie Investments, Inc. (as predecessor in interest to HK Partners, LLC) and Sears, Roebuck and Co.
2. Addendum dated April 6, 1962 between Erie Investments, Inc. and Sears, Roebuck and Co.
3. Riders No. 1, No. 2, No. 3 and No. 4 each dated August 21, 1962 between Erie Investments, Inc. and Sears, Roebuck and Co.
4. Rider No. 5 dated December 10, 1962 between Erie Investments, Inc. and Sears, Roebuck and Co.
5. Supplement to Lease dated April 22, 1964 by and between Erie Investments, Inc. and Sears, Roebuck and Co.
6. Lease Modification dated June 9, 1965 by and between Erie Investments, Inc. and Sears, Roebuck and Co.
7. Agreement dated December 12, 1966 by and between Erie Investments, Inc. and Sears, Roebuck and Co.
8. Lease Modification dated March 6, 1968 by and between Erie Investments, Inc. and Sears, Roebuck and Co.
9. Lease Modification Agreement dated June 13, 1972 by and between Erie Investments, Inc. and Sears, Roebuck and Co.

10. Lease Modification Agreement dated June 4, 1986 by and between Regency Equity Properties, Ltd. and Sears, Roebuck and Co.
11. Lease Amendment dated March 14, 1994 between Tucker Evansville Limited Partnership and Sears, Roebuck and Co.
12. Collateral Agreement dated March 14, 1994 by and between Tucker Evansville Limited Partnership and Sears, Roebuck and Co.
13. Lease Amendment dated May 20, 2003 by and between HK Partners, LLC and Sears, Roebuck and Co.
14. Letter dated February 5, 2004 from Sears, Roebuck and Co. to HK Partners, LLC
15. Letter dated December 6, 2013 from Sears, Roebuck and Co. to HK Partners, LLC re extension of lease.

Store No. 1470 (Greenwood, IN)

1. Lease dated November 4, 1963 by and between Warren M. Atkinson (as predecessor in interest to Simon Property Group, L.P.) and Sears, Roebuck and Co.
2. Addendum dated December 16, 1963 between Warren M. Atkinson and Sears, Roebuck and Co.
3. Rider No. 1 dated December 16, 1963 between Warren M. Atkinson and Sears, Roebuck and Co.
4. Lease Modification dated September 8, 1964 by and between Warren M. Atkinson and Sears, Roebuck and Co.
5. Rider No. 2 dated March 1, 1965 between Warren M. Atkinson and Sears, Roebuck and Co.
6. Amendment and Memorandum of Lease dated March 2, 1965 between Warren M. Atkinson and Sears, Roebuck and Co.
7. Amendment to Lease dated October 11, 1966 by and between Greenwood Center and Sears, Roebuck and Co.
8. Restatement of Lease dated February 16, 1981 by and between Greenwood Park Company and Sears, Roebuck and Co.
9. Memorandum of Lease dated February 16, 1981 between Greenwood Park Company and Sears, Roebuck and Co.
10. Letter dated July 17, 1981 from Sears, Roebuck and Co. to Melvin Simon & Associates
11. Agreement dated May 23, 1983 by and between Greenwood Park Associates Limited Partnership and Sears, Roebuck and Co.
12. Lease Modification dated February 14, 1984 by and between Greenwood Park Associates Limited Partnership and Sears, Roebuck and Co.

13. Letter and Acceptance dated June 15, 1994 from Simon Property Group, L.P. to Sears

14. Letter dated September 22, 2009 from Sears, Roebuck and Co. to Simon Property Group LP re extension of lease

15. Amendment to Restatement of Lease dated November 5, 2009 by and between Greenwood Park Mall, LLC and Sears, Roebuck and Co.

16. Memorandum of Amendment to Restatement of Lease dated November 5, 2009 by and between Greenwood Park Mall, LLC and Sears, Roebuck and Co.

KENTUCKY

Store No. 1850 (Louisville, KY)

1. Lease, dated August 17, 1983, between Oxmoor Center (as predecessor-in-interest to Hocker Oxmoor, LLC) and Sears, Roebuck and Co.

2. Short Form Lease, dated August 17, 1983, between Oxmoor Center (as predecessor-in-interest Hocker Oxmoor, LLC) and Sears, Roebuck and Co.

3. Supplemental Agreement, dated August 17, 1983, between Oxmoor Center (as predecessor-in-interest to Hocker Oxmoor, LLC) and Sears, Roebuck and Co.

4. Letter Agreement, dated September 19, 2000, from Sears, Roebuck and Co.

5. Letter Agreement, dated May 7, 2003, from Sears, Roebuck and Co.

6. Notice of Extension of Lease, dated June 17, 2004, from Sears, Roebuck and Co

MARYLAND

Store No. 2664 (Frederick, MD)

1. Lease and Shopping Center Construction, Operating and Easement Agreement and Grant of Rights over Premises Other than those Leased dated April 28, 1977 between Crown American Corporation as Landlord and Sears, Roebuck and Co. as Tenant

2. Supplemental Agreement dated October 23, 1978 between Crown American Corporation and Sears, Roebuck and Co.

3. Assignment of Lessor's Interest in Lease and Notice of Lease Assignment dated October 31, 1978 by Crown American Corporation

4. Lease Amendment dated December 11, 1990 between Crown American Corporation and Sears, Roebuck and Co.

5. Amendment to Lease dated December 24, 1992 between Crown American Corporation and Sears, Roebuck and Co.
6. Amendment of Lease dated June 11, 1993 between Crown American Corporation and Sears, Roebuck and Co.
7. Agreement dated December 21, 1993 between Crown American Financing Partnership and Sears, Roebuck and Co.
8. Letter Agreement dated March 27, 2000 between Sears, Roebuck and Co. and Crown American Properties, L.P.
9. Extension of Lease dated July 9, 2002
10. Lease Renewal Notification dated July 20, 2012 to PR Financing LP (extending term through July 21, 2018)

Store No. 1013 (Glenburnie, MD)

1. Lease dated October 1, 1995 between TKL-East and Sears, Roebuck and Co.
2. Supplemental Agreement dated October 1, 1995 between TKL-East and Sears, Roebuck and Co.
3. Confirmation of Rent Commencement Date dated March 27, 1998
4. Letter dated March 6, 2013 from The Woodmont Company (regarding appointment of receiver for Landlord)

Store No. 1304 (Silver Spring, MD)

1. Lease dated October 9, 1964 between Rouse & Associates and Sears, Roebuck and Co.
2. Agreement dated October 19, 1964 between Giant Food Properties, Inc. and Sears, Roebuck and Co.
3. Amendment of Lease dated October 19, 1964 between Giant Food Properties, Inc. and Sears, Roebuck and Co.
4. Amendment of Lease dated January 13, 1965 between Giant Food Properties, Inc. and Sears, Roebuck and Co.
5. Amendment of Lease #3 dated January 27, 1965 between Giant Food Properties, Inc. and Sears, Roebuck and Co.
6. Amendment of Lease #4 dated January 27, 1966 between Giant Food Properties, Inc. and Sears, Roebuck and Co.
7. Amendment of Lease #5 dated August 23, 1966 between Giant Food Properties, Inc. and Sears, Roebuck and Co.

8. Agreement of Assignment dated January 25, 1972 between Giant Food Properties, Inc., Giant Food Properties of Maryland, Inc. and B.F. Saul Real Estate Investment Trust
9. Amendment of Lease dated June 1, 1994 between B.F. Saul Real Estate Investment Trust and Dearborn Corporation and Sears, Roebuck and Co.
10. Settlement Agreement and Mutual Release dated June 1, 2010 between Anani Segbena and Sears, Roebuck and Co.

Store No. 1374 (Bel Air, MD)

1. Ground Lease dated July 17, 1970 between The Hartford County Fair Association, Inc., as landlord, and Monwar Property Corp., as tenant
2. Memorandum of Lease dated June 28, 1971
3. Supplemental Agreement dated April 4, 1973 between HC Realty, Inc. f/k/a The Hartford County Fair Association, Inc. and Montgomery Ward Development Corporation f/k/a Monwar Property Corp.
4. Lease Extension Notice dated December 20, 1999
5. Assignment and Assumption of Lease dated May 21, 2001 between AMW Realty, LLC, as assignor, and Sears, Roebuck and Co., as assignee
6. Amendment to Lease dated December 12, 2005 between Hartford Mall Business Trust and Sears, Roebuck and Co.
7. Lease Extension dated March 17, 2010 to Hartford Mall Business Trust (*extending term through September 30, 2021*)

Store No. 1725 (Annapolis, MD)

1. Lease dated February 18, 1972 between Annapolis Mall Shopping Center Co., as landlord, and Montgomery Ward & Co., Incorporated, as tenant
2. First Supplement to Lease dated January 26, 1973 between Annapolis Mall Shopping Center Co. and Montgomery Ward & Co., Incorporated
3. Second Amendment to Lease dated September 18, 1984 between Annapolis Mall Shopping Center Co., Betrox Associates and Montgomery Ward & Co., Incorporated
4. Letter Agreement dated June 20, 1985 between Betrox Associates and Montgomery Ward & Co., Incorporated
5. Letter Agreement dated December 30, 1994 between Annapolis Mall Limited Partnership and Montgomery Ward & Co., Incorporated

6. Assignment of Assumption of Tenant Leases dated June 4, 1997 between RREEF USA FUND-IIII/Annapolis, Inc. as Assignor and Westfield America of Annapolis, Inc. as Assignee

7. Assignment and Assumption of Leases, Security Deposits, Contracts, Licenses and Intangible Property dated November 12, 1997 between Westfield America of Annapolis, Inc. as Assignor and WEA Annapolis, Inc. as Assignee

8. Assignment and Assumption of Lease dated April 12, 2001 between Montgomery Ward, LLC as Assignor and Sears, Roebuck and Co. as Assignee

9. Lease Extension Agreement dated August 19, 2002 between Annapolis Land LLC and Sears, Roebuck and Co.

10. Third Amendment to Lease dated May 24, 2012 between Annapolis Mall Owner, LLC and Sears, Roebuck and Co.

11. Lease Renewal Notification dated May 25, 2012 to Annapolis Mall Owner, LLC (extending term through November 30, 2017)

MASSACHUSETTS

Store No. 1223 (Brockton, MA)

1. Ground Lease, dated August 2, 2000, by and between Westgate Mall Properties LLC and Sears, Roebuck and Co.

2. Lease Supplement, dated September 1, 2000, between Westgate Mall Properties LLC and Sears, Roebuck and Co.

3. First Amendment of Ground Lease, dated June 7, 2002, by and between Westgate Mall Properties LLC and Sears, Roebuck and Co.

4. Second Amendment to Ground Lease, dated June 28, 2004, by and between Westgate Brockton Partners, L.P. and Sears, Roebuck and Co.

5. Third Amendment of Ground Lease, dated May 3, 2012, by and between New Westgate Mall LLC and Sears, Roebuck and Co.

Store No. 2043 (Kingston, MA)

1. Lease Agreement, dated December 21, 1988, by and between Independence Mall Group LLC and Sears, Roebuck and Co.

2. Collateral Agreement, dated December 21, 1988, by and between Independence Mall Group LLC and Sears, Roebuck and Co. (regarding initial tenant improvements)

3. Lease Supplement, dated October 23, 1989, by and between Independence Mall Group LLC and Sears, Roebuck and Co.

4. Letter Agreement, dated November 10, 1989, from Westheimer & Freidman to Sears, Roebuck and Co. (regarding confirmation of Lease Term)
5. First Amendment of Lease, dated July 24, 1990, by and between Independence Mall Group LLC and Sears, Roebuck and Co.
6. Second Amendment of Lease, dated January 9, 1996, by and between Independence Mall Group LLC and Sears, Roebuck and Co.
7. Letter Agreement, dated December 4, 2001, from Sears, Roebuck and Co. to Pyramid Management Group (regarding request for Sears' approval to expand Independence Mall)
8. Third Amendment to Lease, dated September 2, 2002, by and between Independence Mall Group LLC, and Sears, Roebuck and Co.
9. Renewal Notice, dated October 20, 2009, from Sears, Roebuck and Co. to Independence Center LLC (regarding extension of lease from November 1, 2010 through October 31, 2015)

Store No. 2323 (Hyannis, MA)

1. Lease, dated November 9, 1968, by and between John K. Davenport, Palmer Davenport and David Mugar and Sears, Roebuck and Co.
2. Amendment of Lease, dated October 10, 1969, by and between John K. Davenport, Palmer Davenport and David Mugar and Sears, Roebuck and Co.
3. Letter Agreement, dated February 20, 1970 between John K. Davenport, Palmer Davenport and David Mugar and Sears, Roebuck and Co.
4. Commencement Date Agreement, dated October , 1970, by and between John K. Davenport, Palmer Davenport and David Mugar and Sears, Roebuck and Co.
5. Amendment #2 of Lease, dated November 12, 1970, by and between John K. Davenport, Palmer Davenport and David Mugar and Sears, Roebuck and Co.
6. Amendment of Lease, dated March 13, 1978, by and between John K. Davenport, Palmer Davenport and David Mugar and Sears, Roebuck and Co.
7. Lease, dated May 10, 1982, by and between John Doherty and Katherine Doherty, and Sears, Roebuck and Co.
8. Notice of Extension of Lease and Change of Address, dated February 23, 1987, from Sears, Roebuck and Co. to John Doherty and Katherine Doherty
9. Agreement, dated June 28, 1990, by and between John Doherty and Katherine Doherty and Sears, Roebuck and Co.
10. Amendment #2 of Lease, dated September 1, 1980, by and between John K. Davenport, Palmer Davenport and David Mugar and Sears, Roebuck and Co.

11. Amendment #3 of Lease, dated October 9, 1980, by and between John K. Davenport, Palmer Davenport and David Mugar and Sears, Roebuck and Co.
12. Recordable Supplemental Agreement, dated May 20, 1982, by and between Sears, Roebuck and Co. and John Doherty and Katherine Doherty
13. Amendment #4 of Lease, dated May 15, 1985, by and between John K. Davenport, Palmer Davenport and David Mugar and Sears, Roebuck and Co.
14. Lease Modification and Extension Agreement, dated May 30, 1995, by and between John Doherty and Katherine Doherty and Sears, Roebuck and Co.
15. Notice of Extension of Lease, dated October 10, 1997, from Sears, Roebuck and Co. to Doherty Realty Trust Corporation.
16. Lease, dated February 25, 1999, by and between Cape Code Mall LLC and Sears, Roebuck and Co.
17. Amendment to Lease, dated May 28, 1999, by and between Cape Cod Mall LLC and Sears, Roebuck and Co.
18. Lease Extension Agreement, dated July 31, 1999, by and between Cape Cad Mall LLC and Sears, Roebuck and Co.
19. Lease, dated December 1, 1999, between Doherty Hyannis Realty Trust and Sears, Roebuck and Co.
20. Commencement Date Agreement, dated February 20, 2001, by and between Mayflower Cape Cod, LLC and Sears, Roebuck and Co.
21. Notice of Extension of Lease, dated July 30, 2004, from Sears, Roebuck and Co. to Doherty Investment Corporation
22. Lease Amendment and Extension Agreement, dated October 30, 2009, by and between Doherty Hyannis Realty Trust and Sears, Roebuck and Co
23. Second Lease Amendment and Extension Agreement, dated May 2, 2013, by and between Doherty Investment Corporation and Sears, Roebuck and Co.

Store No. 2343 (Lanesboro, MA)

1. Lease Agreement, dated November 16, 1987, by and between Berkshire Mall Group and Sears, Roebuck and Co.
2. Collateral Agreement, dated November 16, 1987, by and between Berkshire Mall Group and Sears, Roebuck and Co.
3. Letter Agreement, dated April 29, 1988, by and between Berkshire Mall Group and Sears, Roebuck and Co. (regarding automotive center)

4. Supplemental Agreement, dated January 31, 1989, by and between Berkshire Mall Group and Sears, Roebuck and Co.
5. Letter Agreement, dated July 14, 1989, by and between Berkshire Mall Group and Sears, Roebuck and Co. (regarding connector road between shopping center and Route 7)
6. First Amendment to Lease, dated July 20, 1989, by and between Berkshire Mall Group and Sears, Roebuck and Co.
7. Quitclaim Assignment of Lessor's Interest in Leases, Rents, Contracts and Agreements, dated May 15, 2002, by and between Berkshire Mall Group, as Assignor, and Lanesborough Enterprises LLC, as Assignee
8. Notice of Extension, dated October 10, 2002, from Sears, Roebuck and Co. to Berkshire Mall Group
9. Letter, dated November 23, 2005, from Lanesborough Enterprise Newco LLC to Sears, Roebuck and Co. (regarding modifications to lease)
10. Notice of Extension, dated October 10, 2007, from Sears, Roebuck and Co. to Lanesborough Enterprise Newco LLC
11. Second Amendment to Lease, dated June 28, 2013, by and between Lanesborough Enterprises Newco LLC and Sears, Roebuck and Co.

Store No. 1123 (Dedham, MA)

1. Lease and Rider, dated September 4, 1964, by and between Pacella's Concrete Pipe Corporation and Sears, Roebuck and Co.
2. Lease Amendment, dated September 4, 1964, by and between The Flatley Company and Sears, Roebuck and Co.
3. Second Rider to Lease, dated September 24, 1964, by and between Pacella's Concrete Pipe Corporation and Sears, Roebuck and Co.
4. Letter Agreement, dated April 14, 1965, by and between Sears, Roebuck and Co. and Pacella's Concrete Pipe Corporation
5. Third Rider to Lease, dated January 6, 1966, by and between Pacella's Concrete Pipe Corporation and Sears, Roebuck and Co.
6. Letter Agreement, dated February 24, 1966, by and between Pacella's Concrete Pipe Corporation and Sears, Roebuck and Co.
7. Letter Agreement, dated October 1, 1973, by and between Sears, Roebuck and Co. and Flatley Realty Investors
8. Letter Agreement, dated February 12, 1974, by and between Sears, Roebuck and Co. and Flatley Realty Investors

9. Letter Agreement, dated August 21, 1978, by and between Sears, Roebuck and Co. and Pacella's Concrete Pipe Corporation
10. Letter Agreement, dated November 7, 1984, by and between Sears, Roebuck and Co. and Flatley Realty Investors
11. Lease Amendment, dated July 3, 2001, by and Flatley Realty Investors and Sears, Roebuck and Co.
12. Lease Amendment, dated May 7, 1984, by and between The Flatley Company and Sears, Roebuck and Co.
13. Lease Amendment, dated June 5, 1984, by and between The Flatley Company and Sears, Roebuck and Co.
14. Landlord's Rules and Regulations (attachment to lease between The Flatley Company and Sears, Roebuck and Co. dated November 1, 1985)
15. Notice of Extension of Lease, dated September 14, 1990, to Flatley Realty Investors from Sears, Roebuck and Co.
16. Notice of Extension of Lease, dated March 13, 1996, to Flatley Realty Investors from Sears, Roebuck and Co.
17. Lease Amendment and Extension 2001, dated July 3, 2001, by and between John J. Flatley and Gregory D. Stoyle and Sears, Roebuck and Co.
18. Rent Directive Notification, dated September 18, 2012, from The Wilder Companies to Sears, Roebuck and Co. (regarding CPI increases)

Store No. 1283 (Braintree, MA)

1. Lease, dated April 16, 1979, by and between South Shore Plaza and Sears, Roebuck and Co.
2. Lease Amendment, dated April 16, 1979, by and between SCIT, INC. of South Shore Plaza Trust
3. Guaranty, dated April 16, 1979, by and between WINMAR Company Inc., SCIT, Inc. and Sears, Roebuck and Co.
4. Letter Agreement, dated May 18, 1979, by and between SCIT, Inc., Winmar Company, Inc. and Sears, Roebuck and Co. (clarifying the interpretation of Exhibit C to the Lease and Exhibit A to the Guaranty)
5. Letter Agreement, dated September 23, 1980, by and between The Faxon Trust and Sears, Roebuck and Co. (regarding cancellation of lease dated December 1, 1953)
6. Lease Supplement, dated March 13, 1981
7. Supplemental Agreement, dated March 13, 1981, by and between SCIT, Inc. and Sears, Roebuck and Co.

8. Agreement, dated December 14, 1993, by and between Sears, Roebuck and Co. , and Braintree Property Associates, LP amending Lease dated April 16, 1979
9. Agreement, dated December 14, 1993, by and between Sears, Roebuck and Co. and Braintree Property Associates, LP amending Lease dated April 16, 1979
10. Letter Agreement, dated May 2, 1994, by and between Braintree Property Associates, LP and Sears, Roebuck and Co. (regarding lavatory water fixtures)
11. Amendment of Lease, dated November 20, 1998, by and between The Retail Property Trust and Sears, Roebuck and Co.
12. Third Amendment to Lease, dated August 30, 2005, by and between Braintree Property Associates Limited Partnership and Sears, Roebuck and Co.

Store No. 1253 (Peabody, MA)

1. Indenture of Lease, dated July 19, 1957, by and between Norsco Corporation, as landlord, and Kennedys, Inc., as tenant
2. Agreement as to Parking and Other Rights, dated November 7, 1961 (*Northshore Shopping Center grants to Alstores Realty Corporation right and easement due to land*)
3. Notice of Lease between Alstores Realty Corporation and Holiday Lanes North Shore, Inc., dated February 6, 1962
4. Indenture of Lease, dated December 27, 1963, by and between Northshore Shopping Center, Inc. and Sears, Roebuck and Co.
5. Agreement, dated November 19, 1964, by and between Northshore Shopping Center, Inc., and Sears, Roebuck and Co.
6. First Supplement to Agreement of Lease, dated May 5, 1975, by and between Northshore Shopping Center, Inc., and Sears, Roebuck and Co.
7. Lease, Shopping Center, Construction, Operating and Easement Agreement and Grant of Certain Rights Over Premises Other Than Those Leased, dated May 5, 1975, by and between Northshore Shopping Center, Inc. and Sears, Roebuck and Co.
8. Letter of Evidence of Mutual Agreement, dated May 5, 1975, by and between Sears, Roebuck and Co. and Northshore Shopping Center, Inc.
9. Letter Agreement, dated May 6, 1975, by and between Alstores Realty Corporation, Northshore Shopping Center, Inc, and Sears, Roebuck and Co.
10. Letter Agreement, dated February 11, 1977, by and between Sears, Roebuck and Co. and Northshore Shopping Center, Inc. (re: Merchant's Association)

11. Letter Agreement, dated February 28, 1977, by and between Sears, Roebuck and Co. and Northshore Shopping Center, Inc. (re: Exhibit 4-B Supplemental Agreement fixing Tenant's Opening Date and Commencement of Term)
12. Letter Agreement, dated February 28, 1977, by and between Sears, Roebuck and Co. and Northshore Shopping Center, Inc. (re*: Exhibit 5 Supplemental Agreement fixing Square Footage*)
13. Modification and Ratification of Assigned Lease, dated November 21, 1977, from Connecticut General Life Insurance Company concerning Northshore Shopping Center
14. Supplemental Agreement #1, dated December 2, 1977, by and between Northshore Shopping Center, Inc. and Sears, Roebuck and Co.
15. Supplemental Agreement #1, dated March 17, 1978, by and between Northshore Shopping Center, Inc. and Sears, Roebuck and Co.
16. Lease Amendment, dated May 23, 1984, by and between Alstores Realty Corporation. and Sears, Roebuck and Co.
17. Lease Amendment, dated May 30, 1986, by and between Alstores Realty Corporation. and Sears, Roebuck and Co.
18. Letter Agreement, dated March 26, 1992, from New England Development to Sears, Roebuck and Co.
19. Letter Agreement, dated April 6, 1992, from New England Development to Sears, Roebuck and Co. (am*ending Letter Agreement dated March 26, 1992*)
20. Amendment to Lease, dated January 26, 1993, by and between Northshore Shopping Center, Inc., and Sears, Roebuck and Co. (*regarding the renovation and expansion of the shopping center*)
21. Amendment to Lease, dated July 11, 1995, by and between Northshore Mall Limited Partnership and Sears, Roebuck and Co.
22. Lease Agreement (regarding space 23), dated May 29, 2007, by and between Mall at Northshore, LLC and Sears, Roebuck and Co.
23. Notice of Extension of Lease, dated August 10, 2006, to Northshore Mall Limited Partnership from Sears, Roebuck and Co.
24. Lease Renewal Letter, dated September 18, 2006, from Simon to Sears, Roebuck and Co

Store No. 2373 (Dartmouth, MA)

1. Lease, dated November 1, 1966, by and between Frank Properties, Inc. and Sears, Roebuck and Co.
2. Letter Agreement, dated December 28, 1966, between Frank Properties, Inc. and Sears, Roebuck and Co. (*regarding (a) the name of the store and (b) housekeeping rules*)

3. Letter Agreement Amending Lease, dated February 24, 1967, between Frank Properties, Inc. and Sears, Roebuck and Co.
4. Letter Agreement, dated April 9, 1968, between Frank Properties, Inc. and Sears, Roebuck and Co. (*regarding Merchant's Association Contribution for Sears*)
5. Confirmation Letter of Lease Modification, dated April 29, 1968, by and between Frank Properties, Inc., and Sears, Roebuck and Co.
6. Letter Agreement, dated March 12, 1969, between Sears, Roebuck and Co. and Frank Properties, Inc.
7. Letter Agreement Amending Lease, dated March 14, 1969, between Frank Properties, Inc. and Sears, Roebuck and Co.
8. Letter Agreement Amending Lease, dated December 3, 1969, between North Dartmouth Joint Venture and Sears, Roebuck and Co.
9. Letter Agreement Amending Lease, dated February 4, 1970, between North Dartmouth Joint Venture and Sears, Roebuck and Co.
10. Letter Agreement Amending Lease, dated March 25, 1970, between North Dartmouth Joint Venture and Sears, Roebuck and Co.
11. Letter Agreement Amending Lease, dated April 22, 1971, between North Dartmouth Joint Venture and Sears, Roebuck and Co.
12. Agreement Amending Lease, dated August 13, 1971, by and between North Dartmouth Joint Venture and Sears, Roebuck and Co.
13. Lease Amendment, dated September 22, 1989, by and between Diversified Equity Corporation, Inc. and Sears, Roebuck and Co.
14. Lease Supplement, dated February 20, 1990, by and between Diversified Equity Corporation, Inc. and Sears, Roebuck and Co.
15. Notice of Extension of Lease, dated March 25, 1995, from Sears, Roebuck and Co. to Equity Properties and Development Co.
16. Lease Amendment, dated April 2, 1996, by and between Equity Properties and Development Limited Partnership and Sears, Roebuck and Co.
17. Lease Agreement, dated February 15, 1999, by and between John M. Kalisz and Sears, Roebuck and Co.
18. Lease Amendment, dated June 4, 1999, by and between PR North Dartmouth LLC and Sears, Roebuck and Co.
19. Notice of Extension of Lease, dated February 3, 2005, from Sears, Roebuck and Co. to PR North Dartmouth LLC
20. Amendment to Lease, dated April 9, 2007, by and between PR North Dartmouth, LLC and Sears, Roebuck and Co.
21. Rent Directive Letter, dated March 8, 2013, from PR North Dartmouth, LLC (*regarding rent remittance information*)

Store No. 1403 (Natick, MA)

1. Ground Lease, dated September 22, 1993, by and between Homart Development, Co., as lessor, and Sears, Roebuck and Co., as lessee
2. Collateral Agreement, dated September 22, 1993, by and between Homart Development Co. and Sears, Roebuck and Co.
3. Exchange Agreement, dated September 22, 1993, by and between Homart Development Co, and Sears, Roebuck and Co.
4. Supplemental Agreement, October 14, 1993, by and between Homart Development Co., as lessor, and Sears, Roebuck and Co., as lessee
5. Site Lease, dated November 24, 2003, by and between Sears, Roebuck and Co. Facilities Statutory Trust No. 2003-A and Sears, Roebuck and Co. (*part of a REMIC deal*)

Store No. 1133 (Leominster, MA)

1. Lease, dated June 17, 1965, by and between Whiteacre Leominster Associates and Sears, Roebuck and Co.
2. Letter Agreement, dated October 13, 1965, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates
3. Letter Agreement, dated December 21, 1965, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates
4. Letter Agreement, dated February 4, 1966, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates
5. Letter Agreement, dated February 24, 1966, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates
6. Letter Agreement, dated March 10, 1966, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates (*regarding increased costs due to Sears change in location of store*)
7. Letter Agreement, dated May 12, 1966, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates
8. Letter Agreement, dated May 16, 1966, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates (*regarding approval of 18 car auto center without basement and the increased new location costs)*

9. Letter Agreement, dated September 12, 1966, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates

10. Letter Agreement, dated December 19, 1966, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates (changing various paragraphs of lease)

11. Letter Agreement, dated March 8, 1967, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates (changing various paragraphs of lease)

12. Letter of Approval for Plans, dated March 10, 1967, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates

13. Lease, dated March 31, 1967, by and between Kenmark Realty Corporation and Sears, Roebuck and Co.

14. Letter Agreement, dated June 9, 1967, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates (regarding operation of Sears Auto Center)

15. Supplemental Agreement Fixing Beginning and Ending Dates of Term, dated March 29, 1968, by and between, Sidney Goode, James Cazanas, Phil Fine, Whiteacre Leominster Associates, and Sears, Roebuck and Co.

16. Letter Agreement, dated January 19, 1972, by and between Sears, Roebuck and Co. and Whiteacre Leominster Associates

17. Letter Agreement, dated January 30, 1975, by and between Sears, Roebuck and Co. and Kimco of New England, Inc. (for Sears consent to a leasing of the present supermarket premises)

18. Letter Agreement, dated October 29, 1979, by and between Sears, Roebuck and Co. and Kimco of New England, Inc. (for a kiosk on Sears property)

19. Lease Amendment, dated June 11, 1984, by and between Sears, Roebuck and Co. and Kimco of New England, Inc.

20. Letter Agreement, dated June 10, 1986, by and between Sears, Roebuck and Co. and Kimco of New England, Inc. (for Sears consent to a leasing of the present supermarket premises)

21. Notice of Extension of Lease, dated May 6, 1992, from Sears, Roebuck and Co. to Kimco of New England, Inc.

22. Amendment to Lease, dated April 9, 2002, by and between Kimco of New England, Inc. and Sears, Roebuck and Co.

23. Notice of Extension of Lease, dated May 13, 2002, from Sears, Roebuck and Co. to Kimco of New England, Inc.

24. Letter, dated May 22, 2012, from the Mall at Whitney Field extending the notice period to exercise extension right

25. Lease Renewal Notification, dated June 20, 2012, from Sears, Roebuck and Co. to MLMT2006-C2 Mall at Whitney Field, LLC

26. Letter, dated June 6, 2013, from Jones Lang LaSalle regarding change in ownership to VCG Whitney Field, LLC

Store No. 1243 (Hanover, MA)

1. Lease, dated October 12, 1973, by and between Michael Campanelli and Ralph Tedeschi, Trustees of Campanelli-Tedeschi Trust and Sears, Roebuck and Co.

2. Agreement, dated October 12, 1973, by and between Campanelli-Tedeschi Trust and Sears, Roebuck and Co. (regarding Sears participation in the Merchants Association)

3. Agreement, dated February 17, 1975, by and between Campanell-Tedeschi Trust and Sears, Roebuck and Co.

4. Amending, and Tri-Party, Agreement Number One to Lease dated October 12, 1973, by and among Sears, Roebuck and Co., Teachers Insurance and Annuity Association of America, Ralph D. Tedeschi and Robert DeMarco, dated October 30, 1975

5. Lease Amendment, dated June 13, 1984, by and between Trustees of Campanelli-Tedeschi Trust and Sears, Roebuck and Co.

6. Lease Amendment, dated July 8, 1998, by and between The Realty Associates Fund III, LP d/b/a/ The Realty Associations Fund III, Limited Partnership c/o TA Associates Realty

7. Assignment of Leases, dated November 4, 2003, by the Realty Associations Fund II, L.P., as Seller, and Hanover Mall Partners, LP, as Purchaser

8. Notice of Extension of Lease, dated August 18, 2004, from Sears, Roebuck and Co. to Hanover Mall Partners, L.P.

9. Access and Indemnity Agreement, dated February 19, 2007, by and between Hanover Mall Partners, LP, as Owner, and Sears, Roebuck and Co.

10. Lease Renewal Letter, dated August 21, 2009, to Walton Hanover Investors V, LLC from Sears, Roebuck and Co.

11. Amendment to Lease, dated October 26, 2011, by and between Washington Street Holdings, LLC and Sears, Roebuck and Co.

12. Amendment to Lease, dated January 16, 2013, by and between Washington Street Holdings, LLC and Sears, Roebuck and Co.

Store No. 1273 (Holyoke, MA)

1. Lease, dated January 5, 1979, by and between Pyramid Company of Holyoke and Sears, Roebuck and Co.
2. Supplemental Agreement A, dated September 10, 1979, by and between Sears, Roebuck and Co. and Pyramid Company of Holyoke
3. Supplemental Agreement B, dated September 10, 1979, by and between Sears, Roebuck and Co. and Pyramid Company of Holyoke
4. Lease Modification Agreement, dated December 20, 1979, by and between Pyramid Company of Holyoke and Sears, Roebuck and Co. (and letters dated December 20, 1979 and May 5, 1980)
5. Second Lease Modification Agreement, dated February 21, 1995, by and between Pyramid Company of Holyoke and Sears
6. Letter Agreement, dated April 25, 1995, by and between Pyramid Company of Holyoke and Sears, Roebuck and Co.
7. Settlement Agreement and Mutual Release, dated January 27, 2012, by and between Sears, Roebuck and Co., Holyoke Mall Company, LP and Pyramid Management Group
8. Lease Modification Agreement No. 3, dated March 2, 2012, by and between Holyoke Mall Company and Sears, Roebuck and Co.
9. Lease Renewal Letter, dated October 24, 2013, from Sears, Roebuck and Co. to Holyoke Mall Company

Store No. 1213 (Auburn, MA)

1. Option Agreement, dated May 23, 1967, by and between Robert St. Jean and Sears, Roebuck and Co.
2. Lease and Shopping Center Construction and Operating Agreement, dated September 5, 1968, by and between First Harford Realty Corporation and Sears, Roebuck and Co.
3. First Amendment to Lease and Shopping Center Construction and Operating Agreement, dated June 24, 1969, by and between First Hartford Realty Corporation and Sears, Roebuck and Co.
4. Letter Agreement, dated July 31, 1969, between First Hartford Realty Corporation and Sears, Roebuck and Co. (regarding amendment to Lease)
5. Agreement, dated August 9, 1971, by and between First Hartford Realty Corporation and Sears, Roebuck and Co. (regarding amendments to lease)
6. Electric Agreement, dated August 16, 1971, by and between First Hartford Realty Corporation and Sears, Roebuck and Co. (regarding electric bill payment and metering)
7. Indemnification Agreement, dated April 16, 1975, by and between First Hartford Realty Corp. and Sears, Roebuck and Co. (concerning water damage at Auburn Mall location)
8. Letter Agreement, dated December 20, 1977, from Sears, Roebuck and Co. to JMB Properties, Ltd.-II (regarding Sears improvements and costs thereof)

9. Letter Agreement, dated March 21, 1978, from Sears, Roebuck and Co. to JMB Income Properties, Ltd.-II (regarding certain Sears improvements and costs thereof)

10. Amendment Agreement, dated September 30, 1980, by and between JMB Income Properties, Ltd.-II and Sears, Roebuck and Co.

11. Agreement, dated December 31, 1980, by and between Sears and JMB Income Properties, Ltd-II and Subsidiaries (regarding title change)

12. Agreement, dated October 26, 1981, by and between JMB Income Properties, Ltd.-II and Sears, Roebuck and Co.

13. Lease Amendment, dated June 4, 1984, by and between JMB Properties, Ltd.-II and Sears, Roebuck and Co.

14. Roof License Agreement, dated October 18, 1989, by and between JMB Properties Company, as Licensor, and Sears, Roebuck and Co., as Licensee

15. Notice of Extension of Lease, dated March 13, 1995

16. 1999 Amendment to Lease, dated May 5, 1999, by and between Auburn Mall Properties Limited Partnership and Sears, Roebuck and Co.

17. Quitclaim Deed, dated August 27, 1999, by Auburn Mall Properties Limited Partnership to Mayflower Mall, LP

Rent Directive, dated September 13, 2010 (regarding security interest in lease granted to German American Capital Corporation)

MINNESOTA

Store No. 1232 (Coon Rapids, MN)

1. Ground Lease dated June 28, 2001 by and between Coon Rapids Riverdale Village, L.L.C. (as predecessor in interest to BRE DDR Riverdale Village Outer Ring LLC) and Sears, Roebuck and Co.

2. Memorandum of Lease dated June 28, 2001 by and between Coon Rapids Riverdale Village, L.L.C. and Sears, Roebuck and Co.

3. Lease Supplement dated November 11, 2002 between Coon Rapids Riverdale Village, L.L.C. and Sears, Roebuck and Co.

Store No. 1722 (Bloomington, MN)

Lease:

Lease, Construction and Operating Agreement dated May 30, 1991 by and between Mall of America Company (as predecessor in interest to MOAC Mall Holdings LLC) and Sears, Roebuck and Co.

Additional Documents:

Memorandum of Lease dated May 30, 1991 by and between Mall of America Company and Sears, Roebuck and Co.

Agreement to Grant Option to Lease dated May 30, 1991 by and between Sears, Roebuck and Co. and Minntertainment Company

Guaranty of Melvin Simon & Associates, Inc. dated May 30, 1991 from Melvin Simon & Associates, Inc.

Amended and Restated Reciprocal Easement and Operating Agreement dated May 30, 1991 by and among Nordstrom, Inc., Macy's California, Inc., Sears, Roebuck and Co. and Mall of America Company

Reimbursement Agreement dated May 30, 1991 by and between Sears, Roebuck and Co. and Mall of America Company

Supplemental Agreement dated May 30, 1991 by and among Mall of America Company and Sears, Roebuck and Co.

Lease Supplement dated January 20, 1994 between Mall of America Company and Sears, Roebuck and Co.

Settlement Agreement dated June 20, 2008 by and between Sears, Roebuck and Co., Boca Park Fashion Village, LLC, Nevso, LLC and MOAC Mall Holdings LLC

Letter and Acceptance dated September 24, 2008 from Mall of America Company to Sears, Roebuck and Co.

Letter and Approval dated October 8, 2010 from Larkin Hoffman Daly & Lindgren Ltd. to Sears, Roebuck and Co.

First Amendment to Amended and Restated Reciprocal Easement and Operating Agreement dated December 16, 2010 by and among MOAC Mall Holdings LLC, Nordstrom, Inc., Macy's Retail Holdings, Inc. and Sears, Roebuck and Co.

Second Supplemental Agreement dated October 22, 2013 by and between MOAC Mall Holdings LLC and Sears, Roebuck and Co.

Second Amendment to Amended and Restated Reciprocal Easement and Operating Agreement dated , 2013 by and among MOAC Mall Holdings LLC, Nordstrom, Inc., Macy's Retail Holdings, Inc. and Sears, Roebuck and Co.

MICHIGAN

Store No. 1092 (Westland, MI)

1. Ground Lease dated October 23, 1996 between The Equitable Life Assurance Society of the United States (as predecessor in interest to B&B Westland Center Mall LLC) and Sears, Roebuck and Co.
2. Memorandum of Lease dated October 23, 1996 by and between The Equitable Life Assurance Society of the United States and Sears, Roebuck and Co.
3. Lease Supplement dated April 29, 2003 between The Equitable Life Assurance Society of the United States and Sears, Roebuck and Co.
4. Letter dated August 9, 2007 between Westland Center Partners, LP and B&B Westland Center Mall LLC
5. Lease Renewal Notification dated September 16, 2011 from Sears, Roebuck and Co. to LSREF Summer REO Trust 2009 extending lease through October 21, 2017

Store No. 1170 (Lansing, MI)

1. Lease dated December 29, 1953 between Sparrow Glenmoore Corporation (as predecessor in interest to 4th Street South II, LLC) and Sears, Roebuck and Co.
2. Letter and Acceptance dated March 29, 1976 from Sears, Roebuck and Co. to Mr. Samuel Zell, Trustee, regarding waiver of responsibility for any restoration upon termination of the lease
3. Lease Modification dated April 11, 1984 by and between Samuel Zell, as Trustee under Trust Agreement dated June 23, 1972 and known as Trust Number 2308, and Sears, Roebuck and Co.
4. Agreement dated May 27, 1986 by and between Samuel Zell, as Trustee under Trust Agreement dated June 23, 1972 and known as Trust Number 2308, and Sears, Roebuck and Co.
5. Letter to Extend the Lease dated December 20, 1988 from Samuel Zell, as Trustee under Trust Agreement dated June 23, 1972 and known as Trust Number 2308, to Sears, Roebuck and Co.
6. Agreement dated January 27, 1989 by and between Samuel Zell, as Trustee under Trust Agreement dated June 23, 1972 and known as Trust Number 2308, and Sears, Roebuck and Co.
7. Letter and Acceptance dated September 13, 1991 from Samuel Zell, as Trustee under Trust Agreement dated June 23, 1972 and known as Trust Number 2308, to Sears, Roebuck and Co.
8. Notice of Extension of Lease dated November 16, 1998 from Sears, Roebuck and Co. to Mr. Samuel Zell, Trustee
9. Letter to Extend the Lease dated November 12, 2008 from Sears, Roebuck and Co. to 4th Street South LLC

NEW HAMPSHIRE

Store No. 2023 (Concord, NH)

1. Lease, dated February 13, 1990, between Homart Development Co. (as predecessor-in-interest to Steeplegate Mall, LLC) and Sears, Roebuck and Co.
2. Notice of Lease, dated February 13, 1990, between Homart Development Co. (as predecessor-in-interest to Steeplegate Mall, LLC) and Sears, Roebuck and Co.
3. Collateral Agreement, dated February 13, 1990, between Homart Development Co. (as predecessor-in-interest to Steeplegate Mall, LLC) and Sears, Roebuck and Co.
4. Lease Supplement, dated September 14, 1990, between Homart Development Co. (as predecessor-in-interest to Steeplegate Mall, LLC) and Sears, Roebuck and Co.
5. Letter, dated June 17, 2004, from Sears, Roebuck and Co. extending the lease term
6. Letter, dated August 13, 2009, from Sears, Roebuck and Co. extending the lease term

NEW JERSEY

Store No. 1044 (Jersey City, NJ)

1. Lease, Construction and Operation Agreement dated May 1, 1986 between NC Mall Associates and Sears, Roebuck and Co.
2. Supplemental Agreement dated May 1, 1986 between NC Mall Associates and Sears, Roebuck and Co.
3. Triparty Supplementing Agreement dated May 1, 1986 between NC Mall Associates, Sears, Roebuck and Co. and Newport City Phase I Developers Limited Partnership
4. Parking Agreement dated September 1, 1988 between NC Mall Associates and Sears, Roebuck and Co. (email communication dated September 20, 2012 indicates the term was extended and expired August 31, 2013)
5. Rent Directive Notice dated October 6, 2010 from Newport Centre, LLC

Store No. 1494 (Moorestown, NJ)

1. Lease, Shopping Center, Construction, Operating and Easement Agreement and Grant of Certain Rights over Premises other than those Leased dated January 7, 1970 between Rouse-Moorestown, Inc. and Sears, Roebuck and Co.
2. Agreement dated January 7, 1970 between Moorestown Management, Inc. and Sears, Roebuck and Co.
3. Agreement dated January 7, 1970 between Moorestown Management, Inc., N.K. Winston Corporation and Sears, Roebuck and Co.
4. Letter Agreement dated January 7, 1970 between Moorestown Management, Inc. and Sears, Roebuck and Co.

5. Letter Agreement dated August 9, 1972 between Moorestown Management, Inc., Sears, Roebuck and Co., the Hills Realty Co. and The Equitable Life Assurance Society
6. Agreement dated August 15, 1972 between Moorestown Management, Inc., N.K. Winston Corporation and Sears, Roebuck and Co.
7. Consent and Agreement dated January 14, 1980 between Rouse-Moorestown, Inc. and Sears, Roebuck and Co.
8. Amendment to Lease dated April 21, 1986 between First Fidelity Bank and Sears, Roebuck and Co.
9. Letter Agreement dated January 30, 1986 between M-L-R Associates, Sears, Roebuck and Co. Gimbel Brothers, Inc. and Jonhn Wanamaker, Philadelphia
10. Second Amendment to Lease dated October 8, 1999 between Rouse-Moorestown, Inc. and Sears, Roebuck and Co.

Store No. 1684 (Woodbridge, NJ)

1. Lease dated January 30, 1968 between Woodbridge Center, Inc., as landlord, and Federated Department Stores, Inc., as tenant
2. Assignment and Assumption Agreement (Lease) dated February 2, 1995 between A&S Real Estate, Inc., as assignor, and Sears, Roebuck and Co., as assignee (acquiring tenant's interest)
3. Letter Agreement dated January 30, 1968 between The Rouse Company and Federated Department Stores, Inc. (regarding additional land)
4. Letter Agreement dated January 30, 1968 between Woodbridge Center, Inc. and Federated Department Stores (regarding A&S TBA area)
5. Letter Agreement dated September 30, 1969 between Woodbridge Center, Inc. and Federated Department Stores, Inc. (regarding first amendment)
6. Letter Agreement dated September 30, 1969 between Woodbridge Center, Inc., Federated Department Stores, Inc., Alstores Realty Corporation, Orbach's, Inc. and Allied Stores Corporation (regarding operating covenants)
7. First Amendment of Lease dated September 30, 1969 between Woodbridge Center, Inc. and Federated Department Stores, Inc.
8. Second Amendment of Lease dated September 30, 1969 between Woodbridge Center, Inc. and Federated Department Stores, Inc.
9. Letter Agreement dated October 30, 1969 between Woodbridge Center, Inc. and Federated Department Stores, Inc. (regarding Lease Section 4.5(c))

10. Third Amendment of Lease dated November 8, 1977 between Woodbridge Center, Inc. and Federated Department Stores, Inc.
11. Letter Agreement dated October 20, 1978 from Woodbridge Center, Inc. to Abraham & Strauss and Federated Department Stores, Inc.
12. Fourth Amendment of Lease dated April 10, 1979 between Woodbridge Center, Inc. and Federated Department Stores, Inc.
13. Assignment and Assumption of Lease dated July 29, 1988 between Federated Department Stores, Inc., as assignor, and A&S Real Estate, Inc., as assignee
14. Assignment and Assumption Agreement (Lease) dated February 2, 1995 between A&S Real Estate, Inc., as assignor, and Sears, Roebuck and Co., as assignee
15. Fifth Amendment of Lease dated November 1, 2002 between Woodbridge Center, LLC and Sears, Roebuck and Co.
16. Notice Letter dated July 27, 2005 (regarding extension of Lease)

Store No. 1554 (Mays Landing, NJ)

1. Lease dated March 20, 1986 between Hamilton Associates and Sears, Roebuck and Co.
2. Non-Competition Agreement dated March 20, 1986 between Hamilton Associates and Sears, Roebuck and Co.
3. Supplemental Agreement dated March 21, 1986 between Hamilton Associates and Sears, Roebuck and Co.
4. First Amendment to Lease dated September 30, 1986 between Hamilton Associates and Sears, Roebuck and Co.
5. Letter Agreement dated February 10, 1987 between Sears, Roebuck and Co. and Hamilton Associates (regarding Budget Car Rental)
6. Omnibus Assignment (Hamilton Associates to Hamilton Mall, LLC) dated June 7, 2002
7. Second Amendment to Lease dated June 15, 2012 between Hamilton Mall, LLC and Sears, Roebuck and Co.

NEW YORK

Store No. 1004 (Garden City, NY)

1. Ground Lease dated January 4, 1971 between Earl A. Gillespie, Inc. and The Garden City Company, as landlord, and Federated Departments Stores, Inc., as tenant
2. Memorandum of Lease dated January 4, 1971 between Earl A. Gillespie, Inc. and The Garden City Company and Federated Departments Stores, Inc.

3. Agreement dated January 4, 1971 between Earl A. Gillespie and The Garden City Company as Landlord and Federated Department Stores, Inc. as Tenant (regarding removal of power lines)
4. Agreement dated January 4, 1971 between The Garden City Company and Federated Department Stores, Inc. (regarding title insurance matters)
5. Assignment of Lease dated April 23 1972 from Earl A. Gillespie to Edward A. Gillespie (assignment of partial Landlord interest)
6. Certificate of Commencement of Pre-Initial Term dated April 19, 1971, Liber 8239, Cp 17
7. Certificate of Commencement of Initial Term dated October 9, 1973, Liber 8613, Cp 293
8. Assignment and Assumption of Lease Dated May 26, 1989 from Federated Department Stores, Inc. to Bloomingdale's Extra Real Estate, Inc.
9. Assignment and Assumption Agreement (Lease) dated January 26, 1996 between Bloomingdales Real Estate, Inc., as assignor, and Sears Development Co., as assignee (assignment of tenant's interest)

Store No. 1124 (Bay Shore, NY)

1. Lease dated June 18, 1996 between Westland South Shore Mall L.P. as Landlord and Sears, Roebuck and Co. as Tenant
2. Memorandum of Lease dated June 18, 1996
3. Collateral Agreement dated June 18, 1996 between Westland South Shore Mall L.P. as Landlord and Sears, Roebuck and Co. as Tenant (agreement by Landlord to provide fixtures and equipment, for a cost of $2,000,000.00, throughout the term)
4. Lease Term Agreement dated June 18, 1996
5. Letter Agreement dated August 5, 1996 between Landlord and Tenant (regarding building pad notice)
6. Memorandum dated December 4, 2009 from Beth Irving, Gene Filice, Charles J. Benvenuto P.C. to Sears (regarding correction of last term end date)
7. Lease Renewal Notification dated January 24, 2012 (renewing term through January 31, 2018)

Store No. 1143 (Brooklyn, NY)

1. Lease dated January 11, 1997 between Alexander's of Brooklyn, Inc. and Sears, Roebuck and Co.
2. Memorandum of Lease dated January 11, 1997

3. Supplemental Agreement date November 12, 1997 between Alexander's of Brooklyn, Inc. and Sears, Roebuck and Co.

4. Assignment and Assumption of Leases dated May 31, 2001 between Kings Plaza Corp. and Alexander's Department Stores of Brooklyn, Inc. as Assignor and Alexander's Kings Plaza, LLC (successor by merger to Alexander's Kings Plaza Center, Inc.) as Assignee (assignment of Landlord interest)

5. Letter dated December 4, 2003 from Sears to Vornado Realty Trust (regarding Sears' approval of changes to the top 4 levels of the parking garage)

6. Lease Amendment Agreement dated May , 2004 between Alexander's Kings Plaza, LLC and Sears, Roebuck and Co.

7. Letter dated November 28, 2012 from Brooklyn Kings Plaza LLC to Sears (notice of change of ownership – Brooklyn Kings Plaza LLC to become new Landlord)

Store No. 1162 (Amherst, NY)

1. Ground Lease dated November 10, 1997 between Boulevard Mall Expansion, LLC, Boulevard Mall, LLC (Boulevard) and Sears, Roebuck and Co.

2. Memorandum of Lease dated November 10, 1997

3. Lease Supplement dated August 16, 2000 between Boulevard Mall Expansion, LLC and Sears, Roebuck and Co.

Store No. 1323 (Middletown, NY)

1. Lease Agreement dated April 12, 1990 between P.C.M. Development Co. and Sears, Roebuck and Co.

2. Collateral Agreement dated April 12, 1990 between P.C.M. Development Co. and Sears, Roebuck and Co.

3. First Amendment to Lease dated May 13, 1991 between P.C.M. Development Co. and Sears, Roebuck and Co.

4. Letter Agreement dated July 3, 1991 between Sears, Roebuck and Co. and Middletown Associates Limited Partnership (regarding approval of a tenant)

5. Second Amendment to Lease dated August 20, 1991 between P.C.M. Development Co. and Sears, Roebuck and Co.

6. Third Amendment to Lease dated July 17, 1996 between P.C.M. Development Co. and Sears, Roebuck and Co.

7. Lease Supplement dated July 17, 1996 between P.C.M. Development Co. and Sears, Roebuck and Co.

8. Highway Work Agreement, dated August 20, 1991, between The Pyramid Companies and Sears, Roebuck and Co.
9. Ballard Road Bridge Work Agreement, dated July 17, 1996, between The Pyramid Companies and Sears, Roebuck and Co.
10. Assignment and Assumption of Leases dated August 22, 1996 between P.C.M. Development Co., as assignor, and Crystal Run Company L.P., as assignee
11. Quit Claim Assignment of Lessor's Interest in Leases, Rents, Contracts and Agreements dated February 14, 2005 between Crystal Run Company L.P., as assignor, and Crystal Run NewCo., LLC, as assignee
12. Notice dated September 3, 2010 from Crystal Run NewCo., LLC (restriction of Landlord's action under Section 291-F of New York Real Property Law)
13. Lease Renewal Notice dated May 19, 2011 to Crystal Run NewCo., LLC (renewing term through May 31, 2017)

Store No. 1404 (Massapequa, NY)

1. Indenture of Lease dated July 26, 1973 between Norton Mailman Associates, Inc., as landlord, and Allied Stores of New York, Inc., as tenant
2. Lease Assignment and Assumption Agreement dated July 26, 1973 between Allied Stores of New York, Inc., as assignor, and Norton Mailman Associates, Inc., as assignee
3. Partial Release and Spreader Agreement in Respect of Leasehold Mortgage dated February 1, 1974 between Tempsford Corporation (f/k/a The South Bay Corporation), David Muss and S. Joseph Tankoos, Jr. (collectively, "Tenant"), Bishopsgate Corporation and The Bowery Savings Bank
4. Assignment and Assumption Agreement, dated December 31, 1986
5. Assignment and Assumption Agreement (Lease) dated March 15, 1995 between Stern's Departments Stores, Inc., as assignor, and Sears, Roebuck and Co., as assignee
6. Amendment to Lease dated April 28, 1995 between Norton Mailman Associates and Sears, Roebuck and Co.
7. Memorandum of Amendment to Lease dated April 28, 1995
8. Notice of Extension of Lease dated October 2, 2003 (extending term through May 29, 2015)

Store No. 1544 (Rego Park, NY)

1. Lease dated March 3, 1994 between Alexander's, Inc., as landlord, and Sears, Roebuck and Co., as tenant
2. Memorandum of Lease dated March 24, 1994
3. First Amendment to Lease dated March 29, 1995 between Alexander's, Inc. and Sears, Roebuck and Co.
4. Assignment of Mortgage Notification Letter dated March 30 1995 from Alexander's, Inc. to Sears, Roebuck and Co.
5. Lease Supplement dated April 26, 1996 between Alexander's of Rego Park, Inc. and Sears, Roebuck and Co.
6. Assignment and Assumption of Leases and Management Agreement dated May 24, 1997 between Alexander's of Rego Park, Inc., as assignor, and Alexander's Rego Park Center, Inc. as assignee (*assignment of Landlord's interest*)
7. Parking Agreement dated October 2, 1997 between Alexander's Rego Center, Inc., Sears, Roebuck and Co. and Kinney Parking Systems, Inc.
8. Assignment and Assumption of Leases dated 1999 between Alexander's Rego Park Center, Inc. as Assignor and Alexander's Rego Shopping Center, Inc. as Assignee (*assignment of Landlord's interest*)
9. Letter Agreement dated April 21, 1999 (*adding Lender (Chase Manhattan Bank) to notices*)
10. Letter dated May 12, 1999 from Alexander's Rego Park Center, Inc. (*Landlord notice of granting of security interest to Chase Manhattan Bank*)
11. Letter Agreement dated May 12, 1999 from Alexander's Rego Shopping Center, Inc., c/o Vornado Realty Trust with attached Assignment and Assumption of Leases
12. Second Amendment to Lease dated February 18, 2000 between Alexander's Rego Shopping Center, Inc. and Sears, Roebuck and Co.
13. Building Key Transfer and Release dated March 13, 2007
14. Letter Agreement dated December 3, 2008 (regarding updated legal notice address)
15. Notice Letter from Rego Center dated March 13, 2013 (*regarding change of parking garage operator*)

Store No. 1674 (White Plains, NY)

1. Lease dated March 18, 2003 between White Plains Galleria Limited Partnership, as landlord, and NSHE Valentine, LLC, as Exchange Accommodation Titleholder for Sears, Roebuck and Co., as tenant
2. Memorandum of Lease dated March 18, 2003

3. License and Indemnity Agreement dated September 24, 2002 between CF Galleria at White Plains LP (Developer), CFN, Inc. (Building Owner) and Sears, Roebuck and Co.
4. Assignment of License and Indemnity Agreement dated December 20, 2002 between Sears, Roebuck and Co. (Exchanger) and NSHE Valentine, LLC
5. Project Management Agreement dated December 20, 2002 between NSHE Valentine, LLC as Owner and Sears, Roebuck and Co.
6. Qualified Exchange Accommodation Agreement dated December 20, 2002 between Sears, Roebuck and Co. (Exchanger), National Safe Harbor Exchanges and NSHE Valentine, LLC
7. Notification to Developer and Owner dated December 24, 2002 from White Plains, L.P. (Developer) and CFN, Inc. (Building Owner) and Sears, Roebuck and Co. (Exchanger)
8. Conditional Purchase Agreement dated January 30, 2003 between Sears, Roebuck and Co. as Seller and the Cadillac Fairview Corporation Limited as Purchaser
9. Letter Agreement dated January 31, 2003 from Sears, Roebuck and Co. to The Mills Limited Partnership and White Plains Galleria Limited Partnership
10. Lessee Construction Allowance Agreement dated March 18, 2003 between CF White Plains Galleria Limited Partnership (Developer) and NSHE Valentine, LLC
11. Assignment and Assumption of Lease dated June 17, 2003 by NSHE Valentine, LLC as Assignor and Sears, Roebuck and Co. as Assignee
12. Lease Supplement dated November 4, 2003 between White Plains Galleria Limited Partnership and Sears, Roebuck and Co.
13. Lease Renewal Notification dated August 21, 2012 to White Plains Galleria Limited Partnership and Galleria of White Plains Management Office (*term renewed through August 31, 2018*)
14. Letter dated September 5, 2012 from Simon Property Group (acknowledging receipt of Sears Exercise of Option to Extend Lease)

Store No. 1733 (Yonkers, NY)

1. Lease dated March 17, 1995 between Brook Shopping Centers, Inc., as landlord, and Sears, Roebuck and Co., as tenant
2. Memorandum of Lease dated March 17, 1995
3. SNDA dated March 17, 1995 between Leonard Marx, Sr. (Lender) and Sears, Roebuck and Co. (Tenant)
4. Amendment to Lease dated October 15, 1996 between Brook Shopping Centers, Inc. and Sears, Roebuck and Co.
5. Notice of Lease Assignment dated October 24, 2009 (*assignment of Landlord interest to The Prudential Insurance Company of America and New York Life Insurance Company*)

6. Alterations Consent Letter dated February 26, 2010 from Sears, Roebuck & Co. (*regarding alterations to the shopping center*)
7. Closed Circuit Television Agreement dated October 28, 2010 between Brooks Shopping Centers LLC and Sears, Roebuck and Co.
8. Second Amendment to Lease dated March 24, 2011 between Sears, Roebuck and Co. and Brooks Shopping Centers LLC

Store No. 1984 (Buffalo, NY)

1. Lease and Shopping Center Construction, Operating and Easement Agreement, and Grant of Rights Over Premises Other Than Those Leased dated January 27, 1984 between Hamburg Associates Limited Partnership, as landlord, and Sears, Roebuck and Co., as tenant
2. Collateral Agreement dated January 27, 1984 between Hamburg Associates Limited Partnership and Sears, Roebuck and Co.
3. Amendment dated October 15, 1985 between Hamburg Associates Limited Partnership and Sears, Roebuck and Co. (*amending Collateral Agreement*)
4. Supplemental Agreement dated November 13, 1985 between Sears, Roebuck and Co. and Hamburg Associates Limited Partnership
5. Notice of Restriction of Landlord's Action in Respect of Leases Pursuant to Section 291-f of the New York Real Property Law dated August 2, 1999 from WXI/BUF/W Real Estate Limited Liability Company
6. Notice of Extension of Lease dated August 6, 2004
7. Second Amendment to Lease dated March 21, 2005 between McKinley Mall, LLC and Sears, Roebuck and Co.
8. Lease Extension dated September 22, 2009 to McKinley Mall, LLC (*extending term through September 30, 2015*)
9. Tenant Estoppel Certificate dated July 20, 2010 to Natixis Real Estate Capital Inc.
10. Rent Directive Letter dated September 1, 2010

Store No. 2113 (Rotterdam, NY)

1. Lease Agreement dated September 22, 1986 between Rotterdam Square, a NY limited partnership, as landlord, and Sears, Roebuck and Co., as tenant
2. Collateral Agreement dated September 22, 1986 between Rotterdam Square, a NY limited partnership and Sears, Roebuck and Co.

3. Supplemental Agreement dated June 15, 1989 between Rotterdam Square, a NY limited partnership and Sears, Roebuck and Co.
4. First Lease Amendment Agreement dated June 6, 1995 between Rotterdam Square and Sears, Roebuck and Co.
5. Letter Agreement dated September 6, 1995 between Sears, Roebuck and Co. and Wilmorite, Inc. (*regarding expansion of Sears store*)
6. Letter dated September 30, 1996 from Sears, Roebuck and Co. to Wilmorite, Inc. (*notice of completion of expansion and request for Landlord's capital contribution*)
7. Second Lease Amendment Agreement dated September 28, 1999 between Rotterdam Square and Sears, Roebuck and Co.
8. Notice of Extension of Lease dated August 19, 2002 from Sears, Roebuck and Co. to Rotterdam Square and Wilmorite Property Management, LLC
9. Third Lease Amendment Agreement dated September 11, 2012 between Rotterdam Square, LLC and Sears, Roebuck and Co. (*extending term of Lease to August 31, 2018*)

Store No. 2173 (Saratoga Springs, NY)

1. Lease Agreement dated May 30, 1989 between Sarwil Associates, as landlord, and Sears, Roebuck and Co., as tenant
2. Memorandum of Lease dated May 30, 1989
3. Collateral Agreement dated May 30, 1989 between Sarwil Associates and Sears, Roebuck and Co.
4. Notice of Restriction of Landlord's Action in Respect of Leases Pursuant to Section 291f of the New York Real Property Law dated October 2, 1989
5. Amendment Agreement No. 1 dated May 25, 1993 between Sarwil Associates and Sears, Roebuck and Co.
6. Lease Modification Agreement dated May 3, 1996 between Sarwil Associates, L.P. and Sears, Roebuck and Co.
7. Lease Supplement dated September 14, 1990 between Sarwil Associates and Sears, Roebuck and Co.
8. Letter Agreement dated March 5, 1996 between Sarwil Associates, L.P. and Sears, Roebuck and Co. (*regarding square footage*)
9. Second Lease Amendment Agreement dated September 28, 1999 between Sarwil Associates, L.P. and Sears, Roebuck and Co.
10. Notice of Extension of Lease dated June 17, 2004
11. Notice of Extension of Lease dated June 18, 2009 (*extending term through July 17, 2015*)

Store No. 2353 (Kingston, NY)

1. Lease Agreement dated November 23, 1988 between PCK Development Company, as landlord, and Sears, Roebuck and Co., as tenant
2. Memorandum of Lease dated November 23, 1988
3. Lease Supplement dated October 26, 1989 between PCK Development Company and Sears, Roebuck and Co.
4. First Amendment of Lease dated April 24, 1991 between PCK Development Company and Sears, Roebuck and Co.
5. Letter Agreement dated November 30, 1994 between PCK Development Company and Sears, Roebuck and Co.
6. Second Amendment of Lease dated August 14, 1996 between PCK Development Company, the May Department Stores Company and Sears, Roebuck and Co.
7. Letter Agreement dated October 29, 1996 from Pyramid Management Group, Inc. to Sears, Roebuck and Co.
8. Third Amendment to Lease dated January 29, 2001 between PCK Development Company, LLC and Sears, Roebuck and Co.
9. Letter Agreement dated December 4, 2001 between Pyramid Management Group, Inc. and Sears, Roebuck and Co.
10. Notice of Extension of Lease dated September 11, 2003
11. Renewal Notice dated September 9, 2008
12. Letter dated February 26, 2010 (*regarding Rent Directive Effective April 1, 2010*)
13. Rent Directive dated December 30, 2010 from The Edgewater Company, LLC (*regarding payment of rent to Cantor Commercial Real Estate Lending, L.P. (Lender)*)
14. Lease Renewal Letter dated September 18, 2013 to PCK Development Company L.L.C. (*renewing Lease through September 30, 2019*)

Store No. 2453 (Glens Falls, NY)

1. Lease and Shopping Center Construction, Operating and Easement Agreement and Grant of Rights Over Premises Other Than Those Leased dated December 20, 1976 between Sears, Roebuck and Co., as tenant, and Pyramid Company of Glens Falls, as landlord

2. Agreement Regarding Assignment of Lease and Related Matters dated December 20, 1976 between Sears, Roebuck and Co. and Pyramid Company of Glens Falls
3. Consent, Non-Disturbance and Attornment Agreement dated December 20, 1976 between Sears, Roebuck and Co. (Tenant) and Charles. R Wood (Mortgagee)
4. Supplemental Agreement dated July 11, 1977 between Sears, Roebuck and Co. and Pyramid Company of Glens Falls
5. Agreement dated July 15, 1977 between Teachers Insurance and Annuity Association of America and Sears, Roebuck and Co.
6. Tenant Estoppel Letter dated August 15, 1977 to Pyramid Company of Glens Falls and Teachers Insurance and Annuity Association of America
7. Letter of Understanding dated June 27, 1991 between Sears, Roebuck and Co. and Pyramid Company of Glens Falls (*regarding lease modification proposal*)
8. Letter Agreement dated June 23, 1994 between Sears, Roebuck and Co. and Pyramid Management Group, Inc. (*regarding operating covenant*)
9. Letter Agreement dated June 23, 1994 between Sears, Roebuck and Co. and Pyramid Management Group, Inc. (*regarding property taxes*)
10. Letter Agreement dated June 23, 1994 between Sears, Roebuck and Co. and Pyramid Management Group, Inc. (*regarding 1991 lease modification proposal*)
11. Lease Modification Agreement No. 1 dated June 23, 1994 between Sears, Roebuck and Co. and Pyramid Company of Glens Falls
12. Termination of Assignment of Leases and Rents dated December 17, 2003 by UBS Real Estate Investments Inc. f/k/a UBS Warburg Real Estate Investments Inc.
13. Lease Modification Agreement No. 2 dated December 19, 2003 between Pyramid Mall of Glens Falls, L.L.C. and Sears, Roebuck and Co.
14. Memorandum of Lease Modification dated December 19, 2003
15. Notice of Restriction of Landlord's Action in Respect of Leases Pursuant to Section 291f of the New York Real Property Law dated December 19, 2003
16. Letter Agreement dated January 14, 2004 between Pyramid Mall of Glens Falls, LLC and Sears, Roebuck and Co.
17. Notice of Extension of Lease dated June 19, 2006 to Pyramid Mall of Glens Falls Newco, LLC
18. Rent Directive dated October 14, 2010 (*regarding change in ownership to Aviation Mall NewCo., LLC*)

19. Notice of Restriction of Landlord's Action in Respect of Leases Pursuant to Section 291f of the New York Real Property Law dated October 14, 2010
20. Letter from Pyramid Management Group, Inc. dated December 29, 2010 (*regarding change in management agent entity name to Pyramid Management Group LLC*)
21. Lease Extension dated June 21, 2011 to Aviation Mall NewCo, LLC (*term to expire July 31, 2017*)

Store No. 2603 (New Hartford, NY)

1. Lease dated March 14, 1980 between The Senpike Mall Company, as landlord, and Sears, Roebuck and Co., as tenant
2. Agreement dated March 14, 1980 between The Senpike Mall Company, Sears, Roebuck and Co. and The Chase Manhattan Bank (Lender)
3. Agreement dated March 14, 1980 between The Senpike Mall Company and Sears, Roebuck and Co. (*landlord to use best efforts to deliver all improvements prior to April 15, 1980*)
4. Recordable Supplemental Agreement dated September 26, 1980 between The Senpike Mall Company and Sears, Roebuck and Co.
5. Supplemental Agreement dated October 2, 1980 between The Senpike Mall Company and Sears, Roebuck and Co.
6. Lease Modification Agreement dated March 17, 1981 between The Senpike Mall Company and Sears, Roebuck and Co.
7. Lease Modification Agreement No. 2 dated May 5, 1981 between The Senpike Mall Company and Sears, Roebuck and Co.
8. Release dated April 12, 1985 by Sears, Roebuck and Co. in favor of The Senpike Mall Company (*regarding damage from a water pipe breakage*)
9. Letter Agreement dated November 30, 1994 between Sears, Roebuck and Co., The Senpike Mall Company and The May Department Stores Company
10. Lease Modification Agreement No. 3 dated September 9, 1996 between The Senpike Mall Company and Sears, Roebuck and Co.
11. Lease Modification Agreement No. 4 dated July 23, 2003 between Sangertown Square L.L.C. and Sears, Roebuck and Co.
12. Rental Payee Address Change Letter dated May 13, 2009 from Pyramid Management Group, Inc.
13. Lease Renewal Letter dated July 22, 2009 to Sangertown Square LLC (*extending term through July 15, 2015*)
14. Letter dated December 29, 2010 from Pyramid Management Group, Inc.
15. Rent Directive dated December 29, 2010 from Sangertown Square LLC
16. Letter dated December 29, 2010 from Sangertown Square LLC (*regarding Landlord loan with JP Morgan Chase Bank*)

NORTH CAROLINA

Store No. 1646 (Pineville, NC)

1. Lease and Operating Agreement dated May 18, 1990 by and between Carolina Place Associates Limited Partnership (as predecessor in interest to Carolina Place L.L.C.), as landlord, and Sears, Roebuck and Co., as tenant
2. Memorandum of Lease dated May 18, 1990 by and between Carolina Place Associates Limited Partnership and Sears, Roebuck and Co.
3. Collateral Agreement dated May 18, 1990 by and between Carolina Place Associates Limited Partnership and Sears, Roebuck and Co.
4. Lease Supplement dated July 23, 1991 between Carolina Place Associates Limited Partnership and Sears, Roebuck and Co.
5. First Amendment to Lease and Operating Agreement dated April 27, 1993 by and between Carolina Place Associates Limited Partnership and Sears, Roebuck and Co.
6. First Amendment to Memorandum of Lease dated April 27, 1993 by and between Carolina Place Associates Limited Partnership and Sears, Roebuck and Co.
7. Amendment to Lease Agreement dated March 12, 1997 by and between Acquiport Carolina Place, Inc. and Sears, Roebuck and Co.
8. Third Amendment to Lease dated March 31, 2010 by and between Sears, Roebuck and Co. and Carolina Place L.L.C.
9. Fourth Amendment to Lease and Operating Agreement dated July 12, 2011 by and between Carolina Place L.L.C. and Sears, Roebuck and Co.

Store No. 2824 (Cary, NC)

1. Lease Agreement dated September 19, 1990 by and between Cary Joint Venture (as predecessor in interest to Cary Venture Limited Partnership) and Sears, Roebuck and Co.
2. Memorandum of Lease dated September 19, 1990 by and between Cary Joint Venture and Sears, Roebuck and Co.
3. Collateral Agreement dated September 19, 1990 by and between Cary Joint Venture and Sears, Roebuck and Co.

4. Lease Supplement dated August 2, 1991 between Cary Joint Venture and Sears, Roebuck and Co.
5. Amendment to Lease Agreement dated May 5, 2006 between Cary Venture Limited Partnership, CBL & Associates Limited Partnership and Sears, Roebuck and Co.
6. Second Amendment to Lease dated March 5, 2008 by and between Cary Venture Limited Partnership, CBL & Associates Limited Partnership and Sears, Roebuck and Co.
7. Third Amendment to Lease dated June 29, 2011 by and between Cary Venture Limited Partnership and Sears, Roebuck and Co.
8. Letter and Acceptance dated January 30, 2013 from Cary Venture Limited Partnership to Sears, Roebuck and Co.
9. Fourth Amendment to Lease dated February 13, 2013 by and between Cary Venture Limited Partnership and Sears, Roebuck and Co.

Store No. 1335 (Greensboro, NC)

1. Lease dated June 14, 1968 by and between Nina A. Joyner and Friendly Center, Inc.
2. Lease dated June 17, 1968 by and between W. Purvis Albright and Dorothy W. Albright and Friendly Center, Inc.
3. Lease dated June 17, 1968 by and between Fred P. Albright and Barbara W. Albright and Friendly Center, Inc.
4. Lease dated February 1, 1971 by and between Blanche S. Benjamin and Edward B. Benjamin and Friendly Center, Inc.
5. Agreement dated September 23, 1971 by and between Friendly Center, Inc. (as predecessor in interest to CBL-Friendly Center CMBS, LLC) and Sears, Roebuck and Co.
6. Memorandum of Lease dated September 23, 1971 by and between Friendly Center, Inc. and Sears, Roebuck and Co.
7. Agreement of Assignment dated September 23, 1971 by and between Friendly Center, Inc. and Sears, Roebuck and Co.
8. Letter dated October 25, 1971 from McLendon, Brim, Brooks, Pierce & Daniels to Sears, Roebuck and Co.
9. Lease Amendment dated May 24, 1984 by and between Friendly Center, Inc. and Sears, Roebuck and Co.
10. Letter dated November 22, 2010 from Sears, Roebuck and Co. to CBL-TRS Joint Venture LLC and CBL-Friendly Center LLC re extension of lease term

OHIO

Store No. 1202 (Beavercreek, OH)

1. Lease dated September 10, 1990 between Fairfield Partners Limited Partnership and Sears, Roebuck and Co.
2. Lease Agreement Modification No. 1 dated July 20, 1992 between the Glimcher Company and Sears, Roebuck and Co.
3. Lease Supplement dated October 29, 1993 between the Glimcher Company and Sears, Roebuck and Co.
4. Assignment of Tenant Leases, Guaranties and Security Deposits dated October 17, 2003 between Glimcher Properties Limited Partnership, as assignor, and MFC Beavercreek, LLC, as assignee
5. Lease Renewal Notification dated July 20, 2012 to MFC Beavercreek LLC c/o Glimcher Properties LP (extending term through October 26, 2018)

Store No. 1280 (Springdale, OH)

1. Ground Lease for the Tri-County Shopping Center dated November 24, 1965 between Tri-County Center, Inc. and Sears, Roebuck and Co.
2. Letter Agreement dated December 2, 1965 between Tri-County Center, Inc. and Sears, Roebuck and Co.
3. Short Form of Lease for Recording dated September 26, 1966
4. Supplement to Ground Lease dated July 26, 1968 between Tri-County Center, Inc. and Sears, Roebuck and Co.
5. Letter Agreement dated February 24, 1972 between Tri-County Center, Inc. and Sears, Roebuck and Co.
6. Letter Agreement dated August 23, 1979 between The Equitable Life Assurance Society of the United States and Sears, Roebuck and Co.
7. Assignment and Assumption Agreement of Leases dated August 28, 1979 between Monumental Properties Trust as Assignor and The Equitable Life Assurance Society of the United States as Assignee
8. Amendment to Ground Lease dated December 14, 1988 between The Equitable Life Assurance Society of the United States and Sears, Roebuck and Co.
9. Amended and Restated Memorandum of Lease dated December 14, 1988 between The Equitable Life Assurance Society of the United States and Sears, Roebuck and Co.
10. Fourth Amendment to Ground Lease dated June 1, 1990 between The Equitable Life Assurance Society of the United States and Sears, Roebuck and Co.

11. Letter Agreement dated January 12, 2007 between Thor MM Gallery at Tri-County, LLC (Developer) and Sears, Roebuck and Co.
12. Letter dated June 4, 2012 from E3 Realty Advisors (*notice of receivership)*
13. Letter dated September 30, 2013 from E3 Advisors (*notice of receivership)*

Store No. 2071 (Cincinnati, OH)

1. Lease dated December 15, 1998 between The Mills Limited Partnership as Landlord and Sears, Roebuck and Co. as Tenant
2. Assignment and Assumption Agreement dated January 20, 1999 between The Mills Limited Partnership as Assignor and Western Hills Plaza L.L.C. as Assignee
3. Lease Supplement dated November 11, 1999 The Mills Limited Partnership and Sears, Roebuck and Co.
4. Second Amendment to Lease dated October 31, 2000 between Stomad Centers Western Hills Plaza, LLC and Sears, Roebuck and Co.
5. Assignment and Assumption of Leases dated November 3, 2005 between Stomad Centers Western Hills Plaza, LLC as Grantor and HK New Plan Exchange Property Owner II, LP as Grantee
6. Lease Renewal Letter dated September 18, 2013 to BRE Residual Owner I LLC (extending term through October 19, 2019)

Store No. 5539 (Solon, OH) (Kmart #3373)

1. Lease Agreement dated March 18, 1977 between Developers Diversified Enterprises, Ltd., as landlord, and S.S. Kresge Company, as tenant
2. Memorandum of Lease dated March 18, 1977
3. Assignment of Lease dated June 15, 1977 between Developers Diversified Enterprises, Ltd. as Assignor and Solon Associates, Ltd. as Assignee
4. First Amendment to Lease dated August 4, 1977 between Solon Associates, Ltd. and Kmart Corporation f/k/a S.S. Kresge Company
5. Second Amendment to Lease dated November 11, 1977 between Solon Associates, Ltd. and Kmart Corporation f/k/a S.S. Kresge Company
6. Commencement Date Letter dated March 3, 1978
7. Third Amendment to Lease dated August 22, 1978 between Solon Associates, Ltd. and Kmart Corporation f/k/a S.S. Kresge Company

8. Assignment of Lease dated September 1, 1982 between Solon Associates, Ltd. as Assignor and Solon Realty, Inc. as Assignee
9. Assignment of Lease dated September 1, 1982 between Solon Realty, Inc. as Assignor and Solon Realty Limited Partnership as Assignee
10. Notice Regarding Lease Extension dated September 27, 2002
11. Notice of Extension dated August 22, 2007 to Solon, OH Retail LLC (Landlord)
12. Lease Renewal Notification dated September 19, 2012

PENNSYLVANIA

Store 1064 (Langhorne, PA)

1. Amended and Restated Department Store Lease Agreement dated April 14, 1989 between Lincoln Plaza Associates and Sears, Roebuck and Co.
2. Collateral Agreement dated April 14, 1989 between Lincoln Plaza Associates and Sears, Roebuck and Co.
3. Agreement Relating to Non-Disturbance, Attornment and Other Related Matters dated October 18, 1989
4. Lease Supplement dated October 31, 1989 between Lincoln Plaza Associates and Sears, Roebuck and Co.
5. Letter Agreement dated January 8, 1992 between Kravco Company, agent for Lincoln Plaza Associates and Sears, Roebuck and Co.
6. Letter Agreement dated July 30, 1992 between Connecticut General Life Insurance Company, Lincoln Plaza Associates and Sears, Roebuck and Co.
7. Amendment to Lease dated January 31, 2005 between Lincoln Plaza Associates and Sears, Roebuck and Co.
8. Renewal Notice dated July 22, 2008 to Lincoln Plaza Associates (extending term to August 15, 2014)
9. Letter Agreement dated June 25, 2009 between Simon Property Group, Inc. and Sears, Roebuck and Co. (regarding monthly electric escrow)
10. Second Amendment to Lease dated August 28, 2013 between Lincoln Plaza Associates and Sears, Roebuck and Co.

Store No. 1244 (York, PA)

1. Lease dated May 26, 1988 between York Zamias Limited Partnership and Sears, Roebuck and Co.
2. Takeout Agreement dated May 26, 1988 between York Zamias Limited Partnership and Sears, Roebuck and Co.
3. Collateral Agreement dated May 26, 1988 between York Zamias Limited Partnership and Sears, Roebuck and Co.
4. Lease Supplement dated December 4, 1989 between York Zamias Limited Partnership and Sears, Roebuck and Co.
5. Lease Amendment Agreement dated May 7, 1990 between York Zamias Limited Partnership and Sears, Roebuck and Co.
6. Change of Ownership Notice to Tenants dated July 1, 1999 (sale of property from YGL Partners to Parham Limited Partnership)
7. Second Amendment to Lease dated April 8, 2008 between York Galleria Limited Partnership and Sears, Roebuck and Co.
8. Lease Renewal Letter dated October 31, 2013 to York Galleria Limited Partnership (extending term to January 31, 2018)

Store No. 2344 (State College, PA)

1. Lease Agreement dated September 25, 1989 between Crown American Corporation and Sears, Roebuck and Co.
2. Memorandum of Lease dated October 10, 1989
3. Collateral Agreement dated September 29, 1989 between Crown American Corporation and Sears, Roebuck and Co.
4. Lease Amendment and Lease Supplement dated September 20, 1990 between Crown American Corporation and Sears, Roebuck and Co.
5. Notice of Lease Assignment dated November 29, 1990 from The Equitable Life Assurance Society to Sears, Roebuck and Co.
6. Second Amendment to Lease dated June 10, 1999 between Crown American Financing Partnership and Sears, Roebuck and Co.
7. Letter Agreement dated April 14, 2000 between Crown American Financing Partnership and Sears, Roebuck and Co.
8. Lease Extension Letter dated November 1, 2004 (extending term to August 28, 2010)
9. Lease Extension Letter dated December 17, 2009 (extending term to August 28, 2015)

Store 2684 (Frackville, PA)

1. Lease and Shopping Center Construction, Operating and Easement Agreement and Grant of Rights Over Premises Other than Those Leased dated August 21, 1978 between Crown American Corporation and Sears, Roebuck and Co.
2. Agreement Regarding Assignment of Leases dated August 21, 1978 between Crown American Corporation and Sears, Roebuck and Co.
3. Notice of Lease Assignment dated October 25, 1979 between Crown American Corporation and Sears, Roebuck and Co. (assignment of landlord interest to The Equitable Life Assurance Society)
4. Supplemental Agreement dated December 23, 1980 between Crown American Corporation and Sears, Roebuck and Co.
5. Letter Agreement dated August 5, 1983 between Crown American Corporation and Sears, Roebuck and Co.
6. Notice of Lease Assignment dated August 22, 1983 between Crown American Corporation and Sears, Roebuck and Co. (assignment of landlord interest to The Equitable Life Assurance Society)
7. Notice of Lease Assignment dated November 29, 1990 between Crown American Corporation and Sears, Roebuck and Co. (assignment of landlord interest to The Equitable Life Assurance Society)
8. Lease Amendment dated December 11, 1990 between Crown American Corporation and Sears, Roebuck and Co.
9. Second Lease Amendment dated May 8, 1995 between Crown American Corporation and Sears, Roebuck and Co.
10. Supplement to Second Lease Amendment dated November 1, 1995 between Crown American Properties, L.P. and Sears, Roebuck and Co.
11. Notice of Extension of Lease dated October 6, 2004 to Pennsylvania Real Estate Investment Trust (Landlord) (extending term to October 31, 2010)
12. Assignment and Assumption of Leases dated March 6, 2007 between PR Schuylkill Limited Partnership, PREIT Services, LLC as Assignor and Empire Schuylkill, L.P. as Assignee
13. Notice of Lease Extension dated October 22, 2009 to Empire Schuylkill, L.P. (Landlord) (extending term to October 31, 2015)

Store No. 1884 (King of Prussia, PA)

1. Lease dated October 28, 1981 between King of Prussia Associates and Sears, Roebuck and Co.
2. Takeout Agreement dated October 28, 1981 between King of Prussia Associates and Sears, Roebuck and Co.
3. Supplemental Agreement dated October 28, 1981 between King of Prussia Associates and Sears, Roebuck and Co.
4. Supplement to Supplemental Agreement dated October 1, 1983 between King of Prussia Associates and Sears, Roebuck and Co.
5. Supplement to Takeout Agreement dated March 12, 1984 between King of Prussia Associates and Sears, Roebuck and Co.
6. Notice of Lease Assignment dated November 25, 1985 from The Equitable Life Assurance Society
7. Letter Agreement dated September 20, 1988 between King of Prussia Associates and Sears, Roebuck and Co.
8. Letter Agreement dated June 18, 1993 between King of Prussia Associates and Sears, Roebuck and Co. (regarding proposed renovation and expansion)
9. Letter Agreement dated October 15, 1993 between King of Prussia Associates and Sears, Roebuck and Co. (regarding payment of interior and exterior work)
10. Amendment to Lease dated November 30, 1993
11. Second Amendment to Lease dated August 22, 2000 between King of Prussia Associates and Sears, Roebuck and Co.
12. Letter Agreement date June 25, 2009 between King of Prussia Associates and Sears, Roebuck and Co. (regarding electric utility charges)
13. Mutual Release and Settlement Agreement dated February 4, 2013 between King of Prussia Associates and Sears, Roebuck and Co.
14. Letter Agreement dated May 1, 2013 from Simon Property Group, L.P. to Sears, Roebuck and Co. (regarding property redevelopment)

Store No. 1154 (Whitehall, PA)

1. Lease dated March 16, 1964 between Donnelly & Suess Properties, Inc. and Sears, Roebuck and Co.
2. Memorandum of Lease for Recording dated February 23, 1966
3. Agreement dated July 14, 1966 between Alton, Inc. (Landlord) and Sears, Roebuck and Co.
4. Agreement dated August 30, 1966 between Alton, Inc. and Sears, Roebuck and Co.
5. Letter Agreement dated September 20, 1966 between Alton, Inc. and Sears, Roebuck and Co.
6. Letter Agreement dated February 13, 1967
7. Assignment dated February 27, 1967 by Alton, Inc. to Massachusetts Mutual Life Insurance Company
8. Letter Agreement dated March 13, 1975 between Alton, Inc. and Sears, Roebuck and Co.
9. Whitehall Mall Lease Amendment Agreement dated November 3, 1980 between Whitemark Associates and Pennsylvania Real Estate Investment Trust (collectively, Landlord), Sears, Roebuck and Co. (Tenant) and Massachusetts Mutual Life Insurance Company (Assignee)
10. Lease Amendment dated November 10, 1981 between Whitemark Associates and Pennsylvania Real Estate Investment Trust (collectively, Landlord) and Sears, Roebuck and Co. (Tenant)
11. Letter Agreement dated January 11, 1982 between Whitemark Associates and Pennsylvania Real Estate Investment Trust and Sears, Roebuck and Co.
12. Letter Agreement dated December 14, 1982 between Whitemark Associates and Pennsylvania Real Estate Investment Trust and Sears, Roebuck and Co.
13. Lease Amendment dated May 23, 1984 between Whitemark Associates and Pennsylvania Real Estate Investment Trust and Sears, Roebuck and Co.
14. Notice of Extension of Lease dated September 14, 1990 from Sears, Roebuck and Co. to Kravco Company (Landlord)
15. Amendment to Lease and Tenant's Consent dated December 16, 1998 between Whitemark Associates and Pennsylvania Real Estate Investment Trust and Sears, Roebuck and Co.
16. Notice of Extension of Lease and Tenant's Address dated July 5, 2000 from Sears, Roebuck and Co. to Kravco Company (agent for Landlord)
17. Lease Renewal Letter dated August 31, 2010 to Kravco Company (extending term to September 18, 2021)

Store No. 1334 (Pittsburgh, PA)

1. Lease dated July 6, 1964 between Harry Soffer and Eugene Lebowitz d/b/a Don-Mark Realty Company and Sears, Roebuck and Co.
2. Letter Agreement dated August 10, 1964 between Don-Mark Realty and Sears, Roebuck and Co.

3. Letter Agreement dated August 3, 1965 between Don-Mark Realty and Sears, Roebuck and Co.
4. Modification and Ratification of Lease dated October 28, 1965 between Don-Mark Realty and Sears, Roebuck and Co.
5. Letter Agreement dated March 14, 1975 between Edward J. Lewis, Donald Soffer and Mark E. Mason t/a Oxford Development Company (Landlord) and Sears, Roebuck and Co.
6. Lease Amendment dated December 7, 1984 between Connecticut General Life Insurance Company (Landlord) and Sears, Roebuck and Co.
7. Lease Amendment dated December, 1996 between South Hills Villages Associates, LP (Landlord) and Sears, Roebuck and Co.
8. Letter dated May 22, 2000 from Sears, Roebuck and Co. to South Hills Village Associates, LP
9. Lease Amendment Agreement dated December 3, 2009 between South Hills Village Associates, LP and Sears, Roebuck and Co. (setting extended term until July 27, 2015)
10. Mutual Release and Settlement Agreement dated March 15, 2011 between South Hills Villages Associates, LP and Sears, Roebuck and Co.
11. Letter Agreement dated August 10, 2011 between South Hills Village Associates, LP and Sears, Roebuck and Co.
12. Amendment to Lease and Consent Agreement dated February 14, 2012 between South Hills Village Associates, LP and Sears, Roebuck and Co.

Store No. 1073 (Exton, PA)

1. Ground Lease dated October 1, 1998 between Exton Square, Inc. and Sears, Roebuck and Co.
2. Memorandum of Lease dated October 1, 1998
3. Lease Supplement dated February 10, 2000 between Exton Square, Inc. and Sears, Roebuck and Co.
4. Letter dated February 21, 2001 from Sears, Roebuck and Co. to Exton Square, Inc. (regarding unamortized value of Tenant's building)

Store No. 1644 (Lancaster, PA)

1. Agreement and Lease dated June 2, 1970 between Park City Associates and Algon Realty Company
2. Memorandum of Lease dated June 2, 1970
3. Supplemental Memorandum of Lease dated June 15, 1971

4. First Amendment to Agreement and Lease dated June 15, 1971 between Park City Associates and Algon Realty Company
5. Articles of Merger dated January 31, 1972 (where Algon Realty Company merged with and into Sears, Roebuck and Co.) (Certified by the PA Department of State September 26, 2001)
6. Letter Agreement dated August 9, 1972 between Sears, Roebuck and Co. and Park City Associates
7. Second Amendment to Lease dated June 4, 1984 between Dusco Property Management, Inc. (as agent for Landlord, M. James Spitzer, Jr. and Ernest Greenberger) and Sears, Roebuck and Co.
8. Agreement (Third Amendment) dated August 9, 1988 between James M. Spitzer, Jr. and Kenneth Gleidman as Trustees under Trust Agreement dated July 31, 1979 (Landlord) and Sears, Roebuck and Co.
9. Letter Agreement dated January 12, 1989 between James M. Spitzer, Jr. and Kenneth Gleidman as Trustees under Trust Agreement dated July 31, 1979 (Landlord) and Sears, Roebuck and Co.
10. Letter Agreement dated June 10, 1998 between General Growth Partners and Sears, Roebuck and Co. (regarding a sale of shopping center)
11. Letter Agreements dated November 17, 2005, May 30, 2006 and June 13, 2006 from General Growth Partners to Sears, Roebuck and Co. (regarding site plan approval)
12. Fourth Amendment to Lease dated April 30, 2007 between Lancaster Trust and Sears, Roebuck and Co.

Store No. 1654 (Media, PA)

1. Lease, Shopping Center, Construction, Operating and Easement Agreement and Grant of Certain Rights over Premises Other than Those Leased, and Grant of Right to Purchase Entire Site dated February 11, 1972 between Granite Run Mall, Inc. and Sears, Roebuck and Co.
2. Supplemental Agreement dated February 11, 1972 between Granite Run Mall, Inc. and Sears, Roebuck and Co.
3. Amendment to Lease No.1 dated May 2, 1972 between Granite Run Mall, Inc. and Sears, Roebuck and Co.
4. Supplemental Agreement dated September 11, 1973 between Granite Run Mall, Inc. and Sears, Roebuck and Co.
5. Amendment to Lease No. 2 dated July 21, 1980 between Granite Run Mall, Inc. and Sears, Roebuck and Co.
6. Lease Amendment dated May 2, 1984 between Granite Run Mall, Inc. and Sears, Roebuck and Co.

7. Letter Agreement dated January 25, 1989 between Granite Run Mall Associates and Sears, Roebuck and Co.
8. Letter Agreement dated July 20, 2001 between Simon Property Group and Sears, Roebuck and Co. (for a Budget installation)
9. Assignment of Leases dated May 10, 2006 between SDG Macerich Properties, LP as Assignor and SM Granite Run Mall LP as Assignee (assignment of Landlord's interest)
10. Letter dated April 13, 2011 from Madison Marquette (regarding change in ownership from SM Granite Run Mall, LP to 1067 West Baltimore Pike Holdings Limited Partnership)

Store No. 1834 (North Wales, PA)

1. Lease dated August 17, 1979 between Montgomeryville Associates and Sears, Roebuck and Co.
2. Supplemental Agreement dated October 21, 1980 between Montgomeryville Associates and Sears, Roebuck and Co.
3. Supplemental Agreement #2 dated January 19, 1981 between Montgomeryville Associates and Sears, Roebuck and Co.
4. Letter Agreement dated October 24, 1994 between Kravco, Inc. and Sears, Roebuck and Co.
5. Letter Agreement dated August 21, 1995 between Kravco, Inc. and Sears, Roebuck and Co.
6. Two Party Supplemental Agreement and Amendment to Lease dated May 10, 1999 between Sears, Roebuck and Co. and Montgomeryville Associates
7. Assignment of Leases dated April , 2004 between Montgomeryville Associates as Assignor and Mall at Montgomeryville, LP as Assignee
8. Letter Agreement dated June 22, 2007 between Montgomeryville Associates and Sears, Roebuck and Co.
9. Letter Agreement dated June 25, 2009 between Simon Property Group, L.P. and Sears, Roebuck and Co.
10. Amendment to Lease dated August 24, 2012 between Sears, Roebuck and Co. and Mall at Montgomeryville, L.P.

Store No. 1534 (Scranton, PA)

1. Lease dated February 17, 1966 between Crown Construction Company and Sears, Roebuck and Co.
2. First Supplemental Agreement dated April 21, 1966 between Sears, Roebuck and Co. and Crown Construction Company

3. Second Supplemental Agreement dated February 19, 1968 between Sears, Roebuck and Co. and Crown Construction Company
4. Supplemental Agreement dated July 16, 1968 between Sears, Roebuck and Co. and Crown Construction Company
5. Letter Agreement dated October 17, 1969 between Sears, Roebuck and Co. and Crown Construction Company
6. Amendment Agreement dated September 3, 1980 between Crown American Corporation, Sears, Roebuck and Co. and The Equitable Life Assurance Society
7. Lease Amendment and Extension dated August 29, 1986 between Sears, Roebuck and Co. and Crown American Corporation
8. Letter Agreement dated November 2, 1990 between Sears, Roebuck and Co. and Crown American Corporation
9. Lease Amendment dated December 11, 1990 between Sears, Roebuck and Co. and Crown American Corporation
10. Collateral Agreement dated December 11, 1990 between Sears, Roebuck and Co. and Crown American Corporation
11. Amendment to Collateral Agreement dated December 21, 1992 between Sears, Roebuck and Co. and Crown American Corporation
12. Amendment to Lease dated December 21, 1992 between Sears, Roebuck and Co. and Crown American Corporation
13. Amendment to Lease dated June 15, 2000 between Sears, Roebuck and Co. and Crown American Financing Partnership, L.P.
14. Lease Amendment dated October 1, 2004 between PR Financing Limited Partnership and Sears, Roebuck and Co.
15. Amendment to Lease dated October 30, 2009 between PR Viewmont Limited Partnership and Sears, Roebuck and Co.
16. Lease Extension Notice dated June 21, 2010 to PR Viewmont Limited Partnership (extending term to December 31, 2015)

Store No. 2494 (Altoona, PA)

1. Lease Agreement dated November 25, 1964 between Stephen J. Siciliano and Sears, Roebuck and Co.
2. Lease Agreement dated June 24, 1965 (Short Form)

3. Letter Agreement dated December 6, 1965 between Sears, Roebuck and Co. and Logan Valley Plaza, Inc.
4. Lease Amendment dated April 18, 1967 between Sears, Roebuck and Co. and Logan Valley Plaza, Inc.
5. Lease Amendment dated March 20, 1974 between Sears, Roebuck and Co. and Crown American Corporation
6. Letter Agreement dated September 14, 1974 between Sears, Roebuck and Co. and Crown American Corporation
7. Letter Agreement dated September 12, 1984 between Sears, Roebuck and Co. and Crown American Corporation
8. Notice of Extension of Lease dated February 16, 1994 to Crown American Financing Partnership
9. Lease Amendment dated March 21, 1995 between Crown American Financing Partnership and Sears, Roebuck and Co.
10. Letter Agreement dated October 27, 1995 between Crown American Financing Partnership and Sears, Roebuck and Co.
11. Lease Amendment dated February 2, 1996 between Crown American Financing Partnership and Sears, Roebuck and Co.
12. Memorandum of Lease Amendment dated October 11, 1996 between Crown American Properties, L.P. and Sears, Roebuck and Co.
13. Supplemental Agreement to Lease Amendment dated November 15, 1996 between Crown American Properties, L.P. and Sears, Roebuck and Co.
14. Assignment and Assumption of Leases dated November 17, 1997 between Crown American Properties, L.P., as assignor, and Crown American WL Associates, L.P., as assignee

SOUTH CAROLINA

Store No. 2035 (Columbia, SC)

1. Lease Agreement, dated August 8, 1989, between Homart Development Co. (as predecessor-in-interest to Columbiana Centre, LLC) and Sears, Roebuck and Co.
2. Collateral Agreement, dated August 8, 1989, between Homart Development Co. (as predecessor-in-interest to Columbiana Centre, LLC) and Sears, Roebuck and Co.
3. Lease Supplement, dated August 9, 1990, between Homart Development Co. (as predecessor-in-interest to Columbiana Centre, LLC) and Sears, Roebuck and Co.
4. First Amendment to Lease, dated September 14, 1995, between Homart Development Co. (as predecessor-in-interest to Columbiana Centre, LLC) and Sears, Roebuck and Co.
5. Letter, dated September 23, 2009, from Sears, Roebuck and Co. extending the lease term

TENNESSEE

Store No. 1395 (Knoxville, TN)

1. Sublease Agreement, dated October 18, 1971, between Ralph Biernbaum (as predecessor-in-interest to West Town Joint Venture) and Sears, Roebuck and Co.
2. First Amendment to Lease Agreement, dated December 18, 1986, between RREEF USA Fund – II (as predecessor-in-interest to West Town Joint Venture) and Sears, Roebuck and Co.
3. Second Amendment to Lease Agreement, dated May 24, 1995, between West Town Joint Venture and Sears, Roebuck and Co.
4. Third Amendment to Lease Agreement, dated December 12, 1996, between West Town Joint Venture and Sears, Roebuck and Co.
5. Supplemental Agreement, dated December 12, 1996, between West Town Joint Venture and Sears, Roebuck and Co.

Store No. 2875 (Franklin/Nashville, TN)

1. Post-Closing Lease, dated June 28, 2013, between Sears, Roebuck and Co. and Coolsprings Mall, LLC
2. Notice of Termination Letter dated February 3, 2014 from Coolsprings Mall, LLC to Sears, Roebuck and Co.

VERMONT

Store No. 1463 (Burlington, VT)

1. Ground Lease Agreement, dated January 3, 1996, between William G. Finard and Morris Rand, Trustees of University Mall Realty Trust, a trust u/d/t dated November 7, 1977, recorded in the South Burlington, Vermont Land Records, as amended (as predecessor-in-interest to University Mall LLC) and Sears, Roebuck and Co.
2. General Assignment and Assumption and Bill of Sale, dated March, 2007, between William G. Finard and Morris Rand, Trustees of University Mall Realty Trust and University Mall, LLC.
3. Letter, dated December 22, 2011, from University Mall relating to change of address of landlord.

Store No. 2623 (Rutland, VT)

1. Lease, dated April 16, 1990, between Finard-Zamias Associates (as predecessor-in-interest to Gemini Diamond Run H, LLC) and Sears, Roebuck and Co.
2. First Amendment to Lease, dated September 17, 1993, between DGZ Associates Limited Partnership (as predecessor-in-interest to Gemini Diamond Run H, LLC) and Sears, Roebuck and Co.
3. Second Amendment of Lease, dated March 25, 1994, between DGZ Associates Limited Partnership (as predecessor-in-interest to Gemini Diamond Run H, LLC) and Sears, Roebuck and Co.
4. Assignment of Lease, dated April 6, 1994, between DGZ Associates Limited Partnership and Rutland Regional Shopping Center Associates, L.P.
5. Third Amendment of Lease, dated April 7, 1994, between Rutland Regional Shopping Center Associates, L.P. (as predecessor-in-interest to Gemini Diamond Run H, LLC) and Sears, Roebuck and Co.
6. Lease Supplement, dated August 18, 1995, between Rutland Regional Shopping Center Associates, L.P. (as predecessor-in-interest to Gemini Diamond Run S, LLC and Gemini Diamond Run H, LLC) and Sears, Roebuck and Co.
7. Bill of Sale and Blanket Assignment, dated August , 2007, between
8. Letter, dated July 22, 2009, from Sears, Roebuck and Co. extending lease term.

VIRGINIA

Store No. 2395 (Manassas, VA)

1. Indenture of Lease dated June 3, 1969 between C. Lacey Compton and First Virginia Bank as co-executors of Emily R. Lewis, as landlord, and Manassas Interstate Properties, Inc., as tenant
2. Letter Agreement dated April 3, 1970 between Montgomery Ward & Co., Incorporated and Manassas Interstate Properties, Inc.
3. Assignment of Lease dated April 30, 1970 between Manassas Interstate Properties, Inc. as Assignor and Monwar Property Corporation as Assignee
4. Assignment and Assumption of Lease dated April 12, 2001 between Montgomery Ward Development, LLC (f/k/a Montgomery Ward Development Corporation, f/k/a Monwar Property Corporation), as assignor, and Sears, Roebuck and Co., as assignee
5. Bankruptcy Court Order dated February 19, 2001 (approving assignment of lease to Sears)
6. Notice Letter dated April 24, 1013 from Manassas Mall SC Corporation (regarding sale of shopping center from Manassas Owner LLC to Manassas Mall SC Corporation)

Store No. 2435 (Charlottesville, VA)

1. Leaseback and Construction Agreement dated January 15, 1979 between CV Associates as Landlord and Sears, Roebuck and Co. as Tenant
2. Assignment and Assumption Agreement dated January 15, 1979 between Sears, Roebuck and Co. as Assignor and CV Associates as Assignee (where Sears assigned its tenant interest in the Deed of Lease dated January 15, 1979 to CV Associates (landlord under this lease is CFS Associates))
3. Supplement to Leaseback and Construction Agreement dated March 11, 1980 between CV Associates and Sears, Roebuck and Co.
4. Opening Date Agreement dated January 18, 1982 between CFS Associates and Sears, Roebuck and Co.
5. Letter Agreement dated March 28, 2003 between CV Associates and Sears, Roebuck and Co. (regarding Sears remodel and reimbursement for asbestos)
6. Notice of Extension of Lease dated January 8, 1999 (extending term through March 4, 2005)
7. Notice of Extension of Lease dated October 31, 2003 (extending term through March 4, 2010)
8. Notice of Extension of Lease to C.V. Associates L.P. (Landlord) dated October 8, 2008 (extending term through March 4, 2015)
9. Letter Agreement dated October 16, 2009 between Simon Property Group and Sears, Roebuck and Co. (regarding Sears consent to addition of Red Lobster)

Store No. 1274 (Richmond, VA)

1. Lease Agreement dated February 24, 1995 between The Macerich Partnership, L.P. and Sears, Roebuck and Co.
2. Letter Agreement dated February 24, 1995 between The Macerich Partnership, L.P. and Sears, Roebuck and Co. (supplementing terms of the Lease)
3. Letter Agreement dated February 24, 1995 between The Macerich Partnership, L.P. and Sears, Roebuck and Co. (regarding existing utility line)
4. Lease Supplement dated July 26, 1996 between The Macerich Partnership, L.P. and Sears, Roebuck and Co.
5. Letter dated September 17, 2012 from The Macerich Partnership, L.P. (regarding change in ownership to Macerich Chesterfield LLC)

Store No. 1024 (Falls Church, VA)

1. Sublease dated November 25, 1996 between Juniper Lane Associates, L.C. and Sears, Roebuck and Co.
2. Side Letter Agreement dated December 2, 1996 between Juniper Lane Associates, L.C. and Sears, Roebuck and Co.
3. Amendment to Sublease dated October 12, 1998 between Juniper Lane Associates, L.C. and Sears, Roebuck and Co.
4. Second Amendment to Sublease dated October 30, 1998 between Juniper Lane Associates, L.C. and Sears, Roebuck and Co.
5. Lessee's Estoppel Letter and Lease Amendment dated November 24, 1998 to The College Life Insurance Company of America
6. Lease Supplement dated March 16, 1999 between Juniper Lane Associates Limited Liability Company and Sears, Roebuck and Co.

Store No. 2694 (Fredericksburg, VA)

1. Lease, dated November 5, 1979, between Sears, Roebuck and Co. and Spotsylvania Mall Company
2. Supplemental Agreement - A, dated February 18, 1980
3. Supplemental Agreement - B, dated February 18, 1980
4. First Lease Modification Agreement, dated May 5, 1980
5. Letter Agreement, dated May 15, 1980
6. Letter Agreement, dated February 3, 1982
7. Letter Agreement, dated February 15, 1985
8. Lease Modification Agreement No. 2, dated April 1, 1985
9. Lease Modification No. 3, dated July 9, 1985
10. Letter Agreement, dated February 20, 1989
11. Third Amendment to Lease, dated October 9, 1995
12. Notice of Extension of Lease, dated February 5, 1999
13. Fourth Amendment to Lease, dated October 9, 2000
14. Notice of Extension of Lease, dated December 12, 2003
15. Lease Modification Agreement No. 5, dated August 22, 2006
16. Notice of Extension of Lease, dated February 18, 2009
17. Notice of Extension of Lease, dated February 18, 2014 (extending term to February 28, 2020)

WASHINGTON

Store No. 1139 (Tukwila, WA)

1. Agreement of Lease, dated April 14, 1966, between Southcenter Shopping Center Corporation (as predecessor-in-interest to WEA Southcenter LLC) and Marshall Field and Company (as predecessor-in-interest to Sears, Roebuck and Co.)
2. Lease Amendment, dated June 29, 1966, between Southcenter Shopping Center Corporation (as predecessor-in-interest to WEA Southcenter LLC) and Marshall Field and Company (as predecessor-in-interest to Sears, Roebuck and Co.)
3. Second Amendment to Lease, dated April 23, 1987, between Southcenter Joint Venture (as predecessor-in-interest to WEA Southcenter LLC) and Frederick & Nelson Southcenter, Inc. (as predecessor-in-interest to Sears, Roebuck and Co.)
4. Third Amendment to Lease, dated February 11, 1991, between Southcenter Joint Venture (as predecessor-in-interest to WEA Southcenter LLC) and Seattle-First National Bank, as Owner Trustee U/T/A dated 8/10/88 (as predecessor-in-interest to Sears, Roebuck and Co.)
5. Fourth Amendment to Lease, dated April 22, 1993, between Southcenter Shopping Center Corporation (as predecessor-in-interest to WEA Southcenter LLC) and Sears, Roebuck and Co.
6. Fifth Amendment to Lease, dated November 16, 1995, between Southcenter Shopping Center Corporation (as predecessor-in-interest to WEA Southcenter LLC) and Sears, Roebuck and Co.
7. Sixth Amendment to Lease, dated December 23, 2008, between WEA Southcenter LLC and Sears, Roebuck and Co.
8. Agreement, dated September 18, 1968, between Southcenter Shopping Center Corporation (as predecessor-in-interest to WEA Southcenter LLC) and Marshall Field and Company (as predecessor-in-interest to Sears, Roebuck and Co.)
9. Letter Agreement, dated April 21, 1994, between Southcenter Joint Venture (as predecessor-in-interest to WEA Southcenter LLC) and Sears, Roebuck and Co.
10. Assignment and Assumption of Ground Lease and Other Property Interests, dated September 28, 2006, between Prudential Retirement Insurance and Annuity Company and WEA Southcenter, LLC, recorded on September 29, 2006 in King County, Washington as Document 20060929002119
11. Letter, dated January 17, 2008, from Sears, Roebuck and Co. extending the lease term

Exhibit 10.5

RETAIL OPERATIONS AGREEMENT

This **RETAIL OPERATIONS AGREEMENT** (the "**Agreement**") is entered into by Lands' End, Inc., a Delaware corporation ("**LE**") and Sears, Roebuck and Co., a New York corporation, ("**SRC**"). Certain terms are defined where they are first used below; while others are defined in Appendix #1 (Glossary). SRC and LE each are sometimes referred to herein as a "Party" and together sometimes are referred to as the "Parties."

Terms and Conditions

For good and valuable consideration, the receipt of which SRC and LE acknowledge, SRC and LE agree as follows:

1. PROVISION OF SERVICES.

1.1 **Retail Operations**.

(a) **Services**. Solely in connection with the Leases (as that term is defined below), SRC agrees to provide LE certain retail operations services as further described in this Agreement and the attached Appendix #2 (the "**Services**"). Except as expressly stated on Appendix #2 (Services), in the event of any conflict or inconsistency between this Agreement and Appendix #2, this Agreement will control.

(b) **LE Shops**. The Services under this Agreement are provided solely for: (i) the LE Merchandise identified in Appendix #1 and (ii) the "Lands' End Shops at Sears" identified in the Leases as of the Effective Date; provided that as locations are removed from the Leases they shall be removed from this Agreement as well subject to the Wind-down Activities set forth in Section 13.6 (collectively, the "**LE Shops**"). The sale of Merchandise by LE in LE Shops and the provision of Services with respect thereto by SRC shall be referred to herein as the "**LE Shop Program**." All Merchandise will be procured and provided by LE and shall bear "LE Marks" (as defined below) and no Merchandise shall bear "Sears Marks" (as defined below). LE shall be the sole owner of, and be solely responsible for, all Merchandise sold under this Agreement.

(c) **Prior Services**. The intent of the parties is that the Services described herein are those that SRC was providing to LE prior to the Effective Date in connection with the sale of the Merchandise in Sears Locations; provided, however, that the parties have endeavored to modify such Services as necessary to reflect the spin-off of LE and to reflect that Merchandise is owned by LE. If a Party identifies a service that was previously provided by SRC that is not described in this Agreement, it will notify the other Party's Contact Person (as provided for in Section 8.14 below), and the Parties will work together in Good Faith to determine whether they wish to have such service added to this Agreement; any such addition will require a written amendment to this Agreement signed by both parties to be effective. The Parties will include in such an amendment, if they agree to execute one, a description of the service, the Fees, and allocation of expenses for such Service.

(d) **Amendments**. Unless otherwise agreed in writing by the Parties, the Services to be provided by SRC under this Agreement are limited to those expressly stated herein, including those described in Section 1(c) above. This Agreement, and the Services, Fees and Expenses hereunder, may only be modified by a written amendment

which must be signed by both parties to be effective (each an "**Amendment**"). LE acknowledges that modifications to this Agreement will require certain internal approvals by SRC and therefore absent an Amendment; LE will not rely (and any such reliance would be unreasonable) upon any proposed amendment or course of dealing by the parties.

(e) **Changes in the Services**. If LE desires to make changes in this Agreement to provide for different or additional Services (each a "**Service Change**") to be provided by SRC, the parties shall comply with the following Service Change process:

(i) LE shall prepare a written proposal for the Service Change including a description of the services, deliverables, schedule, in such detail as would be needed by an unaffiliated third party contractor to develop a competent price proposal for similar services.

(ii) If SRC is willing to consider the Service Change, SRC shall send to LE a response; including any changes to the services, deliverables, schedule and fees under this Agreement.

(iii) All Service Change proposals/responses must be delivered by a Party's Contact Person to the other Party's Contact Person. If the Parties desire, each in their sole discretion, to move forward with a Service Change the parties will negotiate, a proposed amendment to this Agreement documenting the Service Change, after which the parties will need seek all necessary internal approvals prior to signing the proposed amendment. In the absence of a signed Amendment, the Parties must fulfill their obligations under this Agreement without regard to such proposed amendment.

(f) **No Legal Service/Advice.** Notwithstanding anything herein to the contrary, SRC shall not provide any legal services or legal advice to LE, LE is not entitled to rely on SRC for legal advice and counsel, nor shall SRC's advice be construed as legal advice.

1.2 **Leases**. The Parties have entered into a Master Lease, which is attached as Appendix #3 and a Master Sub-Lease, which is attached hereto as Appendix #4, (each a "**Lease**" and collectively, the "**Leases**"). As it pertains to each Lease and each LE Shop under a Lease, this Agreement is subject and subordinate to all of the terms, agreements and conditions contained in the applicable Lease. If any conflict should arise between the terms of this Agreement and the applicable Lease, first, the Lease and then, secondarily, this Agreement shall control.

1.3 **LE Shop Program Start Date**. The LE Shop Program will commence on the Effective Date.

1.4 **No Representations**. Neither Party makes any promises or representations whatsoever as to the potential amount of business LE and SRC can expect at any time from the LE Shop Program.

2. TERM.

This Agreement shall be effective immediately following the "Effective Time" specified in the Separation and Distribution Agreement (the "**Separation Agreement**") to be executed and delivered by LE and Sears Holdings Corporation (the date on which the Effective Time occurs, the "**Effective Date**"). The calendar day that becomes the Effective Date will be inserted on Appendix #5 after the Effective Date has occurred. Unless sooner terminated on the limited grounds expressly provided for in this Agreement, this Agreement shall remain in effect from the Effective Date through the term of each Lease; provided that this Agreement shall be automatically terminated, as to each LE Shop upon expiration or termination of the lease of such LE Shop under its applicable Lease (the "**Service Period**").

3. USE OF MARKS AND ADVERTISING.

3.1 **Grant of License – Sears Marks**. Subject to all the terms and conditions of this Agreement, SRC hereby grants to LE and its Affiliates, for and during the Service Period, a non-exclusive, royalty-free, fully paid up, non-transferable and terminable right and license to use the marks contained in Appendix #6 or such other marks as SRC and LE may agree upon (collectively, the "**Sears Marks**"), for the limited purpose of identifying the locations of the LE Shops, subject to SRC's prior review and approval of each use. Such approval shall not be unreasonably withheld or delayed. LE acknowledges that the use of any Sears Mark will not confer upon LE any proprietary rights to the Sears Mark, and LE will not question, contest, or challenge SRC's or its Affiliates' ownership of a Sears Mark. LE will not register or attempt to register any Sears Mark, or any trade names, or trademarks similar to them. Nothing in this Agreement will be construed to bar SRC or its Affiliates from protecting its right to the exclusive ownership of a Sears Mark against infringement or appropriation by any party or parties, including LE. SRC will have the right to control the quality and nature of any use of the Sears Marks, and LE will conform to the standards set by SRC in conjunction therewith. All goodwill related to the use of any Sears Mark under this license shall inure to the benefit of SRC or its Affiliates. LE shall comply at all times with any instructions provided in writing by SRC from time to time regarding use of the Sears Marks. LE shall use the Sears Marks only as expressly authorized in this Agreement and shall take all reasonable steps to preserve the goodwill, prestige and reputation associated with the Marks. LE acknowledges that SRC may, from time to time, issue additional guidelines or instructions regarding the use of the Sears Marks, and LE shall comply with any reasonable guidelines and instructions. LE shall not sublicense any rights in any Sears Mark without SRC's prior written consent, which SRC may withhold in its sole discretion.

3.2 **Grant of License – LE Marks**. Subject to all the terms and conditions of this Agreement, LE hereby grants to SRC and its Affiliates, for and during the Service Period, a non-exclusive, royalty-free, fully paid up, non-transferable and terminable right and license to use the marks contained in Appendix #7 (collectively, the "**Listed LE Marks**"), as well as such other marks as LE applies to Merchandise (together with the Listed LE Marks, collectively, the "**LE Marks**"), for the limited purpose of promoting the LE Shops and the Merchandise, subject to LE's prior review and approval of each use. Such approval shall not be unreasonably withheld or delayed. SRC acknowledges that the use of any LE Mark will not

confer upon SRC any proprietary rights to the LE Mark. SRC will not register or attempt to register any Listed LE Mark, or any trade names, or trademarks similar to them. Nothing in this Agreement will be construed to bar LE or its Affiliates from protecting its right to the exclusive ownership of a LE Mark against infringement or appropriation by any party or parties, including SRC. LE will have the right to control the quality and nature of the use of all LE Marks, and SRC will conform to the standards set by LE in conjunction therewith; provided that LE shall be obligated to reimburse SRC for any costs SRC incurs to abide LE's requirements associated with the use of LE Marks in connection with the LE Shop Program. All goodwill related to the use of any LE Mark under this license shall inure to the benefit of LE or its Affiliates. SRC shall not sublicense any rights in any LE Mark (other than for use by SRC Personnel providing services in connection with this Agreement), without LE's prior written consent, which LE may withhold in its sole discretion.

3.3 **Advertising**. LE shall advertise the Merchandise (including advertising that such Merchandise is available at the LE Shop locations) and the LE Shop locations in a manner consistent with and at least as frequent as its practices prior to the Effective Date. SRC has no obligation to advertise the Merchandise or the LE Shop Program, but SRC may elect to offer joint advertising programs to LE or to participate in joint advertising programs offered by LE. Each Party may opt to participate in such joint advertising efforts, in its sole election, during the Service Period. If the Parties elect to participate in joint advertising efforts, the parties will negotiate, in Good Faith, the allocation of the cost between the parties. For all LE advertisements that reference the LE Shops or otherwise use the Sears Marks, LE shall submit to SRC (a) all signs and advertising copy (including sales brochures, telemarketing scripts, newspaper advertisements, radio and television commercials, and internet advertising), and (b) all promotional plans and devices (including coupons, contests, events and giveaways); provided that once a use has been approved, LE does not need to request approval to use the same mark in the same manner again. LE shall not use any such advertising material, promotional plan or device without the prior written approval of SRC, which approval shall not be unreasonably withheld. SRC has the right to audit the LE's advertising and promotional materials and practices at any time to assess LE's party's compliance with this Agreement. LE shall at all times adhere to SRC's written policies regarding interaction with the media.

3.4 **Limitations on use/Phase-out of APOSTROPHE mark**. Notwithstanding the foregoing, the Parties further agree that with regard to the APOSTROPHE trademark: 1) that LE's use shall be limited to its current use as a title of its quarterly, on-line only, newsletter; and 2) that LE shall discontinue all use of the APOSTROPHE trademark upon termination or expiration of the Service Period.

3.5 **Promotion and Goodwill; No Disparagement**. Without limiting its obligations in Section 3.3, LE shall use commercially reasonable efforts to promote the LE Shops and maintain goodwill among its customers and Personnel towards SRC, the LE Shops and the LE Shop Program. LE shall (and LE shall cause its Personnel) not to disparage SRC, the LE Shops and the LE Shop Program.

4. FEES.

4.1 **SRC Fees**. As compensation for the SRC services provided herein, LE shall pay SRC the fees (the "**SRC Fees**") in accordance with Appendix #2 ("Service Description").

4.2 **Rights of Recoupment and Setoff**. SRC has the right to invoice LE for any liability or obligation that LE's may owe to and all SRC or its affiliates. LE shall pay such liability or obligation promptly upon demand. If LE does not pay such SRC invoices within ten days, SRC shall have the right to reduce, withhold or setoff against any payment due LE hereunder with respect to any such liability or obligation. SRC's rights to recoupment and set-off shall be senior to any claim asserted by any other party against the payment.

4.3 **Expenses**. In addition to the fees stated herein, unless otherwise expressly stated herein, LE will reimburse SRC for all other reasonable out-of-pocket expenses actually incurred in its performance of the Services ("**Expenses**"). To the extent reasonably practicable, SRC will provide LE with notice of such Expenses prior to incurring them. If directed by SRC, LE will pay directly any or all third-party contractors providing Services to or for the benefit of LE. The cost of all third-party Personnel used to perform the Services hereunder will be reimbursed by LE on a cost basis. Except as otherwise provided for in this Agreement, each Party will bear its own expenses with respect to the transactions contemplated by this Agreement. Notwithstanding the above, if SRC or its Affiliates outsource a Service set forth in Appendix #2 for which there is a fee assigned or the parties have agreed there is no fee; LE will only be liable for the fee stated therein, if any, subject to adjustment as provided therein (not the third party's expenses).

4.4 **Reconciliation and Payments**. LE will pay SRC Fees, Expenses and Transaction Taxes as set forth in Section 4.1 and with the payment terms set forth in Section 14.19 of the Separation Agreement. SRC shall pay LE all net cash (including check) proceeds collected from the sale of LE Merchandise to LE. LE will pay all Fees, Expenses and Transaction Taxes within 10 days of SRC's valid invoice to LE. Unless otherwise mutually agreed in writing, all amounts payable under this Agreement will be reconciled weekly and the parties will, after netting amounts due under the other Ancillary Agreements, make payments to the Party who is owned the net amount by electronic transfer of immediately available funds to a bank account designated by such Party from time to time. All amounts remaining unpaid for more than 15 days after their respective due date(s) will accrue interest as set forth in Section 14.19 (Payment Terms) of the Separation Agreement, until paid in full. Upon LE's reasonable request, SRC will provide reasonable information to substantiate the Fees and Expenses charged hereunder; to the extent such information is readily available to SRC.

4.5 **Transaction Taxes**. Fees do not include applicable taxes. LE will be responsible for the payment of all taxes payable in connection with the Services including sales, use, excise, value-added, business, service, goods and services, consumption, withholding, and other similar taxes or duties, including taxes incurred on transactions between and among SRC, its Affiliates, and third-party contractors, along with any related interest and penalties ("**Transaction Taxes**"). LE will reimburse SRC for any deficiency relating to Transaction Taxes that are LE's responsibility under this Agreement. Notwithstanding anything in this Section 4.6 to the contrary, each Party will be responsible for its own income and franchise taxes, employment taxes, and property taxes. The Parties will cooperate in Good Faith to minimize Transaction Taxes to the extent legally permissible. Each Party will provide to the other Party any resale exemption, multiple points of use certificates, treaty certification and other exemption information reasonably requested by the other Party.

4.6 **Sales Taxes**. SRC will collect sales taxes from LE customers ("Sales Taxes") and to the extent required by applicable law, SRC will hold the Sales Taxes in a constructive trust.

For as long as SRC files Sales Tax returns on behalf of LE under the Transitions Services Agreement, SRC will remit such Sales Taxes directly to the appropriate taxing authority. Upon expiration of sales tax services in the Transition Services Agreement, SRC will transfer collected Sales Taxes and transmit associated Sales Taxes data to LE. All costs and expenses incurred by SRC in transferring such funds and transmitting such data to LE, including all changes to SRC's and/or LE's systems required to transmit and receive such data will be charged to LE.

5. PROCUREMENT AND SUPPLY OF MERCHANDISE AND LE SUPPLIES.

5.1 **Overall Responsibility**. LE is solely responsible for the procurement and supply of Merchandise and LE Supplies to the LE Shops. Subject to the immediately foregoing sentence, SRC will assist LE as expressly provided for below.

5.2 **Transition**.

(a) **Bulk LE Products**. Prior the Effective Date: (i) LE entered purchase orders ("**POs**") into SRC and its Affiliates systems for all Merchandise needed for bulk initial floor loads (e.g. new goods, new locations and seasonal resets) for the LE Shops ("**Bulk LE Products**"); and (ii) POs for Bulk LE Products were issued in SRC's name. For all such open PO's for Bulk LE Products as of the Effective Date, LE shall: (i) on the Effective Date assume the risk of loss for and the obligation to pay for such Bulk LE Products; and (ii) take title to such goods: (A) for goods located in the United States, on the Effective Date, and (B) for goods outside the United States (including goods sourced overseas but not yet produced): (i) on the Effective Date, if such goods are subject to a negotiable bill of lading, (ii) on the date, if any, that such goods become subject to a negotiable bill of lading, and (iii) goods never subject to a negotiable bill of lading, once such goods have cleared customs in the United States).

(b) **Other LE Merchandise and LE Supplies**. LE retains sole responsibility for sourcing (in its own name, under its own contracts), paying for, and delivering to the Sears Locations for the LE Shops all Merchandise that is not a Bulk LE Product (e.g., replenishments of LE Bulk Products) and all LE specific supplies (currently this consists of LE branded bags and LE specific hangers, the "**LE Supplies**") needed by the LE Shops.

(c) **Supplier Relations**. Within 5 business days of the Effective Date, LE will send each of its existing suppliers of Merchandise a notice in the form set forth in Appendix #8 (Supplier Notification). In addition, after the Effective Date, LE will directly contract with all new suppliers of Merchandise.

(d) **Continued Use of SRC and its Affiliates' PO and Related Systems**. After the Effective Date, subject to the terms and conditions provided for herein, LE will continue to use SRC and its Affiliates' purchase order and related systems ("**Ordering Systems**") to enter orders for Bulk LE Products for the LE Shops and transmit them to its suppliers. SRC will endeavor to modify such Ordering Systems so that the POs generated by them are issued in LE's name and/or under LE's account with its supplier. LE will not use the Ordering Systems for any goods that are not Bulk LE Products. Notwithstanding the use of Ordering Systems, ownership of the Merchandise shall remain with LE (it being understood that the use of the Ordering Systems is to facilitate tracking and accounting for Merchandise within SRC's systems).

(e) **Future Orders of Bulk LE Products**. After the Effective Date, LE will continue to be responsible for entering all orders for Bulk LE Products for the LE Shops'

in the Ordering Systems and for releasing the resulting POs to its suppliers. LE will maintain a distinct EDI identifier for its purchases of Merchandise for the LE Shops and arrange for its vendors to create distinct DUNS numbers for LE. LE will cause its supplier to work with SRC and its Affiliates as LE's agent for orders for Bulk LE Products.

(f) **Movement of Bulk LE Products**.

(i) Domestic Goods. For Bulk LE Products produced in the United States, SRC and its Affiliates will (when directed by LE and on LE's behalf) continue to arrange the shipment of such goods to LE's Dodgeville, WI distribution facility (the "**LE DC**"); subject to SRC and its Affiliates' standard logistic policies (as SRC modifies them from time to time). LE will be charged for all costs SRC or its Affiliates incur in shipping such products in accordance with Appendix #2.

(ii) International Goods. For Bulk LE Products produced outside the United States, LE shall use freight forwarder(s) and carrier(s) mutually acceptable to both Parties to arrange shipment of Bulk LE Products to the LE DC under LE's importer of record number; subject to SRC and its Affiliates' standard logistic policies (as SRC modifies them from time to time). SRC and its Affiliates will (when directed by LE and on LE's behalf) assist the Parties' agreed upon freight forwarder(s) and carrier(s) with such shipments, as LE's agent. The carrier(s) contract for the international shipment of LE Bulk Product will be in LE's name. SRC may require the freight forwarded contracts to be in LE's or SRC' name. LE's will be charged for all costs SRC or its Affiliates incur in assisting with the shipment of LE Bulk Products in accordance with Appendix #2. For clarity, the Parties agree that LE shall have sole liability for all customs duties, taxes, penalties and fines regarding the LE Bulk Products; notwithstanding any assistance SRC or its Affiliates provide or fail to provide.

(iii) Receipt of Goods by LE. LE shall receive all Bulk LE Products at the LE DC and enter them into an inventory system provided by SRC (multiple systems are used today, and they and any successor(s) to them are collectively referred to herein as the "**Inventory System**"). LE will also be responsible for coordinating with SRC and its Affiliates the pick-up and reshipment of such Bulk LE Products to SRC and its Affiliates' regional replenishment centers ("**Sears RRCs**). LE is not permitted to store Merchandise (including LE Bulk Products) or LE Supplies in SRC's and its Affiliates' RRCs or other distribution facilities.

(iv) Transport of Bulk Goods to LE Shops and Receipt of Merchandise and LE Supplies. SRC and its Affiliates will (when directed by LE and on LE's behalf): (A) arrange the shipment of LE Bulk Products from the LE DC, through the Sears RRCs (on a cross-dock basis) to SRC stores hosting the LE Shops; subject to SRC's and Affiliates standard logistic policies (as SRC modifies them from time to time), and (B) receive the LE Supplies, the LE Bulk Products and other LE Merchandise (on an assumed receipt basis) and move them from the

loading dock of the Sears Location, to the LE Shop location within the Sears Location, consistent with the Parties' past practices. LE must co-ordinate the delivery of all Merchandise and LE Supplies with SRC and its Affiliates (including the quantity, timing and manner of delivery) prior to such goods shipment to a Sears Location. The Designated LE Staff will have the same role in receiving the LE Bulk Product and stocking the selling floor as they have had in the past (subject to any store wide re-distribution of receiving/stocking responsibilities SRC may implement in the future).

(g) **Reconciliation and Payment of Invoices for LE Bulk Products**. SRC (or its Affiliates) will, on LE's behalf, reconcile all invoices received for LE Bulk Products ordered through the Ordering Systems and received into the Inventory System by LE (the "**Bulk Invoices**"), and work with LE's supplier to reconcile any discrepancies regarding such Bulk Invoices and, if necessary, SRC (or its Affiliates) will issue charge backs against such Bulk Invoices on LE's behalf. SRC (or its Affiliates) will, after such reconciliation, arrange for payment of the Bulk Invoices on LE's behalf. SRC will provide LE regular reports of upcoming due dates for Bulk Invoices, amounts charged back and paid on such Bulk Invoices (by or at the direction of SRC and its Affiliates). SRC may, at any time, (i) require LE to pay SRC in advance for all amounts due under the Bulk Invoices prior to SRC making payments on such Bulk Invoices on LE's behalf, (ii) pay Bulk Invoice on LE's behalf and require LE to immediately re-pay SRC such amounts, or (iii) require LE to permit SRC access to a LE bank account so that SRC may direct payment of the Bulk Invoices from such LE bank account. SRC may switch between the foregoing methods of payment, at any time, in its sole discretion.

6. MERCHANDISE/RETAIL SELLING SPACE.

6.1 **Merchandise.** The parties agree that the Merchandise available for sale at the LE Shops pursuant to this Agreement shall be owned by LE and except as provided for in this Agreement with respect to MOS by customer, LE shall retain title to the Merchandise until such time as it is sold by LE in the manner and subject to the terms and provisions detailed in this Agreement. Title shall pass to the customer upon sale of Merchandise by LE. Title to Merchandise that is returned or exchanged by customer and that is returned to the sales floor shall revert to LE. SRC will retain and place in an agreed upon location, receipt documents so that LE can key input the receipt documents. Upon sale of the Merchandise, SRC shall, as set forth herein, remit to LE the proceeds from Merchandise sales, less the deductions as provided for in this Agreement. Except as otherwise provided herein, all cash and other amounts collected will be co-mingled with SRC's other transactions, and SRC will determine the net amount, per LE Shop location per day or on a weekly basis as provided in Section 4.5, due LE. All Sales Taxes collected by SRC will be handled in accordance with Section 4.6. Acceptance of consumer credit cards, debit cards, pre-paid access cards and private label credit cards (collectively "**Cards**") by SRC, Cards processing and fees, expenses, settlement, and other matters related to Cards transactions are governed exclusively by the Financial Services Agreement dated as of the Effective Date by and between the Parties as amended from time to time, which Agreement and amendment(s), if any, are incorporated herein by reference.

6.2 **Dependent Services.** The obligations of the SRC under this Agreement assume that LE is, and will continue to receive, credit card, gift card and other electronic payment processing and other services under the Financial Services Agreement (collectively, the "Dependent Services"). In the event that LE ceases using SRC for any of the Dependent Services (for any reason), LE shall not be relieved of its obligations under this Agreement and instead LE shall have the obligation to institute replacement services take such actions as necessary to permit the continued operation of the LE Shops. SRC shall reasonably co-operate with LE in investigating proposed to modifications to the LE Shops and SRC Services under this Agreement to permit the continued operation of the LE Shops (e.g., by allowing LE to install separate credit card terminals); however SRC shall not be obligated to implement any change, including changes to Sears Locations (including the LE Shops), SRC, its Affiliates and its/their Personnel's systems, operations and SRC's Services under this Agreement (each a "Proposed Dependent Services Change") which SRC objects to, in its sole discretion. All costs and expenses associated with a Proposed Dependent Services Change shall be borne solely by LE (and LE shall immediately reimburse SRC for any such costs and expenses directly incurred by SRC, its Affiliates and its/their Personnel). All Proposed Dependent Services Changes shall be subject to Section 1.1(f) (Changes in Services).

6.3 **Inventory Shrink.** "**Shrink**" means any and all loss of Merchandise, including: the excess of the perpetual book inventory, per LE's records, over the physical inventory counted by SRC, both stated in retail dollars. Notwithstanding any other provision of this Agreement or the Leases, LE shall solely have the risk of loss for the Merchandise. Unless otherwise agreed to in writing by the parties, SRC shall apply the same loss prevention policies and techniques to the Merchandise as SRC applies to its own property; provided that LE shall be responsible for reimbursing SRC for the cost of all security tags and other devices used in the LE Shop. If LE makes SRC aware of a potential high Shrink issue at a particular LE Shops, then SRC agrees to cooperate, at LE's cost, with LE's investigation on a commercially reasonable basis to research the cause.

7. OPERATIONAL OBLIGATIONS OF LE.

7.1 **Staffing Levels of LE Shops**. The parties have established minimum staffing levels for the LE Shops as of the Effective Date as set forth in Appendix #2. Staffing may be increased above the minimum levels at the request and expense of LE.

7.2 **LE Shop Appearance**. LE will maintain the appearance of each LE Shop consistent with SRC visual merchandising policies and historical standards.

7.3 **Merchandise Inventory**. LE shall maintain an adequate stock of Merchandise in the LE Shops consistent with past practices and such Merchandise shall be substantially the same in terms of category, variety, assortments, sizes, and price points, as has traditionally been sold in the LE Shops prior to the Effective Date.

Any failure by LE to adequately stock and deliver Merchandise shall be deemed a material breach of this Agreement. SRC reserves the right to sell other products in the LE Shop space if LE fails to adequately stock Merchandise (LE will not be entitled to any reduction of its obligations or remuneration with respect thereto). LE shall be responsible for Merchandise damages/returns and shipping expenses to and from the LE Shops. In addition, LE shall create

and maintain Merchandise style records on the SRC systems. These style records will include price, SKU and bar code information so as to enable SRC to accomplish matching, preparation and data exchange to LE of receipts, transfers and sales history. Subject to Section 8.7, the Parties will continue to use the same data interchange and other information technology systems that were used prior to the Effective Date. The cost of any additions or modifications to data interchange and other information technology systems that are necessary as a result of the spin-off will be LE's sole responsibility and charged to LE.

7.4 **Pricing**. SRC shall have no right or power to establish or control the prices at which LE offers Merchandise in the LE Shop Program; LE exclusively retains such right and power. Upon agreement of the parties, LE may participate in SRC national store-wide sales and/or Merchandise price-off events, at LE's Expense. The Parties will work together to establish a process and timing for SRC to provide LE with SRC's promotional calendar for such events and related information as far in advance as reasonably practicable. Such information provided by SRC to LE is specifically included in the scope of SRC's Confidential Business Information.

7.5 **Customer Returns/Service**. LE understands that SRC shall at all times maintain a general policy of "Satisfaction Guaranteed" to customers and SRC is entitled to adjust all complaints of and controversies with customers arising out of the operation of the LE Shop Program (and all customer accommodations made by SRC will be LE's responsibility and LE will promptly reimburse SRC for such accommodations).

7.6 **Compliance with Laws**. Each Party shall, at its expense, obtain all permits and licenses that may be required under any applicable federal, state, or local law, ordinance, rule or regulation by virtue of any act performed by it in connection with the operation of the LE Shop Program. Each Party shall comply fully with all Applicable Laws, including Applicable Laws regarding its employees, with respect to minimum compensation, overtime and equal opportunities for employment. LE is responsible for all compliance obligations arising from the LE Shop Program and for all permits and licenses required for the operation of the LE Shop locations. In addition, LE represents and warrants that LE and all of its suppliers, subcontractors and agents involved in the production or delivery of the Merchandise to be sold in connection with the LE Shop Program shall strictly adhere to all applicable laws, regulations, and prohibitions of the United States and all country(ies) in which such Merchandise is produced or delivered with respect to the operation of their production facilities and their other businesses and labor practices, including laws, regulations and prohibitions governing the working conditions, wages and minimum age of the work force. LE further represents and warrants that Merchandise shall not be produced or manufactured, in whole or in part, by child labor or convict or forced labor.

7.7 **Liens**. LE shall not allow any liens, claims or encumbrances to attach to any SRC property or against any of the LE Shops (including Fees, Expenses and other liabilities or obligations to SRC which accrue hereunder (collectively, "**SRC Obligations**"). If any lien, claim or encumbrance so attaches or is threatened, LE shall immediately take all necessary action to cause such lien, claim or encumbrance to be satisfied and released. In the event LE fails to immediately cause such lien, claim or encumbrance to be satisfied or released, SRC may, in its sole discretion, terminate this Agreement and/or charge LE or withhold from the sales receipts retained under Section 4.3 all expenses, including attorneys' fees, incurred by SRC in removing

and/or resolving such liens or claims. The prohibition against liens contained in this Section shall not restrict LE's ability to obtain financing secured by a lien on: (i) any Merchandise prior to sale to a consumer, or (ii) any Merchandise that is returned or exchanged other than MOS Merchandise, or (iii) any net accounts, proceeds, receivables or other consideration due from SRC from the sale of Merchandise (but expressly excluding the SRC Obligations) (as opposed to a consumer) (collectively, the "**Proceeds**"). This Section 7.8 does not apply to financing that SRC has consented to in writing as of the Effective Date.

SRC hereby acknowledges and agrees that prior to the time of the sale of any Merchandise in any LE Shop(s), LE retains all title and interest in such Merchandise. In furtherance of the foregoing and strictly for notice purposes only, SRC authorizes LE to file UCC-1 financing statements with respect to the Merchandise if required by LE's lender; provided, however, that such UCC-1 financing statements shall clearly indicate that (a) this filing is for notice purposes only, (b) is intended only to evidence LE's continued ownership of the Merchandise prior to sale to a consumer, and (c) such filing is not intended to evidence any debtor/creditor relationship between LE and SRC. In addition, SRC shall have the right to review all such UCC-1 financing statements prior to any filing.

8. OPERATIONAL OBLIGATIONS OF SRC.

8.1 **Staffing of LE Shop Locations**. SRC shall provide adequate Personnel to staff the LE Shop locations (the "**Designated LE Staff**") in accordance with the minimum staffing level requirements set forth in Appendix 2 or such higher level as may be agreed to in accordance with the terms of this Agreement, subject to local labor availability and taking into consideration the desires and characteristics communicated to SRC by LE as to the quantity, quality and skills of such Designated LE Staff. LE may, from time to time, request, for any lawful reason, that an individual be removed from the Designated LE Staff. SRC will take such requests in to account, in Good Faith, in staffing the Designated LE Staff. The Designated LE Staff shall be responsible for all sales floor responsibilities (consistent with the parties past practices), including displaying Merchandise and signage (provided by LE), tagging merchandise, interacting with customers, selling Merchandise and accepting returns and exchanges of Merchandise. As an accommodation to both parties, sales of LE Merchandise and products sold by SRC will be, consistent with the Parties' past practices, processed at all point of sale ("**POS**") locations within each Sears Location (including those in embedded LE Shop) that processed sales of products with LE Marks prior to the Effective Date; provided SRC may in the future limit sales of Merchandise to those POS locations which process apparel products sold by SRC.

8.2 **Merchandise Returns, Exchanges and MOS**.

(a) **Returns and Exchanges**. SRC shall accept returns and exchanges (collectively "**Returns**") from customers in the LE Shops and at other SRC POS locations (regardless of whether such location has an LE Shop), of: (i) LE Merchandise and (ii) products sold by LE through other channels (e.g., catalog, Landsend.com, LE inlet stores, collectively "**Non-LE Shop Products**") consistent with past practices for the types of goods SRC has accepted in the past and in accordance with SRC's standard policies. LE shall reimburse SRC for all amounts paid by SRC to customers in

connection with such Returns. For all Non-LE Shop Products which are not recognized by SRC "POS Terminals" (as defined below), SRC will return such products to LE, at LE's expense and LE will be responsible for handling the return or exchange with the customer, unless SRC has done so at the POS (as a customer accommodation). Returns of all LE Merchandise presented at a Sears POS Terminal will be handled by SRC, at LE's expense. All Returns of Merchandise originally sold through an LE Shop which SRC's Personnel deem to be saleable (and which are part of the current assortment) will be returned to the sales floor, and all other Returns of Merchandise originally sold through an LE Shop will be marked out of stock ("**MOS**") and will become SRC's property without any payment due LE; for clarity the parties acknowledge that the consideration for this transfer is included in the other pricing in this Agreement.

(b) **MOS**. LE may from time to time MOS certain of its Merchandise by making the appropriate MOS entries in SRC's system. The LE Designated LE Staff will remove such Merchandise from the sale floor and box it up for shipment to the CRCs. SRC will liquidate such Merchandise through its providers and pay over to LE the net proceeds of the sales of such Merchandise consistent with practices in place as of the Effective Date. LE will be responsible for all Fees and expenses associated with SRC removing such MOS from the sales floor and preparing such MOS Merchandise for transport.

8.3 **Fixtures**. LE is the owner of the existing fixtures in the LE Shops. If LE requests additional or replacements fixtures, such fixtures will be separately priced, and if agreed to by the parties in writing, SRC will acquire and install such fixtures on LE's behalf and at LE's expense. All new and replacement fixtures must be consistent with SRC visual merchandising policies and be must be approved by SRC. If SRC has fixtures in store inventory that are not currently being utilized, SRC may permit (but shall not be obligated to permit) use of such fixtures by LE subject to reasonable terms and conditions.

8.4 **POS.** At its expense, SRC shall furnish point of sale terminals (each "**POS Terminal**") for its locations, some of which, consistent with the parties past practices, will be located in certain LE Shops. Each POS Terminal will be of a size and design satisfactory to SRC, in its sole discretion, and at all times remains SRC property. SRC shall maintain the software necessary to operate the POS Terminal and any changes to such software shall be provided at the expense of SRC; however if LE requests any changes to the POS Terminals (including the software used in connection therewith); then such requested change shall be treated as a Service Change (and addressed pursuant to Section 1.1(f) (above); provided further that all changes to the POS Terminals required for the LE Shop Program shall be done at LE's sole cost and expense (including changes that are necessary to effectuate this Spin-Off or any change in Applicable Law that affects the LE Merchandise and the LE Program).

8.5 **LE Kiosks**. Prior to the Effective Date, LE has provided certain kiosks for certain of the LE Shops (the "**LE Kiosks**"). SRC shall maintain such LE Kiosks (at LE's sole expense) as provided for in Appendix #2. LE shall be responsible for any new or replacement Kiosks which it wishes to provide (each of which will be addressed treated as a Service Change (and addressed pursuant to Section 1.1(f).

8.6 **SRC Right to Change LE Shop and Sears Location Operations.** The parties acknowledge and agree that the LE Shops are intended to be operated consistent with the

standards and practices of the Sears Locations and SRC reserves the right, in its sole discretion, to change its standards and practices for the Sears Locations, which may affect the services to be provided to LE under this Agreement. LE shall have no right to contest such change in standards and practices for the LE Shops and Sears Locations.

8.7 **Quantity and Nature of Service**. Except as otherwise provided in this Agreement, there will be no change in the scope or level of, or use by, LE of Services during the Service Period (including changes requiring the hiring or training of additional employees by SRC) without the mutual written agreement of the Parties and adjustments, if any, to the charges for such Services; provided, however, SRC may make changes from time to time in the manner of performing Services (including changes to its, its Affiliates', and its Personnel's systems without LE's consent), notwithstanding that specific third party contractors (at times referred to as "**Vendors**") may be listed on Appendix #2). LE will not resell any Services, provide the Services to any joint-venture or non-wholly owned subsidiary, or otherwise use the Services in any way other than in connection with the operation of the LE Shops.

8.8 **Standard of Care**. Except as otherwise set forth in this Agreement, SRC does not assume any responsibility under this Agreement other than to render the Services in Good Faith without willful misconduct or gross negligence. SRC MAKES NO OTHER GUARANTEE, REPRESENTATION, OR WARRANTY OF ANY KIND (WHETHER EXPRESS OR IMPLIED) REGARDING ANY OF THE SERVICES PROVIDED HEREUNDER, AND EXPRESSLY DISCLAIMS ALL OTHER GUARANTEES, REPRESENTATIONS, AND WARRANTIES OF ANY NATURE WHATSOEVER, WHETHER STATUTORY, ORAL, WRITTEN, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE. SRC WILL ONLY BE OBLIGATED TO PROVIDE SERVICES IN A MANNER CONSISTENT WITH PAST PRACTICE (INCLUDING PRIORITIZATION of SRC PERSONNEL (INCLUDING LE DESIGNATED ASSOCIATES) AMONG PROJECTS FOR SRC, SRC'S AFFILIATES, AND LE); PROVIDED THAT SRC ASSOCAITES WHO ARE FILLING THE "DEDICATED CONSULTATIVE SELLING ASSOCIATES - LANDS' END" AND THE "ASSISTANT STORE MANAGER - LANDS' END" ROLES WILL BE PRIMARILY DESIGNATED TO PERFORM THE SERVICES; PROVIDED, HOWEVER THAT SRC MAY USE ANY EXCESS CAPACITY OF SUCH DESIGNATE PERSONNEL FOR NON-SRC WORK.

8.9 **Responsibility for Errors; Delays**. SRC's sole responsibility to LE for errors or omissions in Services caused by SRC will be to furnish correct information or adjustment in the Services, and if such errors or omissions are solely or primarily caused by SRC, SRC will promptly furnish such corrections at no additional cost or expense to LE if LE promptly advises SRC of such error or omission.

8.10 **Good Faith Cooperation; Alternatives**. SRC and LE will use Good Faith efforts to cooperate with each other in all matters relating to the provision and receipt of the Services including acquisition of required third party contractor consents (if any). If SRC reasonably believes it is unable to provide any Service because of a failure to obtain third-party contractor consents or because of impracticability, SRC will notify LE promptly after SRC becomes aware of such fact and the Parties will cooperate to determine the best alternative approach.

8.11 **Use of Third Parties**. SRC may use any Affiliate or any third-party contractor (including former Affiliates) to provide the Services; provided, however, that SRC shall at all times remain responsible for such third parties' performance under this Agreement.

8.12 **Assets of LE**. During the Service Period, (i) SRC and its Affiliates and third-party contractors may use, at no charge, all of the software and other assets, tangible and intangible, of LE (together, the "**Assets**") to the extent necessary to perform the Services (but for no other purpose), and (ii) LE will consult with SRC prior to upgrading or replacing any of the Assets that are necessary for SRC to provide the Services.

8.13 **Ownership of Data and Other Assets**. Neither Party will acquire any right, title or interest in any Asset that is owned or licensed by the other and used to provide the Services. All data provided by or on behalf of a Party to the other Party for the purpose of providing the Services will remain the property of the providing Party. To the extent the provision of any Service involves intellectual property, including software or patented or copyrighted material, or material constituting trade secrets, neither Party will copy, modify, reverse engineer, decompile or in any way alter any of such material, or otherwise use such material in a manner inconsistent with the terms and provisions of this Agreement, without the express written consent of the other Party. All specifications, tapes, software, programs, services, manuals, materials, and documentation developed or provided by SRC and utilized in performing this Agreement, will be and remain the property of SRC and may not be sold, transferred, disseminated, or conveyed by LE to any other entity or used other than in performance of this Agreement without the express written permission of SRC.

8.14 **Contact Person**. Each Party will appoint a contact person (each, a "**Contact Person**") to facilitate communications and performance under this Agreement. The initial Contact Person of each Party is set forth on Appendix #9. Each Party will have the right at any time and from time to time to replace its Contact Person by written notice to the other Party.

9. CONFIDENTIALITY; CONFIDENTIAL PERSONAL INFORMATION.

9.1 **Confidential Information**. "**Confidential Information**" means all information, whether disclosed in oral, written, visual, electronic or other form, that (i) one Party (the "**Disclosing Party**"), its Affiliates or its Personnel discloses to the other Party (the **"Receiving Party**"), its Affiliates or its Personnel, (ii) relates to or is disclosed in connection with this Agreement or a Party's or a Party's Affiliate's business, and (iii) is or reasonably should be understood by the Receiving Party to be confidential or proprietary to the Disclosing Party whether or not it is marked "Confidential" or "Proprietary". The Disclosing Party's sales, pricing, costs, inventory, operations, employees, current and potential customers, financial performance and forecasts, and business plans, strategies, forecasts and analyses, as well as information as to which the Securities and Exchange Commission has granted confidential treatment pursuant to its Rule 406 of Regulation C (the "**CTR Information**"), are Confidential Information.

9.2 **Confidential Personal Information**.

(a) All individually-identifiable information regarding SRC's employees and/or customers provided by SRC to LE or otherwise collected from a consumer in an LE Shop or in connection with the LE Shop Program, including but not limited to, names, addresses, telephone numbers, account numbers, customer lists, and demographic, financial and transaction information ("**Confidential Personal Information**"), even if the same or similar individually-identifiable information is shared by SRC with LE or collected by or on behalf of LE by SRC, is deemed confidential and owned exclusively by SRC or its Affiliates and any bank who issues a Sears-branded charge card to such customer. This Section 9.2 shall not apply to information developed by LE, without the use of Confidential Customer Information, provided that LE is not using such information on SRC's behalf. If the express purpose of collecting specific Confidential Personal Information is to share said information with LE, such as through an "opt-in" to an LE promotional email list, and such purpose is properly disclosed to the customer at the time such information is collected ("**Shared Confidential Personal Information**"), then the parties shall jointly own that Shared Confidential Personal Information (unless otherwise prohibited by Applicable Law; in which case SRC shall be become the sole owner of such Shared Confidential Personal Information and LE will cease its use).

(b) Confidential Information as used herein shall include Confidential Personal Information and Shared Confidential Personal Information.

9.3 **Treatment of Confidential Information**. The Receiving Party will use Confidential Information only in connection with this Agreement and, except as expressly permitted by this Agreement and subject to the next sentence, will not disclose any Confidential Information for three years from the date of receipt of the Confidential Information. Neither Party will disclose the CTR Information for a period of ten years from the date or receipt.

(a) **Limitations**. The Receiving Party will (A) restrict disclosure of the Confidential Information to its and its Affiliates' Personnel with a need to know the Confidential Information for purposes of performing the Receiving Party's responsibilities or exercising the Receiving Party's rights under this Agreement, (B) advise those Personnel of the obligation not to disclose the Confidential Information or use the Confidential Information in a manner prohibited by this Agreement, (C) copy the Confidential Information only as necessary for those Personnel who need it for performing the Receiving Party's responsibilities under this Agreement, and ensure that confidentiality is maintained in the copying process; and (D) protect the Confidential Information, and require those Personnel to protect it, using the same degree of care as the Receiving Party uses with its own Confidential Information, but no less than reasonable care.

(b) **Liability for Unauthorized Use**. The Receiving Party will be liable to the Disclosing Party for any unauthorized disclosure or use of Confidential Information in violation of this Agreement by its and its Affiliates' current or former Personnel.

(c) **Destruction**. Without limiting the foregoing, when any Confidential Information is no longer needed for the purposes contemplated by this Agreement the Receiving Party will, promptly after request of the Disclosing Party, either return such Confidential Information in tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party that it has destroyed such Confidential Information (other than electronic copies residing in automatic backup systems or one copy retained to the extent required by Applicable Law, regulation or a bona fide document retention policy).

9.4 **Treatment of Confidential Personal Information**.

(a) LE shall use Confidential Personal Information only as necessary for conducting the LE Shops Program. LE shall not duplicate or incorporate the Confidential Personal Information into its own records or databases. LE shall restrict disclosure of Confidential Personal Information to its employees who have a need to know such information to perform under this Agreement. LE is liable for any unauthorized disclosure or use of Confidential Personal Information by any of its Personnel.

(b) LE shall not disclose the Confidential Personal Information to any third party, including any affiliate or subsidiary of LE, permitted subcontractor, or other agent without the prior written consent of SRC and the written agreement of such third party to be bound by the terms of this Section 9. Unless otherwise prohibited by law, LE shall: (x) immediately notify SRC of any legal process served on LE for the purpose of obtaining Confidential Personal Information; and (y) permit LE adequate time to exercise its legal options to prohibit or limit such disclosure.

(c) LE shall establish and maintain written policies and procedures designed to ensure the confidentiality of the Confidential Personal Information. Copies of such policies and procedures shall be provided to SRC upon SRC's request.

(d) LE shall notify SRC promptly upon the discovery of the loss, unauthorized disclosure or unauthorized use of the Confidential Personal Information and shall indemnify SRC and hold SRC harmless for such loss, unauthorized disclosure or unauthorized use, including attorneys' fees.

(e) LE shall permit SRC to audit LE's compliance with the provisions of this Section at any time during LE's regular business hours.

9.5 **Exceptions to Confidential Treatment**. The obligations under this Section 9 do not apply to any Confidential Information that the Receiving Party can demonstrate (A) was previously known to the Receiving Party without any obligation owed to the Disclosing Party or its Affiliates to hold it in confidence, (B) is disclosed to third parties by the Disclosing Party or its Affiliates without an obligation of confidentiality to the Disclosing Party or its Affiliate, as applicable, (C) is or becomes available to any member of the public other than by unauthorized disclosure by the Receiving Party, its Affiliates or its or their Personnel, (D) was or is independently developed by the Receiving Party or its Affiliates or Personnel without use of the Confidential Information, (E) legal counsel's advice is that the Confidential Information is

required to be disclosed by Applicable Law or the rules and regulations of any applicable Governmental Authority and the Receiving Party has complied with Section 9.6 (Protective Arrangement) below, or (F) legal counsel's advice is that the Confidential Information is required to be disclosed in response to a valid subpoena or order of a court or other governmental body of competent jurisdiction or other valid legal process and the Receiving Party has complied with Section 8.5 (Protective Arrangement) below.

9.6 **Protective Arrangement**. If the Receiving Party determines that the exceptions under Section 9.5(E) or Section 9.5(F) apply, the Receiving Party shall give the Disclosing Party, to the extent legally permitted and reasonably practicable, prompt prior notice of such disclosure and an opportunity to contest such disclosure and shall use commercially reasonable efforts to cooperate, at the expense of the Receiving Party, in seeking any reasonable protective arrangements requested by the Disclosing Party. In the event that such appropriate protective order or other remedy is not obtained, the Receiving Party may furnish, or cause to be furnished, only that portion of such Confidential Information that the Receiving Party is advised by legal counsel is legally required to be disclosed and shall take commercially reasonable steps to ensure that confidential treatment is accorded such Confidential Information.

9.7 **Ownership of Information**. Except as otherwise provided in this Agreement, all Confidential Information provided by or on behalf of a Party (or its Affiliates) that is provided to the other Party or its Personnel shall remain the property of the disclosing entity and nothing herein shall be construed as granting or conferring rights of license or otherwise in any such Confidential Information.

10. REPRESENTATIONS AND WARRANTIES.

Without limiting or disclaiming any implied representations or warranties, LE represents, warrants and covenants, as of the Effective Date and continuing in effect throughout the term of this Agreement, that:

10.1 **Merchandise**. (a) all Merchandise: (i) conforms to its specifications, (ii) is fit and sufficient for the ordinary purpose for which Merchandise is used, (iii) is free from defects in workmanship, materials and packaging, (iv) is free from defects in construction and design, and (v) is fit and sufficient for the purpose stated on any packaging, labeling or advertising,; (b) upon transfer of the Merchandise to the Customer or SRC, as applicable, the title for such Merchandise is free and clear of any encumbrance, and (c) all test data and other claim substantiation provided by LE is accurate and properly described by LE.

10.2 **Advertising**. All claims made by LE in any packaging, labeling, advertising, or other consumer material, including LE Provided Content, in connection with any Merchandise or LE Mark relating to Merchandise: (a) comply with Applicable Law, (b) are true and have been substantiated before such claims are made, and (c) contain all applicable warnings and instructions in the assembly, installation, use, repair, servicing and maintenance of the Merchandise.

10.3 **Intellectual Property**. (a) all Intellectual Property rights (other than Intellectual Property rights owned by SRC or licensed by SRC from third parties) and LE Provided Content used by LE in connection with Merchandise or in the production of Merchandise, are either: (i)

owned by LE or (ii) are licensed by LE and LE has the right to license them to SRC in connection with such Merchandise and the sale of such Merchandise, for use or further resale and (b) Merchandise, including LE Provided Content, does not, at any time, infringe any Intellectual Property right of any person, corporation or other entity.

10.4 **Authority and Compliance with Law**. (a) LE has the right, power and authority to: (i) enter into each Agreement, (ii) perform its obligations under this Agreement; and (iii) grant to SRC the rights provided under this Agreement; (b) LE's execution, delivery and performance of this Agreement has been duly authorized, are in compliance with this Agreement, are legally binding and enforceable in accordance with its terms, and do not violate any other agreement, restriction, or Applicable Laws; (c) all Merchandise strictly complies with, and all Merchandise Production occurs strictly in compliance with, all Applicable Laws; (d) LE and its Personnel who are involved in Merchandise Production or the installation, repair, display, possession, servicing, use, maintenance, delivery or sale of Merchandise shall each, during this Agreement, strictly comply with all Applicable Laws, including the Foreign Corrupt Practices Act of 1977, 15 U.S.C. §§ 78dd-1 et. seq., as amended, which LE acknowledges applies to the business relationship with SRC hereunder, and such other national or regional anti-corruption or anti-bribery laws that may apply to either LE or LE's business relationship with SRC, and those governing the working conditions, wages, hours and minimum age of the work force; (e) Merchandise Production does not involve at any time, in whole or in part, any use of child, convict or forced labor; and (f) all prices charged and allowances made available to SRC by LE are in compliance with U.S. antitrust laws, including the requirements of the Robinson-Patman Act. LE shall provide SRC with a guaranty of compliance with the foregoing in such form as SRC may designate with respect to any Merchandise.

10.5 **Antidumping**. (a) all sales of Merchandise are made at no less than fair value under the United States antidumping law and (b) no government has provided a countervailable subsidy for Merchandise actionable under U.S. law. LE shall indemnify SRC for (x) all antidumping and countervailing duties imposed on all Merchandise that is: (i) sold prior to the date of publication of the International Trade Administration's preliminary determination of sales at less than fair value or prior to the date of publication of the existence of countervailable subsidies and (ii) exported or imported before the date of publication of the International Trade Administration's final determination of sales at less than fair value or the existence of countervailable subsidies and (y) any expenses (including reasonable attorneys' fees) and administrative costs incurred by SRC and its Affiliates in their participation in any United States antidumping or countervailable duty proceeding involving any warranted Merchandise.

11. DEFENSE AND INDEMNITY; LIMITATION OF LIABILITY.

11.1 **Indemnification by LE.** LE shall at its sole cost defend, indemnify, and hold harmless: (a) SRC, (b) all of SRC's past, present and future affiliates, (c) all past, present, and future Representatives of each of the foregoing entities, and (d) all other persons directly or indirectly involved in the distribution or sale of Merchandise (each an "**SRC Indemnified Party**"); against any and all costs, liabilities, losses, penalties, expenses and damages (including reasonable attorneys' fees, disbursements and costs of investigation and cooperation) of every kind and nature incurred by any of the SRC Indemnified Parties arising from all allegations

(including false, fraudulent or groundless allegations) in any claim, action, lawsuit or proceeding between any SRC Indemnified Party and any third party, whether or not SRC' obligations under Section 11.2 (Indemnification by SRC) apply, arising out of or relating to any of the following (collectively, the "**LE Defended Claims**"): (i) the infringement, misuse, dilution, misappropriation or other violation of any Intellectual Property rights in any way relating to or affecting Merchandise (including all LE Provided Content) (ii) or any unfair competition involving Merchandise (including LE-Provided Content); (iii) arising from the LE Shops, the LE Shop Program, and this Agreement (iv) the loss, unauthorized disclosure or unauthorized use of the Confidential Personal Information by LE, or through LE Personnel (e.g., compromised login-ids, etc.); (v) death of or injury to any person, damage to any property, or any other damage or loss, by whomsoever suffered, resulting or claimed to result in whole or in part from any latent or patent defect in Merchandise, including improper design, manufacture, construction, assembly, installation, repair, display, packaging, service or design of Merchandise, failure of Merchandise to comply with any specification or samples or with any express or implied warranties of LE, or any claim of strict liability in tort relating to Merchandise; (vi) each breach by LE or its Personnel of this Agreement (including LE's representations, warranties and covenants); (vii) the packaging, tagging, labeling, packing, shipping, delivery and invoicing of Merchandise; (viii) the packaging, labeling or advertising claims made by LE; (ix) the display, assembly or installation of Merchandise; or (x) the assertion by a third party of a security interest, right of replevin or other legal interest created by a factoring or other credit arrangement in any amount due LE under this Agreement not expressly consented to by SRC in writing (or any amendment hereto) existing now or later signed by SRC and LE relating to Merchandise. Despite the foregoing sentence, LE is not obligated to defend, indemnify and hold harmless any SRC Indemnified Party for any LE Defended Claim based only on: (x) a breach of this Agreement by SRC; (y) any negligent act or omission, or willful misconduct of SRC, its Affiliates, or their respective Representatives in performance of this Agreement. and (z) infringement of third party Intellectual Property rights caused by LE's use of SRC Intellectual Property in the manner approved by SRC in writing. LE shall retain defense counsel satisfactory to SRC and shall diligently and professionally defend each SRC Indemnified Party from each LE Defended Claim and LE shall timely provide periodic reports to SRC and consult with SRC's Personnel in conducting the defense of the LE Defended Claims and otherwise cooperate fully with the SRC's reasonable requests; provided that only with respect to LE Defended Claims arising under Section 11.1(i) involving Intellectual Property rights owned or licensed by SRC (except those licensed from LE) and any claims of unfair competition involving Merchandise, SRC may, at its election and at any time, take control of the defense and investigation of said LE Defended Claims and employ attorneys and other consultants, investigators and experts of its own choice to manage and defend any such LE Defended Claims at LE's cost and expense. If any of LE's obligations under this Section 11.1 are not enforceable under Applicable Law and an SRC Indemnified Party and LE are found to be liable to a third party in connection with the Merchandise or this Agreement, then SRC and LE shall each contribute to the payment of any judgment awarded in favor of such third party in proportion to their comparative degrees of culpability.

11.2 **Indemnification by SRC.** SRC will at its sole cost defend, indemnify, and hold harmless LE and its Affiliates, and their respective Representatives ("**LE Indemnified Parties**"); against any and all costs, liabilities, losses, penalties, expenses and damages (including

reasonable attorneys' fees, disbursements and costs of investigation and cooperation) of every kind and nature incurred by any of the LE Indemnified Parties arising from all allegations (including false, fraudulent or groundless allegations) in any claim, action, lawsuit or proceeding between any SRC Indemnified Party and any third party, arising out of or relating to any of the following (collectively, the "**SRC Defended Claims**") (i) bodily injury or death of any person or damage to real and/or tangible personal property directly caused by the negligence or willful misconduct of SRC or its Affiliates during the performance of the Services, or (ii) the intentional infringement of any copyright or trade secret by an Asset owned by SRC or its Affiliates and used by SRC in the performance of the Services (together, "**SRC Defended Claims**"). Notwithstanding the obligations set forth above in this Section 11.2, SRC will not defend, indemnify or hold harmless LE, its Affiliates, or their respective Representatives to the extent that such SRC Claims are found by a final judgment or opinion of an arbitrator or a court of appropriate jurisdiction to be caused by: (a) a breach of any provision of this Agreement by LE; (b) any negligent act or omission, or willful misconduct of LE, its Affiliates, or their respective Representatives in performance of this Agreement; or (c) with respect to infringement claims: (I) LE's use of the Asset in combination with any product or information not provided by SRC; (II) LE's distribution, marketing or use for the benefit of third parties of the Asset; (III) LE's use of the Asset other than as contemplated by this Agreement; or (IV) information, direction, specification or materials provided by or on behalf of LE. LE Claims and SRC Claims are each individually referred to as a "**Claim.**"

11.3 **Notice**. LE shall notify SRC's General Counsel in writing by certified mail, return receipt requested, within five (5) business days after LE has: (a) knowledge of any claim or allegation of infringement, misuse, dilution, misappropriation or other violation of any Intellectual Property right in any way related to or affecting Merchandise, including LE-Provided Content, (b) knowledge of any safety issue with any Merchandise, (c) knowledge of any allegation by a government agency (including the U.S. Consumer Product Safety Commission, the U.S. Department of Agriculture and the U.S. Food and Drug Administration and such equivalent foreign government agencies, departments and commissions) that the government agency (i) has initiated a formal or informal inquiry, investigation or proceeding in any way related to or affecting Merchandise; or (ii) asserts that Merchandise is not or may not be in compliance with laws; or (d) reported to any government agency that Merchandise is not or may not be in compliance with Applicable Law or contains or may contain a defect that could create a risk of injury or death.

11.4 **Joint Claims.** If a third-party claim, demand, litigation, or suit involves allegations for which both Parties may invoke the obligation of the other Party to defend them under this Agreement ("**Mixed Claims**"); then LE shall defend both Parties and their Representatives from such Mixed Claims, at LE's sole reasonable expense, provided that SRC may elect to take on the defense of such Mixed Claims.

11.5 **Procedure**. In the event of a Claim, the Indemnified Party will give the indemnifying Party prompt notice in writing of the Claim; but the failure to provide such notice will not release the indemnifying Party from any of its obligations under this Agreement except to the extent the indemnifying Party is materially prejudiced by such failure. Except as otherwise expressly provided for above, upon receipt of such notice the indemnifying Party will assume and will be entitled to control the defense of the Claim at its expense and through

counsel of its choice, and will give notice of its intention to do so to the Indemnified Party within 20 business days of the receipt of such notice from the Indemnified Party. The indemnifying Party will not, without the prior written consent of the Indemnified Party, (i) settle or compromise any Claim or consent to the entry of any judgment that does not include as an unconditional term thereof the delivery by the claimant or plaintiff to the Indemnified Party of a written release from all liability in respect of the Claim or (ii) settle or compromise any Claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments that are indemnified hereunder. Each Party must obtain the other Party's prior written consent for any other settlements that would affect the other Party, including one that would place new or different obligations or restrictions on the Indemnified Parties of the other Party or restrictions upon the sale (or disposition) of the Merchandise. The Indemnified Party will have the right at its own cost and expense to employ separate counsel and participate in the defense of any Claim.

11.6 **Limitation of Liability.** EXCEPT FOR (I) EACH PARTY'S INDEMNITY AND DEFENSE OBLIGATIONS AS SET FORTH IN SECTION 11.1, AND SECTION 11.2, AND OTHER LIABILITIES TO UNAFFILIATED THIRD PARTIES, (II) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS, AND (III) BREACH OF SECTION 8.13 (OWNERSHIP OF DATA AND OTHER ASSETS), IN NO EVENT WILL EITHER PARTY, NOR ITS AFFILIATES, CONTRACTORS OR AGENTS BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES, LOSSES OR EXPENSES (INCLUDING BUSINESS INTERRUPTION, LOST BUSINESS, LOST PROFITS, LOST DATA, OR LOST SAVINGS, DAMAGES TO SOFTWARE OR FIRMWARE, OR COST OF PROCURING OR TRANSITIONING TO SUBSTITUTE SERVICES), REGARDLESS OF THE LEGAL THEORY UNDER WHICH SUCH LIABILITY IS ASSERTED, AND REGARDLESS OF WHETHER A PARTY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH LIABILITY. THE SOLE LIABILITY OF SRC AND ITS AFFILIATES FOR ANY ERRORS AND OMISSIONS IN THE SERVICES ARE LIMITED AS PROVIDED FOR IN SECTION 8.8 AND SECTION 8.9 ABOVE AND FOR ALL OTHER ALL CLAIMS IN ANY MANNER RELATED TO THIS AGREEMENT ARE LIMITED BE THE PAYMENT OF DIRECT DAMAGES, NOT TO EXCEED (FOR ALL CLAIMS IN THE AGGREGATE) THE FEES RECEIVED BY SRC UNDER THIS AGREEMENT DURING THE PRIOR SIX (6) MONTHS PRIOR TO THE DATE SUCH CLAIM AROSE.

11.7 **Independent Obligation**. The obligations of each Party to defend, indemnify and hold harmless, the other Parties' Indemnified Parties under this Section are independent of each other and any other obligation of the Parties under this Agreement.

12. INSURANCE.

(a) LE shall maintain during the Service Period: (i) commercial general liability insurance, with a contractual liability to the extent provided for under such insurance covering LE's indemnity obligations under the Leases, and with limits of not less than $2,000,000 combined single limit for personal injury, bodily injury or death, or property damage or destruction (including loss of use thereof) per occurrence, (ii) workers' compensation insurance as required by statute, and employer's liability insurance in the

amount of at least $500,000 per occurrence, and (iii) "all-risk" property damage insurance ("**Hazard Insurance**") including Builder's Risk protecting against all risk of physical loss or damage, including sprinkler leakage coverage in amounts not less than the actual replacement cost, covering LE's inventory, personal property, furniture, wall coverings, floor coverings, trade fixtures and equipment within the LE Shops and within 100 feet of the LE Shops for damage or other loss caused by fire or other casualty or cause including vandalism and malicious mischief, theft, explosion, and water damage of any type, including sprinkler leakage, bursting and stoppage of pipes. All insurance required hereunder shall be provided by insurers of recognized financial responsibility with a Best's (or its equivalent) rating of at least A- and VIII and shall be licensed in the State in which each LE Shop is located. Hazard Insurance shall include replacement cost coverage to the extent of at least one hundred percent (100%) thereof and the amount shall satisfy any coinsurance requirements under the applicable policy. LE's insurance shall be primary, and any insurance maintained by SRC or any other additional insureds hereunder shall be excess and non-contributory. Liability insurance shall name "Sears Holdings Management Corporation and its subsidiaries and affiliates" as additional insureds per endorsement CG 20 10 07 04 or equivalent. Insurance must also provide a broad form Vendor's endorsement naming "Sears Holdings Management Corporation and its subsidiaries and affiliates" as additional insureds. Such endorsement must be provided on ISO Form CG 20 15 11 88 or its equivalent. Any insurance required to be carried by LE pursuant to this Section 12 may be carried under a policy or policies covering other liabilities (including, without limitation, blanket coverage so long as the aggregate amount required hereunder is on a per-location basis) and locations of LE's business.

(b) LE shall maintain, or cause any contractor of LE (a "**Contractor**") performing work at an LE Shop to maintain, during the period that the Contractor is performing the work, insurance as follows:

(i) Commercial General Liability including Premises Operations, Products and Completed Operations Liability, Independent Contractors Liability, Contractual Liability and Broad Form Property Damage Liability, with limits of no less than Two Million Dollars ($5,000,000) combined single limit. Such liability insurance shall provide coverage for explosion, collapse and underground exposures if applicable, and contractual liability coverage, shall insure the Contractor and any subcontractors against any and all claims for personal injury, including death resulting therefrom and damage to property of others, arising from operations under contracts, whether such operations are performed by the Contractor or by any subcontractor. Such insurance shall include the condition that it is primary and that any liability insurance maintained by SRC or any other additional insured is excess and non-contributory.

(ii) Workers' Compensation at statutory limits, as required by the state where the work is being performed, and Employer's Liability with limits of no less than $500,000 each accident or occupational disease.

(iii) Comprehensive Automobile Liability Insurance, which shall include bodily injury and property damage liability, including the ownership, maintenance and operation of any automobile equipment owned, hired and non-owned including the loading and unloading thereof, with limits of at least $2,000,000 for each accident.

(iv) Builders' Risk as included in LE's Hazard Insurance insuring all of LE's inventory, personal property, furniture, floor coverings, fixtures and equipment within the premises and within 100 feet of the LE Shop, against all risks of physical loss or damage.

(v) A broad form Vendor's endorsement naming "Sears Holdings Management Corporation and its subsidiaries and affiliates" as additional insureds. Such endorsement shall be provided on ISO Form CG 20 15 11 88 or its equivalent.

LE shall obtain and maintain a certificate of insurance from each Contractor and make the certificate available to SRC upon request.

(c) Such insurance set forth in subsection (b) above shall be obtained from insurers of recognized financial responsibility who shall be licensed in the state in which each LE Shop is located. LE shall provide SRC with SRC in being additional insureds, shall be named as additional insureds under the insurance policies described in this Section 11. The certificates of insurance, to the extent the same is standard in the industry, shall provide that the coverage shall not be changed or cancelled, without at least ten (10) days' notice to SRC, provided that if Contractor's insurance company in its certificate to SRC will state only that (i) the coverage will not be "materially" changed (as opposed to simply "changed") without prior notice to SRC, and/or (ii) it will "endeavor to give" at least ten (10) days prior written notice to SRC (as opposed to simply agreeing to give such notice), and it is standard in the insurance industry that an insurance company would provide only such wording, the Contractor's insurer may provide such wording in the certificate of insurance to SRC.

(d) **Waiver of Subrogation Rights**. Each party hereto has hereby remised, released, and discharged and does remise, release, and discharge the other party hereto and any officer, agent, employee, or representative of such party of and from any claims, rights of recovery, or liability whatsoever (and each party hereby waives all rights of subrogation) hereafter arising from loss, damage, or injury caused by fire or other casualty of the type that is required to be insured under the policies of insurance required to be maintained by the releasing party as of the date of any casualty, SUCH WAIVER TO BE EFFECTIVE REGARDLESS OF THE CAUSE OR ORIGIN OF SUCH DAMAGE OR LOSS INCLUDING, WITHOUT LIMITATION, THE NEGLIGENCE OF A PARTY HERETO OR ANY OF ITS OFFICERS, AGENTS, EMPLOYEES OR REPRESENTATIVES. LE shall procure an appropriate clause in or endorsement to any policy of insurance covering SRC's personal property, inventory, fixtures, furnishing and equipment located in the LE Shop, wherein the insurer waives subrogation or consents to a waiver of its right of recovery.

13. TERMINATION.

13.1 **Termination By LE**. LE's right to terminate this Agreement are limited to the co-terminus termination of this Agreement upon expiration or termination of the Lease of a LE Shop under the applicable Lease as provided for in Section 2 (Term) above.

13.2 **Termination by SRC**. Upon the occurrence of any of the following breaches (each an "**LE Default**"), SRC may provide written notice to LE of such LE Default and if LE does not cure such LE Default within ten (10) days, SRC may terminate this Agreement:

(a) There is an assignment with respect to which SRC has not consented in accordance with Section 14.4.

(b) LE makes any unauthorized use, duplication or disclosure of Confidential Information in violation of Section 9;

(c) LE fails to secure and maintain appropriate insurance coverage as set forth in Section 10;

(d) A petition is filed either by or against LE in any bankruptcy or insolvency proceeding, or any property of a party passes into the hands of any receiver, assignee or creditor;

(e) LE materially misuses or makes an unauthorized use of SRC's Marks in violation of Section 3;

(f) LE fails to make payment of any amounts due hereunder; or

(g) LE materially fails to comply with any other provision of this Agreement.

13.3 **Termination on Store Closing**. This Agreement shall terminate with respect to any affected store location due to the closing of the Sears Location, including following any fire or other casualty. LE shall not be entitled to any notice of such store closing prior to a public announcement of such closing pursuant to this Agreement. This provision shall not affect any notice requirements set forth in the Leases. LE waives any claim that it may have against SRC for damages, if any, incurred as a result of such closing.

13.4 **Cross Default**. LE's breach of any of the Cross Default Agreements constitutes a breach by LE of this Agreement (which breach may only be cured, if at all, in accordance with the express provisions of the affected Cross Default Agreement). Furthermore, if LE wrongfully terminates a Cross Default Agreement or if LE's breach of a Cross Default Agreement results in the SHC Entity counterparty terminating that agreement; then SRC may also terminate this Agreement for cause. SRC's remedies under this Section 13.4 are in addition to and not in lieu of any and all other legal and equitable remedies available to SRC upon LE's breach of this Agreement.

13.5 **Effect of Termination**. Upon expiration or termination of this Agreement, each Party shall immediately pay all amounts owed to the other Party.

13.6 **Wind-Down Activities**. Prior to expiration and upon notice of termination of this Agreement, or the lease for any LE Shop location, SRC shall, at LE's expense, (collectively, the "Wind-down Activities"): (a) perform an orderly removal of fixtures, LE property, and Merchandise from the LE Shop; (b) leave the LE Shop area in a "broom clean" condition; and (c) pack and ship LE Merchandise, property, and fixtures to LE; provided that if LE has not paid all amounts due under this Agreement and the Ancillary Agreements, SRC may liquidate such LE property and apply the proceeds to amounts due SRC and its Affiliates under such agreements. LE must maintain an adequate stock of Merchandise through the expiration or termination of the location. If LE fails to maintain an adequate stock of Merchandise through the expiration or

termination of a location, SRC shall be entitled to utilize unused space, including LE fixtures, at SRC's sole discretion. For clarity, the parties note that this Agreement shall remain in effect, notwithstanding any such termination or expiration, of the underlying Lease for the duration of the Wind-down Activities; provided that SRC shall not be obligated to provide any Services other than the Wind-down Activities during such time with respect to such LE Shop. LE must provide SRC sufficient notice to allow SRC to complete the Wind-Down Activities during the term of the Lease applicable to each LE Shop; LE shall be solely responsible for all hold-over rent and other costs incurred as a result of such Wind-Down Activities not being completed during the normal term of the applicable Lease.

14. MISCELLANEOUS.

14.1 **Third Party Agreements**. The Parties anticipate that SRC will be relying upon its and its Affiliates existing agreements with third parties (including the Shared Agreements) to provide certain of the Services described herein ("**Third Party Agreements**") and that the Parties have assumed that SRC's and/or its Affiliates' counterparty under each such Third Party Agreement (the "**Third Party Vendor**") will permit SRC and/or its Affiliates to procure goods, services and/or license software, as applicable under such Third Party Agreement, on behalf of LE, at no additional cost, as if LE were an affiliate of SRC and/or its Affiliates under such Third Party Agreement. If: (a) SRCs or its Affiliates' costs, fees, or expenses increase under the terms of such Third Party Agreements, or (b) the Third Party Vendor demands or is entitled to additional costs, fees, or expenses now or in the future, as a result of LE receiving benefits under such Agreement, then, in addition to all other amounts due hereunder, LE shall be liable for its proportionate share of all increased amounts under subsection (a) and all of the increased amounts under subjection (b), in each case as such amounts are determined by SRC in Good Faith. SRC will notify LE once it learns of any increased amounts due under the immediately foregoing sentence, and will work with the Third Party Vendor to try to mitigate such cost increase. To the extent any such Third Party Agreement includes early termination fees (or similar charges, "**Termination Fees**"), LE will be solely responsible for any such Termination Fees SRC or its Affiliates incur as a result of the Separation of LE and/or LE ceasing to use the Services under this Agreement.

14.2 **Computer Access**. If either Party, its Affiliates or its Personnel are given access, whether on-site or through remote facilities, to any communications, computer, or electronic data storage systems of the other Party, its Affiliates or its Personnel (each an "**Electronic Resource**"), in connection with this Agreement, then the Party on behalf of whom such access is given will ensure that its Personnel's use of such access shall be solely limited to performance or exercise of, such Party's duties and rights under this Agreement, and that such Personnel will not attempt to access any Electronic Resource other than those specifically required for the performance of such duties and/or exercise of such rights. The Party given access will limit such access to those of its and its Affiliates' Personnel who need to have such access in connection with this Agreement, will advise the other Party in writing of the name of each of such Personnel who will be granted such access, and will strictly follow all security rules and procedures for use of such Electronic Resources. All user identification numbers and passwords disclosed to a Party's Personnel and any information obtained by such Party's Personnel as a result of its access to, and use of the other Party's, its Affiliates' or its Personnel's Electronic Resources will be deemed to be, and will be treated as, Confidential Information of the Party on behalf of whom such access

is granted. Each Party will reasonably cooperate with the other Party in the investigation of any apparent unauthorized access by the other Party, its Affiliates, or its Personnel to any Electronic Resources or unauthorized release of Confidential Information. Each Party will promptly notify the other Party of any actual or suspected unauthorized access or disclosure of any Electronic Resource of the other Party, its Affiliates, or its Personnel.

14.3 **Amendment; No Waiver**. The terms, covenants and conditions of this Agreement may be amended, modified or waived only by a written instrument signed by both Parties, or in the event of a waiver, by the Party waiving such compliance. Any Party's failure at any time to require performance of any provision will not affect that Party's right to enforce that or any other provision at a later date. No waiver of any condition or breach of any provision, term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances will be deemed to be or construed as a further or continuing waiver of that or any other condition or of the breach of that or another provision, term or covenant of this Agreement.

14.4 **Assignment**. LE may not assign its rights or obligations under this Agreement without the prior written consent of SRC, which consent may be withheld in SRC's absolute discretion. A Stockholding Change will constitute an assignment of this Agreement by LE for which assignment SRC's prior written consent will be required. SRC may freely assign its rights and obligations under this Agreement to any of its Affiliates without the prior consent of LE; provided that any such assignment will not relieve SHMC of its obligations and liabilities hereunder. This Agreement will be binding on, and will inure to the benefit of, the permitted successors and assigns of the Parties.

14.5 **Notices**. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given (i) when delivered by hand, (ii) three (3) Business Days after it is mailed, certified or registered mail, return receipt requested, with postage prepaid, (iii) on the same Business Day when sent by facsimile or electronic mail (return receipt requested) if the transmission is completed before 5:00 p.m. recipient's time, or one (1) Business Day after the facsimile or email is sent, if the transmission is completed on or after 5:00 p.m. recipient's time or (iv) one (1) Business Day after it is sent by Express Mail, Federal Express or other courier service specifying same day or next day delivery, as follows (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 14.5):

If to SRC, to:

Sears, Roebuck and Co.

3333 Beverly Road – Mailstop AC-363A-A

Hoffman Estates, Illinois 60179

Attn.: Jim Ferguson

Facsimile: (847) 286-1024

Email: Jim.Ferguson@searshc.com

With a Copy To:

Sears Holdings Corporation

3333 Beverly Road - Mailstop B6-210B

Hoffman Estates, Illinois 60179

Attn.: General Counsel

Facsimile: (847) 286-2471

Email: Dane.Drobny@searshc.com

If to LE, to:

Lands' End, Inc.
5 Lands' End Lane
Dodgeville, Wisconsin 53595
Attn.: SVP Retail
Facsimile: 608-935-6550
Email: marla.ryan@landsend.com

With a Copy To:
Lands' End
5 Lands' End Lane
Dodgeville, Wisconsin 53595
Attn.: General Counsel
Facsimile: 608-935-6550
Email: Karl.Dahlen@landsend.com

14.6 **Publicity**. All publicity regarding this Agreement is subject to Section 14.5 (Public Announcements) of the Separation Agreement.

14.7 **No Third Party Rights**. Except for the indemnification rights under this Agreement of any SHC or LE indemnitee in their respective capacities as such, this Agreement is intended to be solely for the benefit of the Parties and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the Parties.

14.8 **Severability**. If any provision of this Agreement is declared by any court of competent jurisdiction to be illegal, invalid, void or unenforceable, such provision will (to the extent permitted under Applicable Law) be construed by modifying or limiting it so as to be legal, valid and enforceable to the maximum extent compatible with Applicable Law, and all other provisions of this Agreement will not be affected and will remain in full force and effect.

14.9 **Entire Agreement**. This Agreement (including the Exhibits, Appendixes and Schedules hereto) constitutes the entire agreement between the Parties hereto and supersedes all prior agreements and understandings, oral and written, between the Parties hereto with respect to the subject matter hereof.

14.10 **Equitable Relief**. Each Party acknowledges that any breach by a Party of Section 3 (Use of Marks and Advertising), Section 8.3 (Ownership of Data and other Assets), Section 9 (Confidential Information) or Section 14.2 (Computer Access) of this Agreement may cause the non-breaching Party and its Affiliates irreparable harm for which the non-breaching Party and its Affiliates have no adequate remedies at law. Accordingly, in the event of any actual or threatened default in, or breach of the foregoing provisions, each Party and its Affiliates are entitled to seek equitable relief, including specific performance, and injunctive relief,; in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. A Party seeking such equitable relief is not obligated to comply with Section 14.7 (Dispute Resolution) and may seek such relief regardless of any cure rights for such actual or threatened breach. Each Party waives all claims for damages by reason of the wrongful issuance of an injunction and acknowledges that its only remedy in that case is the dissolution of that injunction. Any requirements for the securing or posting of any bond with such remedy are waived.

14.11 **Force Majeure**. Neither Party will be responsible to the other for any delay in or failure of performance of its obligations under this Agreement, to the extent such delay or failure is attributable to any act of God, act of terrorism, fire, accident, war, embargo or other governmental act, or riot; provided, however, that the Party affected thereby gives the other Party prompt written notice of the occurrence of any event which is likely to cause (or has caused) any delay or failure setting forth its best estimate of the length of any delay and any possibility that it will be unable to resume performance; provided, further, that said affected Party will use its commercially reasonable efforts to expeditiously overcome the effects of that event and resume performance.

14.12 **Fair Construction**. This Agreement will be deemed to be the joint work product of the Parties without regard to the identity of the draftsperson, and any rule of construction that a document will be interpreted or construed against the drafting Party will not be applicable.

14.13 **No Agency**. Except as expressly provided to the contrary in this Agreement, nothing in this Agreement creates a relationship of agency, partnership, or employer/employee between SRC and LE and it is the intent and desire of the Parties that the relationship be and be construed as that of independent contracting parties and not as agents, partners, joint venturers or a relationship of employer/employee.

14.14 **Construction and Interpretation**. In this Agreement (1) "include," "includes," and "including" are inclusive and mean, respectively, "include without limitation," "includes without limitation," and "including without limitation," (2) "or" is disjunctive but not necessarily exclusive, (3) "will" and "shall" expresses an imperative, an obligation, and a requirement, (4) numbered "Section" references refer to sections of this Agreement unless otherwise specified, (5) section headings are for convenience only and will have no interpretive value, (6) unless otherwise indicated all references to a number of days mean calendar (and not business) days and all references to months or years mean calendar months or years, (7) references to $ or Dollars mean U.S. Dollars, and (8) hereof," "herein" and "herewith" and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

14.15 **Condition Precedent to the Effectiveness of this Agreement**. This Agreement will not become effective until it has been approved by the Audit Committee of the SHC Board (or a subcommittee thereof, including the Related Party Transactions Subcommittee).

14.16 **Dispute Resolution**. Except as provided for in Section 14.11 (Equitable Relief), all Disputes related to this Agreement are subject to Article XI (Dispute Resolution) of the Separation Agreement.

14.17 **Governing Law; Jurisdiction**.

(a) Governing Law. This Agreement (and all claims, controversies or causes of action, whether in contract, tort or otherwise, that may be based upon, arise out of or relate to this Agreement or the negotiation, execution, termination, performance or nonperformance of this Agreement (including any claim, controversy or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement)) shall be governed by, and construed and enforced in accordance with, the federal laws of the United States, including the Lanham Act, and the internal laws of the State of Illinois, without regard to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois. This Agreement will not be subject to any of the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

(b) Jurisdiction. Each of the Parties hereto irrevocably agrees that all proceedings arising out of or relating to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other Party hereto or its successors or assigns shall be brought, heard and determined exclusively in any federal or state court sitting in Cook County, Illinois. Consistent with the preceding sentence, each of the Parties hereto hereby (a) submits to the exclusive jurisdiction of any federal or state court sitting in Cook County, Illinois for the purpose of any proceeding arising out of or relating to this Agreement or the rights and obligations arising hereunder brought by any Party hereto and (b) irrevocably waives, and agrees not to assert by way of motion, defense, counterclaim, or otherwise, in any such proceeding, any claim that it or its property is not subject personally to the jurisdiction of the above-named courts, that the proceeding is brought in an inconvenient forum, that the venue of the proceeding is improper, or that this Agreement or any of the other transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts. Each Party agrees that service of process upon such party in any such action or Proceeding shall be effective if notice is given in accordance with Section 14.5.

(c) Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE 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 HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 14.18 (c).

14.18 **Counterparts**. This Agreement may be executed and delivered (including by facsimile or other electronic transmission (e.g., .pdf file) in counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

14.19 Survival. Each term of this Agreement that would, by its nature, survive the termination or expiration of this Agreement will so survive, including the obligation of either Party to pay all amounts accrued hereunder and including the provisions of Section 4 (Fees), Section 8.13 (Ownership of Data and Other Assets), Section 9 (Confidentiality), Section 10.3 (Intellectual Property), Section 11 (Defense and Indemnity; Limitation of Liability), Section 14.10 (Equitable Relief), and Section 14.17 (Governing Law; Jurisdiction).

Signature Page Follows

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement effective as of the Effective Date.

LANDS' END, INC.		**SEARS, ROEBUCK AND CO.**	
By:	/s/ Edgar O. Huber	By:	/s/ Robert A. Riecker
Name:	Edgar O. Huber	Name:	Robert A. Riecker
Its:	Chief Executive Officer	Its:	Vice President, Controller and Chief Accounting Officer

APPENDIX #1

GLOSSARY

The following defined terms will have the meaning ascribed to them below. Other terms are defined in the body of this Agreement. All defined terms include the singular and the plural form of such terms.

"Affiliate" means (solely for purposes of this Agreement and for no other purpose) (i) with respect to LE, its Subsidiaries, and (ii) with respect to SRC and its Subsidiaries; provided, however, that except where the context indicates otherwise, for purposes of this Agreement, from and after the Effective Time (1) no SHC Entity shall be deemed to be an Affiliate of any LE Entity and (2) no LE Entity shall be deemed to be an Affiliate of any SHC Entity.

"Ancillary Agreements" has the meaning ascribed to it in the Separation Agreement.

"Applicable Law" means all applicable common law, laws, ordinances, regulations, rules, and court and administrative orders and decrees of all national, regional, state, local and other governmental units that have jurisdiction in the given circumstances.

"Business Day" means any day that is not a Saturday, a Sunday or any other day on which banks are required or authorized by Applicable Law to be closed in New York, New York.

"**Claims**" means, as applicable, the LE Defended Claims and the SRC Defended Claims.

"Competitor" has the meaning ascribed to it in the Separation Agreement.

"Competitor Affiliates" has the meaning ascribed to it in the Separation Agreement.

"Cross Default Agreements" means the Ancillary Agreements except the Co-Location and Services Agreement.

"**Dispute"** has the meaning ascribed to it in the Separation Agreement.

"Good Faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing in accordance with Applicable Law.

"Financial Services Agreement" has the meaning ascribed to it in the Separation Agreement.

"**Indemnified Party**" means, as applicable, the LE Indemnified Parties and the SRC Indemnified Parties.

"**Intellectual Property**" has the meaning ascribed to it in the Separation Agreement.

"LE Entities" has the meaning ascribed to it in the Separation Agreement.

"**LE Provided Content**" means all content or information regarding Merchandise furnished by or on behalf of LE (whether in print or electronic form) in connection with the Merchandise, SRC and its affiliates websites or otherwise, including marketing and advertising materials (including joint advertisements by the Parties), promotional materials, point of sale displays, content on packaging, product development information and material, all literature, product descriptions, tags, labels, text, graphics, photographs, video and audio, installation and service instructions and training materials, owner's manuals and service manuals.

"Merchandise" means the following: apparel, including blouses, tops, tunics, suits, blazers, jumpers, dresses, hats, jackets, jumpsuits, long and short coats, jackets, sweaters, mufflers, lingerie, scarves, ties, bow ties, collars, swimwear, skirts, jeans, slacks, shorts, short sets, exercise wear, socks, underwear, leotards, tights, leg warmers, sweatshirts, sweat pants, t-shirts, sports bras, warm-ups, sweatbands, jogging suits and body suits, and other related apparel accessories.

"Merchandise Production" means the development, design, production, manufacture, construction, assembly, packaging, tagging, labeling, shipping and invoicing of Merchandise.

"Personnel" means the officers, directors, employees, agents, suppliers, licensors, licensees, contractors, subcontractors, advisors (including attorneys, accountants, technical consultants or investment bankers) and other representatives, from time to time, of a Party and its Affiliates; provided that the Personnel of the LE Entities shall not be deemed Personnel of the SHC Entities. and the Personnel of the SHC Entities shall not be deemed Personnel of the LE Entities.

"Sears Location" shall mean the SRC store in which the LE Shop resides.

"SHC" means Sears Holdings Corporation.

"SHC Entities" has the meaning ascribed to it in the Separation Agreement.

"Subsidiaries" has the meaning ascribed to it in the Separation Agreement.

"Representatives" means Personnel, partners, shareholders, and members.

"Shared Agreements" has the meaning ascribed to it in the Separation Agreement.

"SHC Board" has the meaning ascribed to it in the Separation Agreement.

"Stockholding Change" has the meaning ascribed to it in the Separation Agreement.

"Transition Services Agreement" has the meaning ascribed to it in the Separation Agreement.

End of Appendix #1

APPENDIX #2

SERVICES AND FEES

Appendix #2

The services described in this Appendix apply only to the operation of LE Shops

Service or Business Area	Services	Fees/Methodology For Determining Fees
FINANCE & ACCOUNTING		
Finance and Accounting Services		$1500/month for accounting services
General Ledger	• Compile and load general ledger information for LE Shops into Essbase financial reporting database, EIS and financial transaction databases to be used for internal reporting and analysis by LE. SRC will inform LE of any material processing errors or material data feed issues that would impact LE's financial results. • Provide LE limited read-only access to the SRC finance general ledger system to process all accounting-related activities for LE Shops Program business, including PeopleSoft GL and stand-alone Stock Ledger processing. LE will not modify or make any entries into the SRC accounting systems.	
System processing	Process files and load data for the following system interfaces as they relate to the LE Shops Program business: • Purchase order processing/receipt of goods processing • Markdown processing • Receipt processing from LE • Freight transactions • Return goods processing (Central Returns Center) • Return goods process (returns to LE) • Invoice matching/vendor payment/adjustments • Inventory shrink calculations and write-offs • Miscellaneous gross margin adjustments • In-transit reconciliations • Point of Sale file processing • Payroll processing and transfers of payroll costs to LE for dedicated staffing • Marketing expense and charge outs to LE • Logistics expenses • Third-party payment fees • Insufficient funds check expenses • IT expense allocations • Other miscellaneous expenses and allocations	

Appendix #2

Service or Business Area	Services	Fees/Methodology For Determining Fees
Accounts payable	Process invoices that pertain to the LE Shops Program business	
POS	1. **POS Systems** – Provide existing POS systems for LE Shops Program transactions. 2. **POS offer execution**. This includes creation and execution of barcodes, offers at POS (on receipt), and any updates to POS-based marketing functionality (e.g. offers based on market basket triggered at POS by the purchase of specific merchandise) 3. **POS integration**. a. Creation and activation of POS divisions for new LE product lines b. Creation and maintenance of POS items, including sale and special event items and price changes c. Management of coupon/bar code system for LE Shops d. Operation of POS terminal sales; cash, check, credit processing at POS e. Credit charge-back follow up 4. **Layaway** – SRC will continue to provide access and support for the existing layaway functionality in all retail locations. SRC will instruct its associates not to offer or support the creation of new layaway contracts after the Effective Date. 5. **Employee Discounts** (as this functionality existed as of the Effective Date, absent written agreement of the parties to the contrary)	Activation of POS new divisions for LE will be charged to LE at SRC's then-current hourly labor rate
LOSS PREVENTION **General Inventory Safety**	**Provide inventory Services for LE Shops Business consisting of the following (service only provided upon request):** Initial physical inventory scheduling and service provider management Physical inventory process management (data feeds to/from vendor/store/corp/) Point of contact for inventory related questions, rescheduling requests, concerns Disaster related inventory assistance	Fee for inventory services is based on the then-current third-party rates at the time of the inventory. The current rate with RGIS is $45.06 per thousand items counted. Physical inventory counts that occur at times when the rest of the FLS store is not conducting a physical inventory count will be treated as a special request and will be charged at the negotiated cost (third party counting the inventory) plus administration fee to negotiate the special request and coordinate scheduling.

Appendix #2

Service or Business Area	Services	Fees/Methodology For Determining Fees
		Consecutive rescheduling requests handled at rate of then-current hourly rate ($62/hour on Effective Date)
	Provide Technology, Merchandise Protection & Physical Security Management consisting of the following:	
	Update of merchandise protection and security tagging standards for LE Shops	
	Manage SRC third-party contractors for security guards, repairs, upgrades as needed	
	Manage burglar alarm & fire alarm systems maintenance agreement and facilitate needed repairs	
	Manage electronic article surveillance systems maintenance and facilitate needed repairs	
	Provide Closed Circuit TV consultation & solutions for new store construction, existing site improvements/retrofits	Closed Circuit TV services charged at then-current hourly rate ($55/hour on Effective Date)
	Provide Crisis & Emergency Management Services (as needed)	
	Weather monitoring and notification Services	Consultative services charged at then-current hourly rate ($65/hour on Effective Date)
	Crisis response and planning Services	
	Provide risk assessment models and mitigation strategies	
	Manage public sector partnerships (FEMA/Department of Homeland Security)	
	Critical incident reporting and management system	

Appendix #2

Service or Business Area	Services	Fees/Methodology For Determining Fees
	General Safety Management (as needed)	
	Access to safety, health, and HAZMAT shipping manuals, training and procedures	
	Regulatory agency issue management	
	Core safety processes development and management	
	Identification and management of personal protective equipment and safety supply lists	
	Accident reporting and investigation training programs	
	Manage pest control service contract and inspections	
	Administration and management of awareness program and material	
	Management of hazardous materials	
	Critical Safety Management. SRC will determine, in its discretion, when a SRC or third-party contractor resource is used (as needed).	At then-current hourly rate ($62/hour on Effective Date) per SRC employee as needed for Services, third-party contractor resources at actual contractor fees
	Critical accident management (amputations, fatalities, etc.)	
	Critical Health Management (bed bugs, etc.)	
	Regulatory Agency Activity Management	
	Ongoing Safety Expenses by LE Shops businesses: SRC will determine, in its discretion, when a SRC or third-party contractor resource is used (as needed).	At then-current hourly rate ($62/hour on Effective Date) per SRC employee as needed for Services; third-party contractor resources at actual contractor fees.
	Personal protective equipment procurement and repair	
	Associate Employee training	
	Safety Equipment Purchase	
	Fire department citation payments	
	DOT settlement payments	
	Hazmat permits and license fees	
	Miscellaneous safety purchases, fees, equipment, etc.	
	Annual fire and extinguisher inspections	

Appendix #2

Service or Business Area	Services	Fees/Methodology For Determining Fees
	Provide Loss Mitigation and Resolution Services to LE Shops including but not limited to (as needed):	Any required third-party contractor resources charged to LE at actual cost
	Awareness program and training material to mitigate loss exposure (limited to SRC program material, may require third-party contractor resources)	Additional cycle shrink reporting, analysis, and research charged at then-current hourly rate ($62/hour on Effective Date)
	Cycle shrink reporting	
	Civil demand & restitution collection management.	
	Provide loss prevention support for investigative purposes	Investigation work conduct at then-current rates ($62/hour on Effective Date.
	Background / social network investigations	
	Business / owner investigations	
	Theft investigation management to resolve and apprehend dishonest customers and employees	
	Provide Loss Prevention ("LP") Database Administration and LP System Support Services to LE including but not limited to (as needed):	
	Case/incident management	New applications or system enhancements charged at then-current hourly rate ($71/hour on Effective Date)
	Refund management support	
	Content management for LP related materials	
	Management of LP audit solution	
	Fraud mitigation & investigation of SRC supported e-commerce and payment systems	
	Reporting and application environments for LP related content	
LE SHOPS LABOR PLANNING AND STAFFING SUPPORT (RETAIL SERVICES IN HOFFMAN ESTATES)	**LE Shops Labor and Expense Planning Support Services**	
	1. SRC enters LE provided store monthly division level sales, payroll dollars, hours and LE Manager headcount into the Retail Services Store Plan systems and ultimately SRC Financial Systems. LE submits a file providing this data by store by month to SRC 3 days before SRC store plans lock.	
	2. SRC develops store financial and staffing plans to enable processing of LE catalog returns through backroom team.	
	3. SRC calculates LE store associate benefits expense	
	4. Store Plan revisions due to LE Shops staffing change decisions will be processed within 10 working days in order to enable best possible weekly labor demand/initial schedules (WFM or Workforce Management scheduling system)	

Service or Business Area	Services	Fees/Methodology For Determining Fees

Post-Annual event Store Labor or Expense Re-Plan

1. Store labor /expense plan development for LE Shops locations added during the plan year

   a. Plans delivered by SRC within 10 business days of receipt of final sales and assumptions on a per-request basis

LE Shops Labor Scheduling Support Services

1. SRC executes monthly load of LE Shops sales and hours to store scheduling database.
2. SRC updates scheduling database configuration annually for LE Shops minimum staffing rules by store location (data provided by LE)
3. SRC calculates daily productivity targets to drive labor demand for store scheduling.
4. SRC generates volume forecast, labor demand, and initial schedules in Workforce Management scheduling system on a weekly basis
5. Ad hoc services: SRC modification of Workforce Management scheduling system to support store staffing tests, pilots and initiatives. The services that LE requests of the SRC Labor & Expense Management team will be negotiated relative to available resources, time needed, expected outcome, expected delivery date and project cost.

Staffing Support Services

1. SRC develops and manages a Staffing Guide indicating headcount needs for the Designated SRC Stores each month
2. SRC modifies Staffing Guide to support staffing tests, pilots and initiatives as agreed between LE and SRC.

Labor data reporting and requests/reporting

1. SRC will provide the following reporting:

   a. 2nd Monday following fiscal month end national level store labor billing recaps are prepared and sent to members of the LE Dodgeville team

   b. Weekly forecast data exported from scheduling system, excel file emailed to LE Dodgeville

   c. Weekly LE (Dedicated staffing) Dollars/Hours spent by store exported from payroll system data, excel file emailed to LE Dodgeville

   d. Weekly a file is created and made available on a shared drive to the LE team (current contact is Timothy.Schell@Landsend.com). The file will contain

Service or Business Area	Services	Fees/Methodology For Determining Fees

info for every FLS store that sells LE: "Plan Hours", "System Forecast Hours, "Manager Forecast Hours," "Under LRQ Scheduled Hours," "Under LRQ Actual Hours," "Actual Hours," "Training Hours," "Scheduled Hours."

e. Weekly a file is created and made available on a shared drive to the LE team (current contact is BillySands@Landsend.com). The file will contain "Plan Hours," "System Forecast Hours," "Manager Forecast Hours," "Scheduled Hours."

2. Ad hoc services: LE periodically requests ad-hoc data from the SRC Labor Planning Team and/or SRC Labor Management (WFM) team. Such requests have included actual vs. scheduled hours by day for a particular store or group of stores, % of LE Shop transactions that flow through a particular register vs. non-LE Shop transactions. The services that LE requests of the SRC Labor &Expense Management team will be negotiated relative to available resources, time needed, project scope, expected delivery date and project cost.

Store Associate Commission/Incentive Calculations

1. SRC will provide the following calculations:

   a. Daily – LE FDA Program - as part of scheduled production processing, LE FDAs are calculated on prior day's qualifying sales/returns received via SRC POS/LCI data feed. At the end of the morning process, the FDA sales/calculations are displayed on the Associate Commission Portal at Associate/Transaction level, viewable by the associate and store managers/human resources.

   b. Weekly – LE FDA Program - (Sunday night, and if necessary for late reporting stores, Monday Morning), LE FDA calculations (combined with all other FDA calculations), by associate, are passed to the Peoplesoft Payroll system for inclusion in the next scheduled paycheck. Monday afternoon, an excel spreadsheet, reporting the prior week's LE $3-for-3 payouts, is sent via email to specified individuals at LE Dodgeville

   c. Daily – LE Direct - a file is received from LE, normally by 7:00am. The file contains SHIPPED, RETURN and BACKORDER status transactions. LE Direct FDAs are filtered and calculated on prior day's sales/return. Calculation is dependent on data sent from LE team in Dodgeville. At the end of the morning process, the FDA sales/calculations are displayed on the Associate Commission Portal at Associate/Transaction level, viewable by the associate. Backorder status is also displayed to the associate.

Service or Business Area	Services	Fees/Methodology For Determining Fees
	2. Additional services available on a per-request basis. An example would be the LE "Save a Sale" Program (scheduled to end 2/2/2014). Any incremental commission/incentive services that LE requests of the SRC Labor & Expense Management team must be received at least 3 weeks prior to potential start date and will be negotiated relative to available resources, time needed, project scope, expected delivery date and project costs.	
	"As Requested" Services 1. Additional services as mutually agreed upon in writing by the Parties. Each additional service priced individually based on mutually agreed-upon scope of work and requested delivery time	
STORE LEVEL LABOR STAFFING SUPPORT (SEARS FULL LINE STORE LOCATIONS)	**Human Resources support** 1. Recruiting/onboarding of store associates 2. Processing of associate unemployment claims 3. Processing/review of workers' compensation charges 4. Train new hire on store practices, including use of POS terminals 5. Performance appraisals/reviews	
RETAIL SERVICES	**Signing** When requested by LE, SRC receives department and promotional signage from LE associates and will install within LE Shops consistent with the parties' past practices.	
	Housekeeping services SRC shall provide routine janitorial service in the LE Shops, consistent with the janitorial services regularly performed in the Designated SRC Store.	
	Customer complaint resolution Execute existing customer complaint resolution process	
	SRC/LE Communications 1. Facilitate communication of SRC store-wide events to LE Shop associates 2. Facilitate communication of LE programs and events to SRC merchants and store associates	
	Commissions Expense Pay commissions/incentives to store associates for LE Shop merchandise or services sold.	Actual cost based on commissions/incentives paid to store associates for LE Shop sales (2013 forecasted costs at this methodology: $12,875)

Appendix #2

Service or Business Area	Services	Fees/Methodology For Determining Fees
***Staffing levels determined pursuant to Retail Operations Agreement. Staffing levels as of Effective Date are identified on Schedule A attached hereto.**	***Dedicated Consultative Selling Associates - Lands' End** LE Shop-specific sales, member assistance, sales floor merchandising, and replenishment, merchandising adjacency moves within the LE Shop space, and all LE Shop merchandise pricing tagging/signing activity (promotional, clearance, etc.) LES agrees to ensure that each shop is staffed with at least one associate available to assist members in every hour the store is open. Requests to deviate from this standard must be agreed to in advance by both parties. SRC will consult LE regarding rates to be paid to the Dedicated LE Associate, but SRC will determine in its sole discretion the rates paid to the Dedicated LE Associate.	Actual cost based on associates' Peoplesoft department - direct charge to business (2013 forecasted costs at this methodology: $24,617,036)
	***Assistant Store Manager – Apparel** Manage the LE Shop business in the store and lead/train associates in the department in stores with no dedicated LE salaried manager	Billed using the following formula: (Actual cost of Apparel Assistant Store Manager * (store level LE Sales / store level Apparel ASM Sales) = fee Apparel ASM Sales are the sales of the divisions that the Apparel ASM manages.
	***Assistant Store Manager - Lands' End** Dedicated to Management of the LE Shops Program business in the store and lead/train associates in the department. SRC will consult LE on the salary to be paid to the ASM-LE, but SRC will determine in its sole discretion the salary paid to the ASM-LE.	Where dedicated LE manager in place, billed direct at actual cost. (2013 forecasted costs at this methodology: $1,580,580)
	Complete Reset or merchandising projects Request non-LE Shop associate assistance to complete merchandise resets (changes to how merchandise is displayed in the store or the addition or dropping of new or old product)	Only as requested by client and subject to store resource availability. Billed based on work hours purchased at actual cost. (2013 forecasted costs at this methodology: $111,559)
	Re-Pricing (re-ticketing) Request non-LE Shop associate assistance in locating merchandise, re-locating/consolidating as required, and affixing new price sticker and/or sign to each piece of merchandise and to fixture.	Only as requested by client and subject to store resource availability. Billed based on work hours purchased at actual cost. (2013 forecasted costs at this methodology: $3,645)

Appendix #2

Service or Business Area	Services	Fees/Methodology For Determining Fees
	Sales floor Replenishment – Divisional Shops only Move overstock merchandise from stockroom to sales floor. Daily inspections of sales floor and replenishment/ordering of merchandise for bins/hook that are low or zero stock.	Only as requested by client and subject to store resource availability. Billed based on work hours purchased at actual cost. (2013 forecasted costs at this methodology: $82,823)
	Receive, prep and move merchandise Receive merchandise into store, Prepare merchandise for sales floor. Move all received merchandise to sales floor, move overstock back to stockroom	Individual store time standards and labor wage rates. (2013 forecasted costs at this methodology: $912,189)
	Merchandise Pick-up service Includes basic Merchandise Pick-up services, web-to-store, .com returns	Individual store time standards and labor wage rates. (2013 forecasted costs at this methodology: $27,244)
	Remodel/startup payroll Extraordinary one time payroll cost for support of major remodels by store associates outside of the dedicated LE team	Only as requested by client and subject to store resource availability. Billed at actual cost on work hours purchased.
	Benefits SRC cost of payroll taxes, medical, associate personal days (vacation, holidays, illness, etc.) associated with labor devoted to support of LE Shop.	Billed using the following formula: (National LE Payroll $ / National Total Payroll $)*National Benefits Expense = fee. 2013 forecasted costs at this methodology: $5,773,014)
	Workers' Comp/Return-to-Work expenses SRC cost of workers' compensation claims and/or Return-to-Work expenses for dedicated LE Shop store associates (both exempt and non-exempt)	
	Assumed Receipt Receiving Policy and Procedure 1. LE items arriving to stores through SLS deliveries will be received using standard SRC assumed receipt policy and procedure with Advanced Shipping Notice (ASN) item detail information 2. LE items arriving to stores through UPS deliveries will be received using standard SRC DC to store receiving policy and procedure with Advanced Shipping Notice (ASN) item detail information	

Service or Business Area	Services	Fees/Methodology For Determining Fees
	3. Inventory validation or reconciliation requests from LE which are not part of our base assumed receipt policy and procedure will be handled via a Special Project Request at Special Project rate.	
	Merchandise Preparation 1. Associates will identify and separate LE product from all other brands 2. Organize LE product by division and place on LE fixtures 3. Apparel items requiring to be rehung on LE wooden hangers will be prepped according to merchandise presentations standards provided by LE 4. All apparel items will be stripped of plastic, tissue and cardboard prior to being placed on the floor 5. Place EAS or ink tags on all required items according to Loss Prevention tagging guidelines. LE will approve any changes to current guidelines.	
	Merchandise Return Notifications (MRN) 1. Associates locate and pull all identified items associated with a MRN for further inventory and shipping processes 2. Associates will scan MRN items into the Markdown Recording System to reduce inventory and on-hand counts 3. All scanned items will be packaged and sent back to the Central Return Center (CRC) with a red label for further processing 4. MRN validation or reconciliation requests from LE which are not part of our base assumed MRN policy and procedures will be handled via a Special Project Request at Special Project rate.	
	Handling of LE Catalog Returns 1. Processing by Cashier (member return at POS) and Backroom team (handling/shipping of returned merchandise) associates across the Full Line Stores chain 2. Provide LE an extract of the SRC POS transfile (via NFX) of all LE return transactions 3. Should LE return volume exceed then-current levels (2,253,821 return transactions processed in Sears Full Line Stores annually) on a monthly basis (See 2013 Catalog return rates listed on Schedule B attached hereto), incremental costs will be billed to LES. Return volumes at or below the then-current levels are not billed. 4. These costs are not included as payroll in the benefit calculation	Returns handling incremental costs to be calculated at the then-current hourly rate ($154 /1,000 at the Effective Date) for each incremental return transaction.
	End of Season Mark Out of Stock (MOS) 1. LE product will be identified for end of season MOS as inventory that has not sold after establish end of season markdowns	

Appendix #2

Service or Business Area	Services	Fees/Methodology For Determining Fees
	2. Unsold inventory will be marked down to zero dollars through the standard Price Change Notice process 3. Dedicated LE associates will be responsible for removing zero value items from the sales floor and stage for backroom processing 4. Backroom associates will package and sent all zero value items back to the Central Return Center (CRC) with a yellow label for further reverse flow processing	
Detail control center	**Detail Control Center POS Transaction Processing** 1. Processing for POS fallout, missing and out-of-balance transactions 2. Processing of POS debit reversals 3. Resolution of layaway contracts and corresponding item and order status changes 4. Provide research, investigation, analytics and case resolution support of Citi and third party credit card dispute and chargeback cases	
Check Processing Expenses	SHMC incurs check guarantee expense. LES will be charged monthly for check acceptance costs based on SHMC check expense.	Rate based on balance of check sales by Business Unit (2013 forecasted charge on this methodology: $22,813)
Business Licenses	SRC will obtain any business licenses on behalf of LE upon request	Actual cost
New Store Opening/PMM Support	As needed, LE may require SRC/PMM support to open new store locations. These services will be provided on an "as needed" basis.	Fees to be negotiated at time of service request.
LOGISTICS & DISTRIBUTION		
Transportation	1. **Domestic Transportation**: • Receipt of replenishment shipments via UPS (charged to LE) • SRC transports goods from its distribution centers to stores. This service includes: • Contracting for domestic inbound/outbound transportation through a sequential combinatorial bid process using historical lane volumes and store clusters. Lanes awards to carriers take into account the least cost alternative that meets the service requirements • Managing flow of merchandise from DC to all LE Shop locations • Establishing store delivery schedules from DC's to LE Shop based on historical volumes.	Transportation Services: Freight Charges will be passed through to LE at actual cost. Ad Hoc Services $50 per man hour Fee Adjustments: On each anniversary of the Effective Date of this Agreement, LE's fees are subject to an annual adjustment per SRC's cost structure.

Appendix #2

Service or Business Area	Services	Fees/Methodology For Determining Fees
		Freight Cost Allocation: SRC will allocate freight costs to LE as follows: The total transportation cost of each shipment is allocated to LE based on the percentage of each LE destination's shipping volume to the total volume shipped in that transport. Rates and costs are subject to change based on rate negotiations with SRC's carriers' as outlined in the carrier contracts and as warranted by changing market conditions.
	2. **Inbound Vendor Cross Docking** • SRC will provide cross-dock access into the Designated Company Stores. • Cross dock cartons by 2 forms: 1. Cross dock Inbound Vendor cartons from upstream DCs and move cartons to stores while providing systemic information of contents (JIT, RIM Flow and Central Stocking processes) 2. Cross dock Vendor Direct to Store cartons via servicing RRC (EMP Expedited Merchandise Process) a. RRC acknowledges the carton ID (no receipt) as arrived at RRC and ships out on next store delivery b. RRC passes vendor provided information via ASN to store. Store receipt triggers payment to vendor. • Move cross dock cartons to stores on next outbound delivery. DCs do not stock cross dock product	Current Fixed (Monthly): $32,600 Variable Handling: based on receipt and disbursement volume and vary by flowpath (e.g., automatic cross-dock). Rate at actual cost. Variable Handling: based on receipt and disbursement volume and vary by flowpath (e.g., automatic cross-dock). Rate at actual cost.
	2014 Full RRC Rate Table:	ACD rate: $0.20/ctn

Appendix #2

Service or Business Area	Services	Fees/Methodology For Determining Fees
		Fixed: LE will be billed fixed amount set annually based upon previous year's DC handling expenses attributed to LE. LE will be charged variable handling rates for RRC services for merchandise shipped directly from an RRC to a LE store, if that service is requested at a rate of actual cost. Rate & Fee Adjustments: On each anniversary of the Effective Date of this Agreement, LE's rates and fees are subject to an annual adjustment per SRC's cost structure.
Crossdock Warehouse Distribution		
	1. **Special Project Requests** • Special requests for non-standard services, such as re-ticketing or re-cartonization, will be charged to LE on a per-project basis. • Special Project Requests shall be billed at Special Project rate. • All Special Project Requests will be handled through SRC assigned Manager of Supply Chain Operations for LE and through the SRC Director of Return Logistics for LE	Special product rate to be negotiated by the parties on a project-by-project basis.
	2. **Disposition of Unsalable, Defective and Obsolete Goods** • Process DC returns to Vendor via RA procedures (Return Authorization) • Provide liquidation service (sell to salvager, destroy/deface and dispose) per LE direction	CRC handling services are billed on a per scan basis. Rate at actual cost.
	• Manage the liquidation of damaged merchandise (assigned to damage bin) per LE guidelines • SRC manages store liquidation recoveries such as Store RA flowing via SRC's reverse logistics network. • Salvage revenue is derived from recovery of salvageable merchandise. Rate is set by BU in accordance with our agreement with third party(s).	Transportation rates are based on the average size of the item and charged per scan. LE is assigned a rate based on the average cube per selling unit.

Service or Business Area	Services	Fees/Methodology For Determining Fees
		Fixed rate set at beginning of year based on prior year actual fixed costs attributed to LE. Fixed charges represent the portion of the CRC expense that does not vary with volume. 2014 CRC Rates are as follows: CRC Handling: $0.349/scan Transportation: $0.130/scan Supplies: $0.068/Scan Fixed (Monthly): $16,611 Salvage Revenue: passed through based upon actual receipt.
	3. **Logistics Administrative Services** • Customer Service ❖ SRC will assign a Manager of Supply Chain Operations (MSCO) to act as single point of contact for LE. The following services are included: • Works with business on new initiatives and defining new requirements • Provides escalation support for day-to-day activities • Work on behalf of LE Shops: • For claims – Overs/Shorts/Damages (OS & Ds) • Return Logistics (Central Return Centers) • Manage all Vendor return and product liquidation processes/ agreements	
	4. **Inventory Management** SRC will assist with the resolution if inventory management issues, including the following: • No ASN found • All ASN's sent to one store; product sent to correct store • All ASN's sent to correct store, product sent to wrong store	
	5. **Returns:** Return, stock balancing/redeploy events at LE's request	If LE requests this service, the parties will negotiate and agree

Service or Business Area	Services	Fees/Methodology For Determining Fees
	• SRC removes product from inventory • SRC ships to CRC	to the cost in writing per Section 1.1(f) of the Retail Operations Agreement prior to the performance of the service.
	6. **Finance Support:** • SRC pays transportation-related invoices and freight bills and subsequently allocates that expense to LE • SRC creates reports for internal LE accounting purposes • SRC provides a third-party transportation claims processing module with the following functionality: 1. Creation of claims against transportation carriers 2. Monitor offset of claims receivables against FOB payable 3. Implement routine and necessary collection efforts 4. Exercise hold payment if necessary 5. Resolve disputes • Provide third-party post-audit on all small package transactions • Create journal entries based on transactional data	Transportation-related invoices and freight bills charged at actual cost.
IT SERVICES		
Service or Business Area		
Information Analytics & Innovation		
File Exchanges	SRC will continue to prepare and transmit the file exchanges detailed in the attached Schedule C (File Exchanges). Four files are large data extracts from the SRC CDW (Customer Data Warehouse) and fees associated with provision of these files are based on CPU (Central Processing Unit) consumption: - letxnext.txt - leitmtext.txt	$4,600.00/month Subject to increase or decrease based on CPU consumption.

Service or Business Area	Services	Fees/Methodology For Determining Fees
	- lemkdntext.txt - lemethtext.txt There are a limited number of system IDs that are used to transmit and receive these file exchanges. The CPU consumption associated with these system IDs and application platforms are used to arrive at the pricing.	
Daily Sales Flash Report	SRC creates and sends daily LE Sales Flash Report to LE Executives via email distribution list	
LE Kiosks	Provide maintenance and support service for the in-store Lands End kiosks which include 59 kiosks implemented in 2013 and 307 new kiosks to be deployed in early 2014. All kiosks will utilize the Windows 7 operating system and were purchased with a 3 year warranty from the manufacturer.	
Support Services -	The maintenance and support service will include physical hardware maintenance (which relies upon the 3 year hardware warranty), in-store support as well as Level 2 and 3 support, software distribution, rebuilds, issue resolution and anti-virus protection. Level 2 Support includes complex problem determination activities, problem isolation, circumvention support, problem resolution, fix testing and delivery, and the analysis of performance-related problems. Level 3 Support includes the activities described as Level 2 plus appropriate engagement with applicable third-party hardware, software and/or service providers. LE will be liable for any increased costs resulting from units not being under a manufacturer's warranty.	

Appendix #2

Service or Business Area	Services	Quantity	Monthly Rate	Monthly Expense	Annual Expense	Fees/Methodology For Determining Fees
	Desktop Support (SHC)	366	$ 0	$ 0	$ 0	$0/month Subject to increase if the number of active in-store kiosks increase and/or version of Operating System changes and/or cost changes from service providers.
	Hardware Service		$ 0	$ 0	$ 0	

VDI/Cloud Access for LE Corporate

Support Services -	Provide Virtual Desktop support for Windows XP and Cloud Infrastructure access.					$2,422/month Subject to increase or decrease based on the number of VDI accounts active, version of Operating System and/or cost changes from service providers.
		Quantity	Monthly Rate 1	Monthly Expense	Annual Expense	
	VDI Support Services	27	$ 21.28	$ 574.56	$ 6,894.72	
	Cloud Access		$ 68.41	$1,847.07	$ 22,164.84	

End of Appendix #2

APPENDIX #3

MASTER LEASE

See attached.

End of Appendix #3

APPENDIX #4

MASTER SUB-LEASE

See attached.

End of Appendix #4

APPENDIX #5

EFFECTIVE DATE
The Effective Date is April 4, 2014

End of Appendix #5

APPENDIX #6

SRC MARKS

"SEARS" Trademark Applications and Registrations
(As of 02/04/14)

Trademark	Status	Appln/Reg No.	Goods/Services
sears	Registered	4,327,638	035: Retail department store services and online department store services
	Registered	2,985,558	035: Retail department store services
SEARS	Registered	2,764,442	035: Retail department store services
	Registered	2,989,790	035: Retail department store services

	Registered	2,985,557	035: Retail department store services
SEARS	Registered	2,916,293	036: Financial services, namely, credit card services
SEARS	Registered	2,982,911	035: Retail department store services and estimating of contracting work 039: Car rental services 041: Portrait photography 043: Travel agency services, namely, making reservations and booking for temporary lodging, restaurants and meals

Sears	Registered	3,809,026	035: Retail department store services
	Registered	3,721,025	035: Retail department store services
	Registered	3,711,219	035: Retail department store services
	Registered	3,707,791	035: Retail department store services

	Registered	2,621,139	035: Retail department store services
	Registered	2,321,954	035: Retail department store services
	Registered	1,529,006	042: Retail store and catalog services

End of Appendix #6

APPENDIX #7

LE MARKS

Mark	Appln/Reg No.	Current Owner	Goods/Services
LANDS' END	85/792,686	Lands' End Direct Merchants, Inc.	**003:** Body creams; Body lotions; Body sprays; Cosmetics; Fragrance emitting wicks for room fragrance; Fragrance sachets; Hair lotions; Hair shampoos and conditioners; Hair styling preparations; Nail polish; Perfume; Potpourri; Scented room sprays; Shower and bath gel; Skin soap **004:** Candles
LANDS' END	1,263,612	Lands' End Direct Merchants, Inc.	**018:** Bags-Namely, Duffle Bags and Liners, Garment Bags for Travel, Unfitted Toilet Kits, Carry-On Bags, and Tote Bags **025:** Clothing-Namely, Shirts, Shorts, Slacks, Trousers, Jackets, Belts, Robes, Ties, Swim Trunks, Skirts, Sandals, Parkas, Sweaters, Shoes, Hats, Gloves, Socks, Boots, Warmup Suits, and Raingear-Namely, Jackets, Pants, Coveralls and Hats **042:** Retail Store and Mail Order Sales Services in the Fields of Wearing Apparel, Sporting Goods, Luggage, Housewares, Sailing and Camping Equipment, Personal Accessories, Weather Indicators, Stationery, and Related Items

End of Appendix #7

APPENDIX #8

SUPPLIER NOTIFICATION

[Lands' End Letterhead]

[Lands' End Vendor Business Name]
[Address]

Re: Separation of Lands' End from Sears Holdings Corporation

Dear :

Recently, Sears Holdings Corporation announced that it anticipates that Lands' End, Inc. ("Lands' End") will be spun-off as a separate stand-alone company from Sears Holdings Corporation. Your company currently manufactures for Sears, Roebuck and Co. ("Sears") merchandise bearing Lands' End trademarks. As part of Lands' End's transition to a separate stand-alone business, merchandise bearing Lands' End trademarks will hereafter be purchased solely by Lands' End and Sears will no longer have any financial responsibility for any Purchase Orders ("POs") issued on or after that date which is two days after the date of this Letter (the "Transfer Date") and all merchandise subject to such POs shall owned by Lands' End and not Sears. POs issued prior to the Transfer Date are not subject to this notice. You will continue to work with Sears on fulfillment, payment and any other issues related to any current or future POs.

To facilitate uninterrupted business for Lands' End, Sears and Lands' End have entered into an agreement by which Sears will continue to provide certain merchandise ordering services to Lands' End. Sears will be operating as agent for Lands' End for the issuance of POs after the Transfer Date, and you will continue to work with the same business contacts at Sears and Lands' End as you have prior to the Transfer Date, unless you are notified otherwise.

To continue to manufacture merchandise for Lands' End, your company will need to create a separate account for the supply of Lands' End merchandise to Lands' End. Please work promptly with your existing Lands' End contact to complete your new account documentation. If you supply goods to Sears under Sears' brands as well as goods under Lands' End's brands for sale in Sears stores, you will also need to establish a separate Order and Pay DUNS number for Lands' End and a separate EDI I.D, and we will provide those to you shortly.

By accepting any purchase order after the Transfer Date for Lands' End merchandise, you agree that:

1) All POs for Lands' End merchandise accepted by you after the Transfer Date will be solely between you and Lands' End, governed by the Lands' End Purchase Order Terms and Conditions, and you will look solely to Lands' End, as the ultimate obligor, for payment and recourse for any other issues related to those POs.

2) The Sears Universal Terms and Conditions into which you entered with Sears will no longer be effective with respect to, and Sears will no longer be responsible for, POs issued for Lands' End merchandise after the Transfer Date.

3) You will look solely to Lands' End concerning POs issued for Lands' End merchandise after the Transfer Date even though such POs may be issued in Sears name for the benefit of Lands' End.

As of the effective date of the spinoff of Lands' End, Inc. as publicly announced by Sears Holdings Corporation (currently targeted for April 4, 2014), all POs that Sears has previously issued to you for goods under Lands' End's brands but that have not been fully performed will be assigned to Lands' End, Inc. For ocean shipments that ship after the Transfer Date, Sears' freight forwarder will direct you to ship with Land's End, Inc. shown as the purchaser and consignee.

Kindly respond to Joney Cheung at Joney.Cheung@landsend.com within five days of your receipt of this letter to confirm that you have received it. Please direct any questions regarding this letter to Mary Keenan at Mary.Keenan@landsend.com.

We appreciate your prompt response to this notice and look forward to a successful continued business relationship.

Yours Truly,

End of Appendix #8

APPENDIX #9

CONTACT PERSONS

SRC Contact Person:	Sandra Stone Sears Holdings Management Corporation 3333 Beverly Road Hoffman Estates, IL 60179 Mailstop: AC-209A-A (847) 286-8023 sandra.stone@searshc.com
LE Contact Person:	Marla Ryan 5 Lands' End Lane Dodgeville, Wisconsin 53595 608-935-4198 marla.ryan@landsend.com

End of Appendix #9

Exhibit 10.6

***** Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [*****]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

Shop Your Way Retail Establishment Agreement

Between

Sears Holdings Management Corporation

And

Lands' End, Inc.

April 4, 2014

Shop Your Way Retail Establishment Agreement

This **Shop Your Way Retail Establishment Agreement** (this "**Agreement**") is between **Sears Holdings Management Corporation** ("**SHMC**") and **Lands' End, Inc.** ("**LE**") is effective as of (the "**Effective Date**"). Each party to this Agreement is sometimes referred to herein as a "**Party**" and collectively as the "**Parties**."

Recitals

A. SHMC maintains a rewards program known as the Shop Your Way℠ Program (the "**Program**"). The Program provides Members with Points associated with purchases of merchandise and services at participating establishments ("**Issuing Retailers**") and in connection with promotions and other activities, which Points may be redeemed for merchandise or services at selected establishments ("**Redeeming Retailers**") (collectively, the Issuing Retailers and Redeeming Retailers are referred to herein as the "**Participating Retailers**"). The Program also provides a social shopping experience for members at www.shopyourway.com (together with any successor sites, the "**Program Site**"); and

B. LE wishes to enroll in the Program so that LE's customers who are Members may earn and redeem Points on purchases in LE's retail channels, including LE shops within Sears stores ("**LE Shops**"), and through LE's direct channels, including LE stores, LE websites, and through LE's catalog and call center (collectively, the LE Shops and LE direct channels shall be referred to as "**LE Formats**") and otherwise participate in the Program all in accordance with the "Terms and Conditions of the Shop Your Way Program". For clarification, LE Formats shall not include the Sears Marketplace, the MyGofer site, the Program Site, or any other website run by SHMC or its Affiliates, and LE's participation in those websites shall be governed exclusively by the terms of the parties' Sears Marketplace – Local Marketplace - MyGofer Fulfilled By Merchant (FBM) Seller Agreement, dated July 24, 2013, as amended (the "**Marketplace Agreement**"), as further described in Section 7.A.iv, below. The Terms and Conditions of the Shop Your Way Program are available at www.shopyourway.com/terms or successor location (these, together with any other additional terms and conditions for Program applications, benefits, promotions or related programs as may from time to time exist and be amended and interpreted by SHMC as permitted hereby, are collectively referred to herein as the "**Program Terms and Conditions**").

Agreement

In consideration of the mutual covenants and promises in this Agreement and other good and valuable consideration, the receipt and sufficiency of which each Party acknowledges, the Parties agree as follows:

1. Definitions. Exhibit 1 of this Agreement includes a glossary of defined terms.

2. Term. The term of this Agreement (the "**Term**") will begin immediately following the "Effective Time" specified in the Separation and Distribution Agreement (the "**Separation Agreement**") to be executed and delivered by LE and Sears Holdings Corporation ("**SHLD**")

(the date on which the Effective Time occurs, the "**Effective Date**") and will end, unless terminated earlier, on the third (3rd) anniversary of the Effective Date. The day that becomes the Effective Date will be inserted in the recitals once the Effective Date has occurred.

3. Program Overview.

a. Program Responsibilities. Except for LE's obligations with respect to the Program pursuant to this Agreement and as otherwise provided in this Agreement, SHMC will control and manage the operation and administration of the Program including, without limitation: (i) the Program Terms and Conditions, (ii) the terms and conditions for advertising and promoting the Program, (iii) the maintenance and retention of Program records, (iv) the terms and conditions for earning and redemption of Points by Members, and (v) otherwise providing Program benefits to Members. Except as otherwise provided in this Agreement, SHMC's interpretations of the Program Terms and Conditions will be final and binding absent manifest error.

b. Program Amendments. Subject to applicable law and the next three sentences, SHMC may make generally applicable amendments or modifications to the Program at any time at its discretion and such amendments or modifications shall be binding on LE. Notwithstanding the foregoing, if an amendment or modification to the Program applies on a non-discriminatory basis to all Participating Retailers (a "**Complying Change**"), but has a material adverse effect on LE, LE will provide prompt written notice to SHMC, and SHMC will use commercially reasonable efforts to provide an accommodation for LE's approval and consent, which consent will not be unreasonably withheld or delayed. If SHMC is unable or unwilling to provide the accommodation, then the Complying Change will not be binding on LE. No amendment, modification or interpretation of the Program that contravenes the express terms of this Agreement shall be applicable to LE without the prior written consent of LE, not to be unreasonably withheld or delayed. Nothing in this Agreement will limit SHMC's right to add or remove Participating Retailers or other participating companies to or from the Program.

4. Program Authorizations; Program Obligations. SHMC authorizes LE, on a non-exclusive basis and subject to and in accordance with the Program Terms and Conditions and this Agreement, (i) to represent to Members that Members may earn Points with respect to their Program-Eligible Purchases made at LE Formats, (ii) to accept the redemption of Points as payment for Program-Eligible Purchases made from LE Formats in accordance with the Program Terms and Conditions, and (iii) to perform all other actions authorized or required by this Agreement. The determination of Program-Eligible Purchases shall be made exclusively by SHMC. At all times during the Term of this Agreement, LE will participate in the Program and will offer and promote the Program to its customers and Members in all LE Formats in accordance with this Agreement and as LE's primary loyalty program. Without limiting any of LE's other obligations contained in this Agreement, LE agrees to: (1) train LE employees on the Program and the benefits of the Program, (2) market the Program prominently in each of the LE Formats in a mutually agreeable manner, which marketing shall be no less prominent or comprehensive than the current marketing for the Program in those LE formats where such marketing is taking place as of the Effective Date, (3) facilitate the issuance of Points on all Program-Eligible Purchases at LE Formats, (4) accept the redemption of Points as payment for Program-Eligible Purchases made from LE Formats in accordance with the Program Terms and

Conditions, (5) make Good Faith efforts to adopt the Program and participate in Additional Point and Surprise Point offers and (6) work with SHMC to promptly integrate with the Program's Telluride database with the reasonable costs of such integration to be paid by SHMC. To the extent that LE engages in promotional, marketing, loyalty or other similar activities outside the Program, including, without limitation, (x) private-labeled credit cards, (y) traditional retail promotional activities such as providing gift cards, coupons, bounce backs, sweepstakes, rebates or other similar offers, or (z) third party affiliate marketing programs (collectively, "**Promotional Activities**"), LE and its Affiliates will ensure that such Promotional Activities: (i) are only offered in addition to and not in lieu of the Program, (ii) must not in any way prevent or limit a Member's right to earn or redeem Points or otherwise receive Program benefits, (iii) must not require a Member to choose between receiving a Program benefit and a Promotional Activity benefit and (iv) must not in each case be promoted in the aggregate more prominently or comprehensively than the Program.

5. Transaction Information and POS.

a. Delivery. LE will deliver to SHMC, using delivery methods specified by SHMC from time to time, all Member-specific information with respect to Program-Eligible Purchases made from LE Formats by Members, including but not limited to, the following: merchandise or service purchased; purchase price paid; purchase location (such as particular store or online); date and time of day of purchase; associated returns, exchanges, adjustments, and related information; and tender type (not including credit card numbers) (collectively, the "**Transaction Information**").

b. Format. The Transaction Information will be delivered to SHMC in the format and with the frequency, and using the secure delivery methods, in effect as of the Effective Date. SHMC may revise the format, frequency, and methods related to the delivery of the Transaction Information from time to time upon 30-days' advance written notice to LE, except that (i) security related changes shall be made as soon as possible and without unreasonable delay, and (ii) no revision to the format, frequency or method of delivery that will impose material costs or other burdens on LE shall be required without LE's consent, not to be unreasonably withheld or delayed.

c. POS. LE will, at is sole cost and expense, establish, and at all times during the Term maintain, the appropriate in-store and online point-of sale and related information systems to meet its enrollment and other Program obligations (the "**POS Systems**") and use commercially reasonable efforts to maximize enrollments. In accordance with prevailing retail-industry standards, the POS Systems will accurately process, record, store, secure, and permit retrieval of all Transaction Information and properly facilitate and support all Program point of sale functionality and transaction types. With respect to LE's Inlet Stores ("**Inlet Stores**") that do not as of the Effective Date have such a POS System, LE will use commercially reasonable efforts to implement, at its sole cost and expense, a POS System in accordance with this Section 5.c as soon as reasonably possible.

6. Points and Fees.

a. Issuance of Points. Consistent with and subject to the Program Terms and Conditions, SHMC will issue Base Points, Additional Points and Surprise Points (collectively,

"**Points**") to Members' Accounts with respect to Program-Eligible Purchases from LE and in connection with promotions and other activities. SHMC will take all related actions as SHMC determines are appropriate with respect to such purchases (including reflecting returns, exchanges, and similar transactions), promotions and other activities as those actions may affect the Members' Accounts.

b. Point Offers. SHMC may make Additional Point offers and Surprise Points offers to Members (in accordance with and subject to the Program Terms and Conditions and this Agreement) to encourage Members to make Program-Eligible Purchases from LE and others. With respect to existing Additional Point offers as of the Effective Date, SHMC will continue to provide reporting on each existing Additional Point offer that LE is participating in, and LE may elect not to participate in these offers by providing SHMC with a timely notice of its intent to not participate. With respect to new (never before offered or run) Additional Point offers after the Effective Date or Additional Point offers that LE is not participating in, SHMC will provide notice to LE of each upcoming new Additional Point offer that is relevant to LE, and LE may elect to participate in the offer by providing SHMC with a timely notice of its intent to participate. From time to time, SHMC may also inform LE of Surprise Point Offers that may be relevant to LE and that LE may elect to participate in with timely notice of its intent to participate. If LE participates in an Additional Point Offer or a Surprise Points Offer, LE will pay all applicable fees in accordance with the fee schedule on Exhibit 2. The Parties may mutually agree in advance to conduct Additional Point offers and/or Surprise Points offers specific to LE, including Additional Point offers that are multiples of Base Points awarded to Members for a Program-Eligible Purchase during the applicable offer period, Additional Points awarded for Program-Eligible purchases that exceed a certain amount, "Lifecycle Points" awarded at specific events or milestones during Membership, or Points awarded for particular categories of brands or types of purchases.

c. Points Issuance Fee. Exhibit 2 describes the Points Issuance Fees that LE will pay to SHMC with respect to the issuance of Base Points and Additional Points in accordance with this Agreement, all of which fees are non-refundable except as otherwise provided in this Agreement, regardless of the extent to which Points are redeemed. SHMC may authorize, upon terms and conditions determined by SHMC in its sole discretion, additional third parties to issue Points, including new Issuing Retailers.

d. Redemption of Points. LE will, on a non-exclusive basis, accept Points from all Members as partial or full payment for all Program-Eligible Purchases in accordance with the Program Terms and Conditions and this Agreement and regardless of the means of payment tendered by Members for any portion of Program-Eligible Purchases that are not paid for with Points and regardless of the merchandise and services purchased. SHMC may authorize, upon terms and conditions determined by SHMC in its sole discretion, additional third parties to redeem Points, including new Redeeming Retailers.

e. Reimbursement or Payment Upon Redemption. SHMC will reimburse LE or LE will pay SHMC (as applicable) for Points that LE, in accordance with the Program Terms and Conditions and this Agreement, accepts from its customers that are Members as payment for Program-Eligible Purchases at the rate or rates specified on Exhibit 2. Notwithstanding any expiration or termination of this Agreement, SHMC will continue to reimburse LE, or LE will

pay SHMC (as applicable) for all Points earned and/or redeemed by Members for Program-Eligible Purchases at LE prior to such expiration or termination. Subject to SHMC's prior review and approval, LE agrees to provide notice to Members in LE Formats at least six (6) months prior to any expiration or termination of this Agreement that they will no longer be able to earn or redeem Points in LE Formats after the applicable expiration or termination date and LE will make all commercially reasonable efforts to cancel, subside or otherwise cease offering any Additional Point offers from the date such notice is given.

f. Expiration of Points. SHMC will have no obligation to compensate a Member or LE for expired Points, whether earned by Members at LE or otherwise.

g. Reconciliation and Payment of Points Fees. Subject to Section 6.k below, the amount or amounts of Points fees that LE owes to SHMC in accordance with this Agreement, and the amount or amounts of Points reimbursement that SHMC owes to LE in accordance with this Agreement, will be determined by SHMC on a monthly basis, which amounts will be netted against each other. Except as otherwise agreed by the parties, the Party that owes an amount to the other Party after the netting will remit the amount it owes to the other Party within five days of the reconciliation.

h. Differentiation. SHMC from time to time in its sole discretion may establish multiple rates for earning Points that differentiate among Members on the basis of, or that depend on, reflect, or are affected by, factors or considerations determined by SHMC in its sole discretion, including the applicable Participating Retailers from whom Program-Eligible Purchases are made, the types of Program-Eligible Purchases made, Member achievement of specified levels of Program-Eligible Purchases, or similar criteria. SHMC from time to time in its sole discretion may establish multiple rates and/or fees for issuance and redemption of Points that differentiate among Participating Retailers, and other participants in the Program on the basis of, or that depend on, reflect, or are affected by, factors or considerations determined by SHMC in its sole discretion, including the applicable Participating Retailers from whom Program-Eligible Purchases are made, the types of Program-Eligible Purchases made, achievement of specified levels of Program-Eligible Purchases, or similar criteria. Nothing in this Agreement is intended to prohibit, restrict or limit SHMC's rights to enter into agreements with third parties with respect to the Program or any aspect of the Program on terms similar to or different than those contained in this Agreement.

i. Expenses. With respect to technology or systems upgrades and other similar changes made in connection with the Program, SHMC is not obligated to make those technologies or systems available to LE without mutual agreement as to the applicable fees that LE will be responsible for paying for such upgrades and/or other changes.

j. Permits and Taxes. LE will at its own expense (i) obtain all permits and licenses required under Applicable Law to operate its business, and (ii) except as otherwise provided in this Agreement or any other agreement that may be entered into between LE and SHMC (or any of SHMC's non-LE Affiliates), pay and discharge all applicable taxes and assessments which may be charged or levied, now or in the future, against LE on any Program-Eligible Purchase. Except as otherwise provided in this Agreement or any other agreement that may be entered into between LE and SHMC (or any of SHMC's non-LE Affiliates), SHMC shall pay and discharge

all applicable taxes and assessments which may be charged or levied, now or in the future, on the awarding of Points or Program benefits and for issuing any tax information reporting to third parties relating to taxable Points or Program benefits. Each Party will be responsible for collecting and remitting their own taxes resulting from any income earned under this Agreement. SHC and LE shall cooperate fully at such time and to the extent reasonably required by the other party in connection with any permits and taxes as provided for in this Section 6.j.

k. Returns. SHMC shall refund all Points fees paid by LE with respect to product returns, and LE shall refund all reimbursements received with respect to Points redeemed by Members for Program-Eligible Purchases at LE Formats that are subsequently returned.

7. Marketing; Services; and LE Product Sales.

a. Marketing by SHMC for LE.

i. Certain marketing for LE related to the Program may be performed by SHMC at LE's request as mutually agreed upon by the Parties and in accordance with, and subject to the fees described on, Exhibit 3 (as may be amended from time to time, the "**Rate Card**"), which marketing is referred to as the "**Program-Related Marketing**." Program-Related Marketing includes multi-media advertising, print media, SYW-branded social media, store signage, direct customer communications (such as targeted or un-targeted email, online display or text messaging campaigns), sweepstakes and other contest offers, and point-of-sale messaging related to the Program. The rates for Program-Related Marketing included initially in the Rate Card are based on the systems and technology available to SHMC as of the Effective Date. Should SHMC obtain or develop new systems or technologies that can be used for Program-Related Marketing after the Effective Date, SHMC is not obligated to make those systems or technologies available to LE for Program-Related Marketing without mutual agreement as to the applicable fees. In addition, SHMC may revise the types of Program-Related Marketing and the rates and fees defined in the Rate Card at any time upon 30-days' prior notice to LE. The Parties will mutually determine the frequency, targeting rules, and related parameters of all Program-Related Marketing. All Program-Related Marketing is subject to SHMC's then-current technical capabilities, SHMC's privacy policy, and the terms of the Rate Card. If the Parties agree on additional marketing services that are not Program-Related Marketing, the additional marketing services may be reflected in a statement-of-work amendment to this Agreement.

ii. SHMC will deliver to LE solely for its use in accordance with this Agreement (a) Program-related analytical reports with respect to LE in the form with the type of content that SHMC provides to its business units and the business units of their Affiliates and (b) other analyses of Transaction Information and other Member activity at LE retail locations prepared from time to time by SHMC (together, "**Member Analytics Reports**"). SHMC will include as part of the Member Analytics Reports the following information: (x) offer, marketing and event performance, (y) monthly key LE Member metrics (enrollment, trip count, penetration, redemption, Points earn, Points burn, etc.), and (z) weekly Points expense and redemption; provided that, Member Analytics Reports will not include any Member-specific or identifiable information. All Member Analytics Reports are SHMC's Confidential Business Information and are subject to the terms and conditions of Section 11.

iii. SHMC offers the Personal Shopper by Shop Your Way® program (the "**Personal Shopper Program**") whereby Members can enroll to become Personal Shoppers (as defined in the Personal Shopper Program Terms and Conditions located at http://ps.shopyourway.com/terms/PersonalShopper or successor location (as amended and interpreted by SHMC from time to time in its sole discretion, the "**PS T&C**")) and recommend to Clients who are Members that they purchase merchandise from Participating Retailers in the Program. Personal Shoppers earn Commissions on Qualifying Purchases made by their Member Clients. For a period of twelve (12) months from the Effective Date, SHMC will include LE merchandise as a Qualifying Purchase at no cost to LE. Thereafter, LE may continue to include LE merchandise as a Qualifying Purchase subject to the mutual agreement of the Parties and LE's payment of any applicable fees. SHMC may terminate the Personal Shopper Program at any time. The terms "**Clients**," "**Commission**," and "**Qualifying Purchase**" are defined in the PS T&C. From time to time, SHMC may offer Members and LE participation in other programs in connection with the Program.

iv. Pursuant to the **Marketplace Agreement**, LE currently lists LE merchandise for sale on the Sears.com Marketplace and on the Program Site. In the event of any termination of the Marketplace Agreement, the Parties will work together in Good Faith to negotiate an agreement to permit SHMC to continue to promote, display and sell LE merchandise on the Program Site.

v. With respect to LE-related email communications from the Program, SHMC will comply with the CAN-SPAM Act as the Sender or Designated Sender (as defined in the act and associated rules promulgated by FTC under the Act), to the exclusion of all others, which email communication will be distinguished from email communications from LE and its Affiliates, as follows: (a) SHMC will send its email communications from a domain name that clearly indicates SHMC or one of its Affiliates is the Sender; (b) SHMC will not use the name of LE or one of its Affiliates on the FROM line; and (c) SHMC will not use any LE trademark or logo in the email except in accordance with this Agreement.

b. SHMC's Other Marketing. SHMC may advertise the Program generally to the extent and via advertising channels that SHMC determines are appropriate. Beginning on and after the Effective Date, SHMC must submit all marketing materials containing LE Marks or referencing LE's participation in the Program for LE's prior approval, which approval LE will not be unreasonably delayed or withheld. If LE unreasonably delays in responding to a request for such prior approval, the marketing materials in question shall be deemed approved by LE. Nothing in this Agreement restricts SHMC's right to communicate Transaction Information and administrative information (such as notices of changes to the Program Terms and Conditions) to Members.

c. LE Email Obligations. With respect to its own email communications LE will comply with the CAN-SPAM Act as the Sender or Designated Sender (as defined in the act and associated rules promulgated by FTC under the Act), to the exclusion of all others, which email communication will be distinguished from email communications from SHMC and its Affiliates, as follows: (a) LE will send its email communications from a domain name that clearly indicates LE or one of its Affiliates is the Sender (such as landsend.com); (b) LE will not use SHMC or one of its Affiliates on the FROM line; and (c) LE will not use any SHMC trademark or logo in the email except in accordance with this Agreement.

d. LE Participation on the Program Site. SHMC will make available functionality on the Program Site to allow LE to promote its brand and products and expects LE to use such functionality during the Term of this Agreement.

8. License to Use Marks

a. SHMC Marks. SHMC hereby grants to LE and its Affiliates a non-exclusive, non-transferable, royalty-free license to use during the Term, solely in connection with its participation and marketing of the Program in accordance with this Agreement, the trade names, trademarks, and service marks indicated in Exhibit 4, or such other marks as LE and SHMC may agree upon (each a "**SHMC Mark**"), subject to SHMC's prior review and approval of each use. LE acknowledges that the use of any SHMC Mark will not confer upon LE any proprietary rights to the SHMC Mark, and LE will not question, contest, or challenge SHMC's ownership of a SHMC Mark. LE will not register or attempt to register any SHMC Mark, or any trade names, or trademarks similar to them. Nothing in this Agreement will be construed to bar SHMC from protecting its right to the exclusive ownership of a SHMC Mark against infringement or appropriation by any party or parties, including LE. SHMC will have the right to control the quality and nature of the services rendered in conjunction with all SHMC Marks, and LE will conform to the standards set by SHMC in conjunction therewith. All goodwill related to the use of any SHMC Mark under this license shall inure to SHMC's benefit. LE shall not sublicense any rights in any SHMC Mark without SHMC's prior written consent, which SHMC may withhold in its sole discretion.

b. LE Marks. LE hereby grants to SHMC and its Affiliates a non-exclusive, non-transferable, royalty-free license to use during the Term, solely in connection with its participation and marketing of the Program according to this Agreement, the trade names, trademarks, and service marks of LE (each a "**LE Mark**"), subject to LE's prior review and approval of each use. SHMC acknowledges that the use of any LE Mark will not confer upon SHMC any proprietary rights to the LE Marks, and SHMC will not question, contest, or challenge LE's ownership of the LE Marks. SHMC will not register or attempt to register any LE Mark, or any trade names, or trademarks similar to them. Nothing in this Agreement will be construed to bar LE from protecting its right to the exclusive ownership of the LE Marks against infringement or appropriation by any party or parties, including SHMC. LE will have the right to control the quality and nature of the services rendered in conjunction with any LE Mark, and SHMC will conform to the standards set by LE in conjunction therewith. All goodwill related to the use of any LE Mark under this license shall inure to LE's benefit. SHMC shall not sublicense any rights in any LE Mark without LE's prior written consent, which LE may withhold in its sole discretion.

c. Injunctive Relief. Each Party acknowledges that (i) the other Party's trade names, trademarks, and service marks possess a special, unique and extraordinary character which makes it difficult to assess the monetary damage that the other Party or its Affiliates would sustain in the event of unauthorized use, (ii) irreparable injury would be caused to the other Party by such unauthorized use for which there would be no adequate remedy at law, and (iii) injunctive relief would be appropriate with respect to any unauthorized use.

9. Enrollment of New Members. SHMC authorizes and directs LE to enroll new Members in the LE Formats. LE will use commercially reasonable efforts to maximize enrollments of its

customers in the Program. LE will make available to customers at the applicable point of sale (or otherwise as agreed upon by the Parties) all marketing and legal materials provided by SHMC, including marketing materials detailing enrollment procedures. LE will require each new Member enrolled through a LE Format to agree to the then-current Program Terms and Conditions in the manner required by SHMC.

10. Data Ownership, Sharing and Use.

a. Program Data. SHMC is the sole and exclusive owner of all data and information relating to Members and the Program, including, without limitation, the Member list, all Member enrollment and contact information, Member passwords, Member Numbers, and Points accounts, but excluding the Transaction Information and the Member Analytics Reports (collectively, "**Program Data**"), and LE has, and will have, no ownership interest of any kind whatsoever in the foregoing. For clarification, all data and information relating to Members and the Program that is collected by LE pursuant to this Agreement, including Program enrollment information (collectively, "**LE-Collected Program Data**") shall be deemed Program Data and shall be solely and exclusively owned by SHMC. The LE-Collected Program Data will be delivered to SHMC in the format and with the frequency, and using the secure delivery methods, in effect as of the Effective Date. SHMC may revise the format, frequency, and methods related to the delivery of the LE-Collected Program Data from time to time upon 30-days' advance written notice to LE, except that security related changes shall be made as soon as possible and without unreasonable delay. SHMC may use the Program Data to operate the Program and for all other purposes in accordance with its privacy policy and Applicable Law (including transfer to, and use by, third parties) without restriction. Except as authorized under this Agreement, LE may not use or disclose Program Data in any manner. Further, to the extent LE or its Affiliates maintain or store any Program Data that may have been received or may in the future be received from SHMC or any other source, including, without limitation, any database of Member information, LE agrees to promptly return or secure destruction of such Program Data in an expeditious manner in a manner consistent with Exhibit 5 upon SHMC's request.

b. Transaction Information. LE and SHMC are joint owners of the Transaction Information; provided that, SHMC is the sole and exclusive owner of Program Data derived from the Transaction Information. LE shall provide SHMC with Transaction Information in accordance with Section 5. SHMC may use the Transaction Information to operate the Program and otherwise in accordance with its privacy policy and Applicable Law. LE shall use the Transaction Information in accordance with its privacy policy and Applicable Law.

c. Member Analytics Reports. LE and SHMC are joint owners of the Member Analytics Reports. Each Party may use Member Analytics Reports in accordance with its privacy policy and Applicable Law and otherwise in accordance with this Agreement.

d. LE Opt-In Data. At LE Shops, SHMC may offer customers the ability to opt-in to receive emails directly from LE ("**LE Shop Opt-Ins**"). With respect to each LE Shop Opt-In, SHMC will provide LE with the email address and name of the individual opting in ("**LE Shop Opt-In Data**"). LE and SHMC are joint owners of the LE Shop Opt-In Data; provided that, SHMC is the sole and exclusive owner of Program Data derived from the LE Shop Opt-In Data. LE Shop Opt-In Data will be delivered to LE in the format and with the frequency, and using the secure delivery methods, in effect as of the Effective Date. LE may revise the format, frequency, and methods related to the delivery of the LE Shop Opt-In Data from time to time upon 30-days'

advance written notice to SHMC, except that security related changes shall be made as soon as possible and without unreasonable delay. Each Party may use LE Shop Opt-in Data in accordance with its respective privacy policy and Applicable Law provided LE posts clear and prominent notice of its own privacy policy at the point of collection subject to SHMC approval. Except for LE-Collected Program Data, LE is the sole and exclusive owner of any email opt-in information collected in an LE Format other than LE Shops.

e. Privacy. During the Term, the Parties will work together in Good Faith to make any changes to their respective privacy policies that are deemed necessary to reflect the provisions of this Section 10 and to otherwise ensure that these provisions comply with Applicable Law.

11. Confidentiality.

a. Confidential Information. "**Confidential Information**" means all information, whether disclosed in oral, written, visual, electronic or other form, that (i) one Party (the "**Disclosing Party**"), its Affiliates or its Personnel discloses to the other Party (the **"Receiving Party**"), its Affiliates or its Personnel, (ii) relates to or is disclosed in connection with this Agreement or a Party's or a Party's Affiliate's business, and (iii) is or reasonably should be understood by the Receiving Party to be confidential or proprietary to the Disclosing Party (whether or not such information is marked "Confidential" or "Proprietary"). The Disclosing Party's sales, pricing, costs, inventory, operations, employees, current and potential customers, financial performance and forecasts, and business plans, strategies, forecasts and analyses, as well as information as to which the Securities and Exchange Commission has granted confidential treatment pursuant to its Rule 406 of Regulation, shall be deemed Confidential Information.

b. Treatment of Confidential Information. The Receiving Party will use Confidential Information only in connection with this Agreement as set forth in this Section 11.

i. Limitations. The Receiving Party will (A) restrict disclosure of the Confidential Information to its and its Affiliates' Personnel with a need to know the Confidential Information for purposes of performing the Receiving Party's responsibilities or exercising the Receiving Party's rights under this Agreement, (B) advise those Personnel of the obligation not to disclose the Confidential Information or use the Confidential Information in a manner prohibited by this Agreement, (C) copy the Confidential Information only as necessary for those Personnel who need it for performing the Receiving Party's responsibilities under this Agreement, and ensure that confidentiality is maintained in the copying process; and (D) protect the Confidential Information, and require those Personnel to protect it, using the same degree of care as the Receiving Party uses with its own Confidential Information, but no less than reasonable care.

ii. Liability for Unauthorized Use. The Receiving Party will be liable to the Disclosing Party for any unauthorized disclosure or use of Confidential Information in violation of this Agreement by its Affiliates and any of its and its Affiliates' current or former Personnel.

iii. Destruction. Without limiting the foregoing, when any Confidential Information is no longer needed for the purposes contemplated by this Agreement the Receiving Party will, promptly after request of the Disclosing Party, either return such Confidential Information in tangible form (including all copies thereof and all notes, extracts or summaries

based thereon) or certify to the other Party that it has destroyed such Confidential Information (other than electronic copies residing in automatic backup systems and copies retained to the extent required by Applicable Law, regulation or a bona fide document retention policy).

c. Exceptions to Confidential Treatment. The obligations under this Section do not apply to any Confidential Information that the Receiving Party can demonstrate (1) was previously known to the Receiving Party without any obligation owed to the Disclosing Party or its Affiliates to hold it in confidence, (2) is disclosed to third parties by the Disclosing Party or its Affiliates without an obligation of confidentiality to the Disclosing Party or its Affiliate, as applicable, (3) is or becomes available to any member of the public other than by unauthorized disclosure by the Receiving Party, its Affiliates or its or their Personnel, (4) was or is independently developed by the Receiving Party or its Affiliates or Personnel without use of the Confidential Information, (5) legal counsel's advice is that the Confidential Information is required to be disclosed by Applicable Law or the rules and regulations of any applicable Governmental Authority and the Receiving Party has complied with Section 11.d (Protective Arrangement) below, or (6) legal counsel's advice is that the Confidential Information is required to be disclosed in response to a valid subpoena or order of a court or other governmental body of competent jurisdiction or other valid legal process and the Receiving Party has complied with Section 11.d (Protective Arrangement) below.

d. Protective Arrangement. If the Receiving Party determines that the exceptions under Section 11.c.5 or Section 11.c.6 apply, the Receiving Party shall give the Disclosing Party, to the extent legally permitted and reasonably practicable, prompt prior notice of such disclosure and an opportunity to contest such disclosure and shall use commercially reasonable efforts to cooperate, at the expense of the Receiving Party, in seeking any reasonable protective arrangements requested by the Disclosing Party. In the event that such appropriate protective order or other remedy is not obtained, the Receiving Party may furnish, or cause to be furnished, only that portion of such Confidential Information that the Receiving Party is advised by legal counsel is legally required to be disclosed and shall take commercially reasonable steps to ensure that confidential treatment is accorded such Confidential Information.

e. Ownership of Information. Except as otherwise provided in this Agreement, all Confidential Information provided by or on behalf of a Party (or its Affiliates) that is provided to the other Party or its Personnel shall remain the property of the disclosing entity and nothing herein shall be construed as granting or conferring rights of license or otherwise in any such Confidential Information.

f. Confidential Personal Information. "**Confidential Personal Information**" means all information about Members, including Program Data, Transaction Information and names, addresses, all contact information, customer lists, and demographic or financial information. The exceptions set forth in Section 11.c shall not apply to Confidential Personal Information; provided that, the restrictions on Confidential Personal Information do not apply to information independently developed or obtained without the use of Confidential Personal Information. Receiving Party may use and disclose Confidential Personal Information only as permitted in this Agreement. Receiving Party is liable for all unauthorized disclosures and use of Confidential Personal Information by its Affiliates and Personnel. Receiving Party will notify Disclosing Party promptly upon the discovery of the loss, unauthorized disclosure, or unauthorized use of Confidential Personal Information. All Confidential Personal Information

constitutes Confidential Information, however, the terms of this Section govern the Receiving Party's use of any Confidential Personal Information. The Receiving Party will permit the Disclosing Party to audit its compliance with this Section 11.f at any time during regular business hours.

g. Data Security. Each Party will establish, maintain and implement an information security program, including appropriate administrative, technical and physical safeguards, that is designed to (i) ensure the security and confidentiality of Confidential Information, (ii) protect against any reasonably anticipated threats or hazards to the security or integrity of such Confidential Information, (iii) protect against unauthorized access to or use of such Confidential Information that could result in substantial harm or inconvenience, and (iv) ensure the proper disposal of such Confidential Information. LE shall provide security for all data and communication systems in support of this Agreement at a minimum as specified in Exhibit 5 (Information Security). Each Party will use the same degree of care in protecting the Confidential Information of the other Party against unauthorized disclosure as it accords to its own confidential information of a similar nature, but in no event less than a reasonable standard of care.

12. Termination. Neither Party may exercise its rights in this Section 12 if the Party has failed to comply with any of its material obligations in this Agreement and the failure is continuing.

a. General.

i. Subject to the next sentence, LE or SHMC may terminate this Agreement in the event of a material breach of this Agreement by the other Party if the breach is curable by the breaching Party and the breaching Party fails to cure the breach within 30 days following its receipt of written notice of the breach from the non-breaching Party. If the breach is not curable by the breaching Party, the non-breaching Party may immediately terminate this Agreement following the non-breaching Party's delivery of notice to the breaching Party (whichever Party is entitled to terminate, the "**Terminating Party**").

ii. SHMC may terminate this Agreement for cause if LE fails to agree to a Complying Change made in accordance with Section 3 on or before the tenth day following LE's receipt of notice of the Complying Change.

iii. SHMC may terminate this Agreement if a Stockholding Change occurs.

b. Obligations at Termination or Expiration. Upon the termination of this Agreement in accordance with Section 12.a or upon the expiration of this Agreement:

i. Each Party will perform, and reasonably assist the other Party in the performance of, all existing contractual obligations to Members;

ii. Each Party will promptly pay all undisputed amounts owed to the other;

iii. Each Party will cease use of the other party's trade names, trademarks, and service marks, and will immediately cease use of, and destroy (or if requested return), all of the other party's Confidential Information in accordance with Section 11.b.3; and

iv. All rights granted to LE in this Agreement will immediately terminate except to the extent necessary to enable LE to fulfill its obligations to Members with respect to

Program-Eligible Purchases. LE will provide a mutually-agreeable notice to its customers that they may no longer earn or redeem Points in connection with purchases of merchandise and services from LE after the date of termination.

13. Books and Records; Audits. Each Party will keep and maintain books and records that accurately reflect its operations according to industry standards, generally accepted accounting practices, and all applicable terms of this Agreement (the "**Books and Records**"). Each Party (the "**Auditing Party**") will be permitted once each calendar year to audit the other Party's premises, Books and Records, and methods of operation in order to determine the audited Party's compliance with the terms of this Agreement. Audits may occur at any time during normal business hours designated by the Auditing Party. At the Auditing Party's sole option, audits may be conducted (i) by the Auditing Party, its third-party designee, or a combination of the two, and (ii) at any location or locations reasonably specified by the Auditing Party. The audited Party will deliver copies of all Books and Records to a single audit location designated by the Auditing Party. The Auditing Party will bear the reasonable costs and expenses of each audit. Each Party will retain its Books and Records for at least five years from the date of settlement of the last audit to which the Party was subject.

14. Representations and Warranties; Covenants.

a. Representations and Warranties of LE. To induce SHMC to permit LE to enroll in the Program, LE, on behalf of itself and its Affiliates, makes the following representations and warranties to SHMC, and each and all of which will be deemed to be restated and remade on each day from the Effective Date and at all times thereafter during the Term except that the representations and warranties in Section 14.a.vii are made solely as of the Effective Date:

i. LE (a) is a corporation duly organized, validly existing, and in good standing under the laws of the State of its incorporation, (b) is duly licensed or qualified to do business as a corporation and is in good standing as a foreign corporation in all jurisdictions in which the nature of the activities conducted or proposed to be conducted by it or the character of the assets owned or leased by it makes such licensing or qualification necessary to perform its obligations required in this Agreement except to the extent that its non-compliance would not have a material adverse effect on LE's ability to perform its obligations in this Agreement, and (c) has all necessary licenses, permits, consents, and approvals from or by, and has made all necessary notices to, all governmental authorities having jurisdiction, to the extent required for LE to perform its obligations under this Agreement, except to the extent that the failure to obtain such licenses, permits, consents or approvals or to provide such notices would not have a material adverse effect on LE's ability to perform its obligations required in this Agreement.

ii. LE has all necessary corporate power and authority to (a) execute and enter into this Agreement, and (b) perform the obligations required of LE under this Agreement and the other documents, instruments and agreements executed by LE pursuant hereto. The execution and delivery by LE of this Agreement and all documents, instruments and agreements executed and delivered by LE pursuant hereto, and the consummation by LE of the transactions specified herein have been duly and validly authorized and approved by all necessary corporate action of LE. This Agreement (a) has been duly executed and delivered by LE, (b) constitutes the valid and legally binding obligation of LE, and (c) is enforceable in accordance with its terms.

iii. The execution, delivery, and performance of this Agreement by LE, its compliance with the terms hereof, and its consummation of the transactions specified herein will not (a) conflict with, violate, result in the breach of, constitute an event which would, or with the lapse of time or action by a third party or both would, result in a default under, or accelerate the performance required by, the terms of any material contract, instrument or agreement to which LE is a party or by which it is bound, or by which LE assets are bound, except for conflicts, breaches and defaults which would not have a material and adverse effect upon LE's ability to perform its obligations under this Agreement, (b) conflict with or violate the articles of incorporation or by-laws, or any other equivalent organizational document of LE, (c) violate any Applicable Law, or conflict with or require any consent or approval under any judgment, order, writ, decree, permit or license, to which LE is a party or by which it is bound or affected, except to the extent that such violation or the failure to obtain such consent or approval would not have a material and adverse effect upon LE's ability to perform its obligations under this Agreement, (d) require the consent or approval of any other party to any contract, instrument or commitment to which LE is a party or by which it is bound, which consent or approval has not been obtained, except to the extent that the failure to obtain such consent or approval would not have a material adverse effect upon LE's ability to perform its obligations under this Agreement, or (e) require any filing with, notice to, consent or approval of, or any other action to be taken with respect to, any regulatory authority, except to the extent that the failure to obtain such consent or approval would not have a material adverse effect upon LE, the Program or LE's ability to perform its obligations under this Agreement.

iv. Neither LE nor any of its Affiliates is in default with respect to any contract, agreement, lease, or other instrument to which it is a party or by which it is bound, except for defaults which would not have a material and adverse effect upon LE's ability to perform its obligations under this Agreement, nor has LE received any notice of default under any contract, agreement, lease or other instrument regarding a default which, if realized, would materially and adversely affect the performance by LE of its obligations under this Agreement.

v. All of LE's Books and Records and the Books and Records of its Affiliates are in all material respects complete and correct and are maintained in accordance with Applicable Law, except to the extent that the failure to so maintain such Books and Records would not have a material and adverse effect upon LE's ability to perform its obligations under this Agreement.

vi. No action, claim or any litigation, proceeding, arbitration, investigation or controversy is pending or, to the best of LE's knowledge, threatened against LE or any of its Affiliates, at law, in equity, or otherwise, which, if adversely determined, could have a material and adverse effect on LE's ability to perform its obligations under this Agreement.

vii. LE or its Affiliates are the owners of the intellectual property licensed by LE herein, including the LE Marks (together, the "**LE IP**") and LE has the right, power, and authority to license to SHMC and authorized designees the use of the LE IP, and such use by such licensees in a manner approved (or deemed approved) by LE will not (a) violate any Applicable Law or (b) infringe upon the rights of any third party, in either case to the extent that the infringement would have a material and adverse effect upon the Program or LE's ability to perform its obligations under this Agreement.

viii. All data related to Program-Eligible Purchases, the Transaction Information, and product returns, exchanges, and similar information transmitted or sent by LE to SHMC for purposes of issuing to or redeeming Points of LE's Members is accurate, and the result of bona fide purchases or returns, free from fraud and misrepresentations.

b. Representations of SHMC. To induce LE to enter into this Agreement and participate in the Program, SHMC, on behalf of itself and its Affiliates, makes the following representations and warranties to LE and each and all of which will be deemed to be restated and remade on each day from the Effective Date, and at all times thereafter during the Term except that the representations and warranties in Section 14.b.vii are made solely as of the Effective Date:

i. SHMC (a) is a corporation duly organized, validly existing, and in good standing under the laws of the State of its incorporation, (b) is duly licensed or qualified to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of the activities conducted or proposed to be conducted by it or the character of the assets owned or leased by it makes such licensing or qualification necessary to perform its obligations in this Agreement except to the extent that its non-compliance would not have a material and adverse effect on SHMC or the Program or SHMC's ability to perform its obligations in this Agreement, and (c) has all necessary licenses, permits, consents, or approvals from or by, and has made all necessary notices to, all governmental authorities having jurisdiction, to the extent required for SHMC to perform its obligations under this Agreement, except to the extent that the failure to obtain such licenses, permits, consents, or approvals or to provide such notices would not have a material and adverse effect on SHMC, the Program or SHMC's ability to perform its obligations under this Agreement.

ii. SHMC has all necessary power and authority to (a) execute and enter into this Agreement, and (b) perform all of the obligations required of SHMC under this Agreement and the other documents, instruments and agreements executed by SHMC pursuant hereto. The execution and delivery by SHMC of this Agreement and all documents, instruments and agreements executed and delivered by SHMC pursuant hereto, and the consummation by SHMC of the transactions specified herein, have been duly and validly authorized and approved by all necessary corporate action of SHMC. This Agreement (a) has been duly executed and delivered by SHMC, (b) constitutes the valid and legally binding obligation of SHMC, and (c) is enforceable in accordance with its terms.

iii. The execution, delivery and performance of this Agreement by SHMC, its compliance with the terms hereof, and the consummation of the transactions specified herein will not (a) conflict with, violate, result in the breach of, constitute an event which would, or with the lapse of time or action by a third party or both would, result in a default under, or accelerate the performance required by, the terms of any material contract, instrument or agreement to which SHMC is a party or by which it is bound, except for conflicts, breaches and defaults which would not have a material and adverse effect upon SHMC or the Program or SHMC's ability to perform its obligations under this Agreement, (b) conflict with or violate the articles of incorporation or by-laws, or any other equivalent organizational document(s) of SHMC, (c) violate any Applicable Law, or conflict with or require any consent or approval under any judgment, order, writ, decree, permit or license, to which SHMC is a party or by which it is bound or affected, except to the extent that such violation or the failure to obtain such consent or

approval would not have a material and adverse effect upon SHMC or the Program or SHMC's ability to perform its obligations under this Agreement, (d) require the consent or approval of any other party to any contract, instrument or commitment to which SHMC is a party or by which it is bound, which consent or approval has not been obtained, except to the extent that the failure to obtain such consent or approval would not have a material and adverse effect upon SHMC's ability to perform its obligations under this Agreement, or (e) require any filing with, notice to, consent or approval of, or any other action to be taken with respect to, any regulatory authority.

iv. Neither SHMC nor any of its Affiliates is in default with respect to any contract, agreement, lease, or other instrument to which it is a party or by which it is bound, except for defaults which would not have a material and adverse effect upon SHMC or the Program or SHMC's ability to perform its obligations under this Agreement, nor has SHMC received any notice of default under any such contract, agreement, lease or other instrument regarding a default which, if realized, would materially and adversely affect the performance by SHMC of its obligations under this Agreement.

v. All of SHMC's Books and Records and the Books and Records of its Affiliates are in all material respects complete and correct and are maintained in accordance with Applicable Law, except to the extent that the failure to so maintain such Books and Records would not have a material and adverse effect upon the Program or SHMC's ability to perform its obligations under this Agreement.

vi. No action, claim, or any litigation, proceeding, arbitration, investigation or controversy is pending or, to the best of SHMC's knowledge, threatened against SHMC or its Affiliates, at law, in equity or otherwise, which, if adversely determined, could have a material and adverse effect on SHMC's ability to perform its obligations under this Agreement.

vii. SHMC or its Affiliates are the owners of the intellectual property licensed by SHMC herein, including the SHMC Marks (together, the "**SHMC IP**") and SHMC has the right, power, and authority to license to LE and authorized designees the use of the SHMC IP, and such use by such licensees in a manner approved (or deemed approved) by SHMC will not (a) violate any Applicable Law or (b) infringe upon the rights of any third party, in either case to the extent the infringement would have a material and adverse effect upon the Program or SHMC's ability to perform its obligations under this Agreement.

viii. The Member Analytics Reports are accurate and free from fraud or misrepresentation.

c. Covenants of LE. LE makes the following covenants to SHMC, each and all of which will survive the execution and delivery of this Agreement until its termination.

i. LE promptly will notify SHMC if it receives written notice of any litigation that, if adversely determined, would have a material and adverse effect on the Program or LE's ability to perform its obligations in this Agreement.

ii. Except as otherwise specified herein, LE will enforce its rights against third parties to the extent that a failure to enforce such rights could reasonably be expected to materially and adversely affect the Program or LE's ability to perform its obligations in this Agreement. LE will not enter into any agreement which, at the time such agreement is executed, could reasonably be expected to have a material and adverse effect on the Program.

iii. LE will at all times during the Term comply in all material respects with Applicable Law applicable to its activities except to the extent that such non-compliance would not have a material adverse effect on the Program.

iv. LE will perform all of its obligations in this Agreement competently and in Good Faith, in a professional and commercially reasonable manner, in accordance with generally accepted industry standards.

v. LE will, to the extent necessary, cause its Affiliates to comply with the terms of this Agreement.

d. Covenants of SHMC. SHMC makes the following covenants to LE, each and all of which will survive the execution and delivery of this Agreement until its termination.

i. SHMC promptly will notify LE if it receives written notice of any litigation that, if adversely determined, would have a material and adverse effect on the Program or SHMC's ability to perform its obligations hereunder.

ii. Except as otherwise specified herein, SHMC will enforce its rights against third parties to the extent that a failure to enforce such rights could reasonably be expected to materially and adversely affect the Program or SHMC's ability to perform its obligations hereunder. SHMC will not enter into any agreement which, at the time such agreement is executed, could reasonably be expected to have a material and adverse effect on the Program or SHMC's ability to perform its obligations hereunder.

iii. SHMC will at all times during the Term comply in all material respects with Applicable Law applicable to its activities except to the extent that such non-compliance would not have a material adverse effect on the Program.

iv. SHMC will perform all of its obligations hereunder competently and in Good Faith, in a professional and commercially reasonable manner, in accordance with generally accepted industry standards.

v. SHMC will, to the extent necessary, cause its Affiliates to comply with the terms of this Agreement.

e. Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER GUARANTEE, REPRESENTATION, OR WARRANTY OF ANY KIND (WHETHER EXPRESS OR IMPLIED) REGARDING ANY OF THE SERVICES PROVIDED HEREUNDER, AND EXPRESSLY DISCLAIMS ALL OTHER GUARANTEES, REPRESENTATIONS, AND WARRANTIES OF ANY NATURE WHATSOEVER, WHETHER STATUTORY, ORAL, WRITTEN, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.

15. Indemnification.

a. LE Indemnification of SHMC. From and after the Effective Date, LE will defend, indemnify and hold harmless SHMC, its Affiliates, their respective officers, directors, employees, agents and representatives and any Person claiming by or through any of them (collectively, the "**SHMC Indemnified Parties**") from and against and in respect of any and all

losses, liabilities, damages, costs and expenses of whatever nature, including reasonable attorneys' fees and expenses and all other costs and expenses of defense (collectively, "**Losses**") relating to third-party claims that are caused or incurred by, result from, arise out of, or relate to:

i. LE's negligence, recklessness or willful misconduct (including acts and omissions) relating to the Program;

ii. Breaches and defaults by LE or any of its Affiliates, or their respective officers, directors, employees or agents of any of the terms, conditions, covenants, representations, or warranties contained in this Agreement;

iii. Acts and omissions by SHMC taken or not taken at LE's request or direction pursuant to this Agreement except where SHMC would have been otherwise required to take such action (or refrain from acting) absent the request or direction of LE or where such request or direction is required by this Agreement prior to the action or inaction of SHMC;

iv. Fraudulent acts by LE, its Affiliates, or their respective officers, directors employees or agents;

v. Allegations by a third party that the use of the LE IP or any materials or documents provided by LE constitutes (a) libel, slander, or defamation, (b) unfair competition or misappropriation of another's ideas or trade secret, (c) invasion of rights of privacy or rights of publicity, or (d) breach of contract or tortious interference;

vi. Allegations by a third party that the use of the LE IP or any materials or documents provided by LE other than at SHMC's direction constitutes infringement of intellectual property, including trademark infringement or dilution, or copyright infringement.

b. SHMC's Indemnification of LE. From and after the Effective Date, SHMC will defend, indemnify and hold harmless LE, its Affiliates, their respective officers, directors, employees, agents and representatives and any Person claiming by or through any of them (collectively, the "**LE Indemnified Parties**") from and against and in respect of any and all Losses relating to third-party claims, which are caused or incurred by, result from, arise out of or relate to:

i. SHMC's negligence, recklessness or willful misconduct (including acts and omissions) relating to the Program;

ii. Breaches and defaults by SHMC or any of its Affiliates, or their respective officers, directors, employees or agents of any of the terms, conditions, covenants, representations, or warranties contained in this Agreement;

iii. SHMC's failure to satisfy any of its obligations or liabilities to Members;

iv. Acts and omissions by LE taken or not taken at SHMC's request or direction pursuant to this Agreement except where LE would have been otherwise required to take such action (or refrain from acting) absent the request or direction of SHMC or where such request or direction is required by this Agreement prior to the action or inaction of LE;

v. Fraudulent acts by SHMC, its Affiliates or their respective officers, directors employees or agents;

vi. Allegations by a third party that the use of the SHMC IP or any materials or documents provided by SHMC constitutes (a) libel, slander, or defamation, (b) unfair competition or misappropriation of another's ideas or trade secret, (c) invasion of rights of privacy or rights of publicity, or (d) breach of contract or tortious interference;

vii. Allegations by a third party that the use of the SHMC IP or any materials or documents provided by SHMC other than at LE's direction constitutes infringement of intellectual property, including trademark infringement or dilution, or copyright infringement.

c. Procedures. In case any claim is made, or any suit or action is commenced, against an SHMC Indemnified Party or an LE Indemnified Party, the Party in respect of which indemnification may be sought under this Section 15 (including for the benefit of its officers, directors, employees, agents or representatives or any Person claiming by or through any of them) (the "**Indemnified Party**") will promptly give the other party (the "**Indemnifying Party**") notice thereof and the Indemnifying Party will be entitled to participate in the defense thereof and, with prior notice to the Indemnified Party given not later than twenty (20) days after the delivery of the applicable notice, to assume, at the Indemnifying Party's expense, the defense thereof, with counsel reasonably satisfactory to such Indemnified Party. After notice from the Indemnifying Party to such Indemnified Party of its election so to assume the defense thereof, the Indemnifying Party will not be liable to such Indemnified Party under this Section for any attorneys' fees or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation.

i. The Indemnified Party will have the right to employ its own counsel if the Indemnifying Party elects to assume such defense, but the fees and expenses of such counsel will be at the Indemnified Party's expense, unless (a) the employment of such counsel has been authorized in writing by the Indemnifying Party, (b) the Indemnifying Party has not employed counsel to take charge of the defense within twenty (20) days after delivery of the applicable notice or, having elected to assume such defense, thereafter ceases its defense of such action, or (c) the Indemnified Party has reasonably concluded that there may be defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party will not have the right to direct the defense of such action on behalf of the Indemnified Party), in any of which event attorneys' fees and expenses will be borne by the Indemnifying Party.

ii. The Indemnifying Party will promptly notify the Indemnified Party if the Indemnifying Party desires not to assume, or participate in the defense of, any such claim, suit or action, but such notice will not affect in any way the obligation of the Indemnifying Party in accordance with this Section 15 to indemnify and hold harmless the Indemnified Party against Losses consisting of reasonable attorneys' fees and expenses and all other costs and expenses of defense.

iii. The Indemnified Party or Indemnifying Party may at any time notify the other of its intention to settle or compromise any claim, suit or action against the Indemnified Party in respect of which payments may be sought by the Indemnified Party in this Agreement, and the Indemnifying Party may settle or compromise any such claim, suit or action solely for the payment of money damages, but will not agree to any other settlement or compromise without the prior consent of the Indemnified Party, which consent will not be unreasonably withheld or delayed.

d. Notice and Additional Rights and Limitations.

i. If an Indemnified Party fails to give prompt notice of any claim being made or any suit or action being commenced in respect of which indemnification under this Section 15 may be sought, such failure will not limit the liability of the Indemnifying Party unless the failure to give such notice has a detrimental effect on the Indemnifying Party. The preceding sentence will not limit the Indemnifying Party's rights to recover for any loss, cost or expense which it can establish resulted from any failure to give prompt notice.

ii. This Section 15 will govern the obligations of the Parties with respect to the subject matter hereof but will not be deemed to limit the rights which any Party might otherwise have at law or in equity.

16. Exclusion of Consequential Damages; Limitation of Liability. EXCEPT FOR (I) EACH PARTY'S INDEMNITY AND DEFENSE OBLIGATIONS AND OTHER LIABILITIES TO UNAFFILIATED THIRD PARTIES, (II) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS, AND (III) BREACH OF SECTION 10 (DATA OWNERSHIP), IN NO EVENT WILL EITHER PARTY, NOR ITS AFFILIATES, CONTRACTORS OR AGENTS BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES, LOSSES OR EXPENSES (INCLUDING BUSINESS INTERRUPTION, LOST BUSINESS, LOST PROFITS, LOST DATA, OR LOST SAVINGS, DAMAGES TO SOFTWARE OR FIRMWARE, OR COST OF PROCURING OR TRANSITIONING TO SUBSTITUTE SERVICES), REGARDLESS OF THE LEGAL THEORY UNDER WHICH SUCH LIABILITY IS ASSERTED, AND REGARDLESS OF WHETHER A PARTY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH LIABILITY. EXCEPT FOR (I) EACH PARTY'S INDEMNITY AND DEFENSE OBLIGATIONS AND OTHER LIABILITIES TO UNAFFILIATED THIRD PARTIES, (II) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS, (III) BREACH OF SECTION 10 (DATA OWNERSHIP) AND (IV) FEES, EXPENSES OR OTHER PAYMENTS SPECIFICALLY PROVIDED FOR UNDER THE TERMS OF THIS AGREEMENT, THE SOLE LIABILITY OF EITHER PARTY AND ITS AFFILIATES FOR ALL CLAIMS IN ANY MANNER RELATED TO THIS AGREEMENT ARE LIMITED TO THE PAYMENT OF DIRECT DAMAGES, NOT TO EXCEED (FOR ALL CLAIMS IN THE AGGREGATE) THE FEES PAID TO SHMC UNDER THIS AGREEMENT DURING THE SIX (6) MONTHS PRIOR TO THE DATE SUCH CLAIM AROSE.

17. Miscellaneous.

a. Force Majeure. Neither Party will be responsible to the other for any delay in or failure of performance of its obligations under this Agreement, to the extent such delay or failure is attributable to any act of God, act of terrorism, fire, accident, war, embargo or other governmental act, or riot; provided, however, that the Party affected thereby gives the other Party prompt written notice of the occurrence of any event which is likely to cause (or has caused) any delay or failure setting forth its best estimate of the length of any delay and any possibility that it will be unable to resume performance; provided, further, that said affected Party will use its commercially reasonable efforts to expeditiously overcome the effects of that event and resume performance.

b. Notice. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given (i) when delivered by hand, (ii) three (3) Business Days after it is mailed, certified or registered mail, return receipt requested, with postage prepaid, (iii) on the same Business Day when sent by facsimile or electronic mail (return receipt requested) if the transmission is completed before 5:00 p.m. recipient's time, or one (1) Business Day after the facsimile or email is sent, if the transmission is completed on or after 5:00 p.m. recipient's time or (iv) one (1) Business Day after it is sent by Express Mail, Federal Express or other courier service specifying same day or next day delivery, as follows (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 17.b):

If to SHMC, to:

Sears Holdings Management Corporation
3333 Beverly Road
Hoffman Estates, Illinois 60179
Attn.: Eric Jaffe
Facsimile: (847) 286-3489
Email: ejaffe@searshc.com

With a Copy To:

Sears Holdings Corporation
3333 Beverly Road
Hoffman Estates, Illinois 60179
Attn.: General Counsel
Facsimile: (847) 286-2471
Email: Dane.Drobny@searshc.com

If to LE, to:

Lands' End, Inc.
5 Lands' End Lane
Dodgeville, Wisconsin 53595
Attn.: VP, Multi-Channel Marketing
Facsimile: (608) 935-6884
Email: mike.holahan@landsend.com

With a Copy To:

Lands' End
5 Lands' End Lane
Dodgeville, Wisconsin 53595
Attn.: General Counsel
Facsimile: 608-935-6550
Email: Karl.Dahlen@landsend.com

c. No Agency. Nothing in this Agreement creates a relationship of agency, partnership, or employer/employee between SHMC and LE and it is the intent and desire of the Parties that the relationship be and be construed as that of independent contracting parties and not as agents, partners, joint venturers or a relationship of employer/employee.

d. Expenses. In addition to the fees stated herein, unless otherwise expressly stated herein, LE will reimburse SHMC for all other reasonable out-of-pocket expenses actually incurred in its performance of its obligations hereunder ("**Expenses**"). To the extent reasonably practicable, SHMC will provide LE with notice of such Expenses prior to incurring them. If directed by SHMC, LE will pay directly any or all third-party contractors providing Services to or for the benefit of LE. The cost of all third-party Personnel used to perform the Services hereunder will be reimbursed by LE on a cost plus five percent (5%) basis. Except as otherwise provided for in this Agreement, each Party will bear its own expenses with respect to the transactions contemplated by this Agreement.

e. No Third Party Rights. Except for the indemnification rights under this Agreement of any SHMC or LE indemnitee in their respective capacities as such, this Agreement is intended to be solely for the benefit of the Parties and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the Parties.

f. Severability. If any provision of this Agreement is declared by any court of competent jurisdiction to be illegal, invalid, void or unenforceable, such provision will (to the extent permitted under Applicable Law) be construed by modifying or limiting it so as to be legal, valid and enforceable to the maximum extent compatible with Applicable Law, and all other provisions of this Agreement will not be affected and will remain in full force and effect.

g. Amendment; No Waiver. The terms, covenants and conditions of this Agreement may be amended, modified or waived only by a written instrument signed by both Parties, or in the event of a waiver, by the Party waiving such compliance. Any Party's failure at any time to require performance of any provision will not affect that Party's right to enforce that or any other provision at a later date. No waiver of any condition or breach of any provision, term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances will be deemed to be or construed as a further or continuing waiver of that or any other condition or of the breach of that or another provision, term or covenant of this Agreement.

h. Third Party Agreements. The Parties anticipate that SHMC will be relying upon its and its Affiliates existing agreements with third parties to provide certain of the Services described herein ("**Third Party Agreements**") and that the Parties have assumed that SHMC's and/or its Affiliates' counterparty under each such Third Party Agreement (the "**Third Party Vendor**") will permit SHMC and/or its Affiliates to procure goods, services and/or license software, as applicable under such Third Party Agreement, on behalf of LE, at no additional cost, as if LE were an affiliate of SHMC and/or its Affiliates under such Third Party Agreement. If: (i) SHMC's or its Affiliates' costs, fees, or expenses increase under the terms of such Third Party Agreements, or (ii) the Third Party Vendor demands or is entitled to additional costs, fees, or expenses now or in the future, as a result of LE receiving benefits under such Agreement, then, in addition to all other amounts due hereunder, LE shall be liable for its proportionate share of all

increased amounts under subsection (i) and all of the increased amounts under subjection (ii), in each case as such amounts are determined by SHMC in Good Faith. SHMC will notify LE once it learns of any increased amounts due under the immediately foregoing sentence, and will work with the Third Party Vendor to try to mitigate such cost increase. To the extent any such Third Party Agreement includes early termination fees (or similar charges, "**Termination Fees**"), LE will be solely responsible for any such Termination Fees SHMC or its Affiliates incur as a result of the Separation of LE and/or LE ceasing to use the Services under this Agreement

i. Computer Access. If either Party, its Affiliates or its Personnel are given access, whether on-site or through remote facilities, to any communications, computer, or electronic data storage systems of the other Party, its Affiliates or its Personnel (each an "**Electronic Resource**"), in connection with this Agreement, then the Party on behalf of whom such access is given will ensure that its Personnel's use of such access shall be solely limited to performance or exercise of, such Party's duties and rights under this Agreement, and that such Personnel will not attempt to access any Electronic Resource other than those specifically required for the performance of such duties and/or exercise of such rights. The Party given access will limit such access to those of its and its Affiliates' Personnel who need to have such access in connection with this Agreement, will advise the other Party in writing of the name of each of such Personnel who will be granted such access, and will strictly follow all security rules and procedures for use of such Electronic Resources. All user identification numbers and passwords disclosed to a Party's Personnel and any information obtained by such Party's Personnel as a result of its access to, and use of the other Party's, its Affiliates' or its Personnel's Electronic Resources will be deemed to be, and will be treated as, Confidential Information of the Party on behalf of whom such access is granted. Each Party will reasonably cooperate with the other Party in the investigation of any apparent unauthorized access by the other Party, its Affiliates, or its Personnel to any Electronic Resources or unauthorized release of Confidential Information. Each Party will promptly notify the other Party of any actual or suspected unauthorized access or disclosure of any Electronic Resource of the other Party, its Affiliates, or its Personnel.

j. Equitable Relief. Each Party acknowledges that any breach by a Party of this Agreement, including, without limitation, Section 10 (Data Ownership) and Section 11 (Confidential Information), may cause the non-breaching Party and its Affiliates irreparable harm for which the non-breaching Party and its Affiliates have no ad**e**quate remedies at law. Accordingly, in the event of any actual or threatened default in, or breach of the foregoing provisions, each Party and its Affiliates are entitled to seek equitable relief, including specific performance, and injunctive relief; in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. A Party seeking such equitable relief is not obligated to comply with Section 17.u.i (Dispute Resolution) and may seek such relief regardless of any cure rights for such actual or threatened breach. Each Party waives all claims for damages by reason of the wrongful issuance of an injunction and acknowledges that its only remedy in that case is the dissolution of that injunction. Any requirements for the securing or posting of any bond with such remedy are waived.

k. Construction and Interpretation. In this Agreement (1) "**include**," "**includes**," and "**including**" are inclusive and mean, respectively, "include without limitation," "includes without limitation," and "including without limitation," (2) "**or**" is disjunctive but not necessarily exclusive, (3) "**will**" and "**shall**" expresses an imperative, an obligation, and a requirement, (4) numbered "**Section**" references refer to sections of this Agreement unless otherwise specified,

(5) section headings are for convenience only and will have no interpretive value, (6) unless otherwise indicated all references to a number of days mean calendar (and not business) days and all references to months or years mean calendar months or years, (7) references to **$** or **Dollars** mean U.S. Dollars, and (8) hereof," "herein" and "herewith" and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

l. Publicity. All publicity regarding this Agreement is subject to Section 14.5 (Public Announcements) of the Separation Agreement.

m. Further Assurances. Each of SHMC and LE will produce or execute such other documents or agreements as may be necessary or desirable for the execution and implementation of this Agreement and the consummation of the transactions specified herein and to take all such further action as the other Party may reasonably request in order to give evidence to the consummation of the transactions specified herein.

n. Survival. Each term of this Agreement that would, by its nature, survive the termination or expiration of this Agreement will so survive, including the obligation of either Party to pay all amounts accrued hereunder and Section 10 (Data Ownership, Sharing and Use), Section 11 (Confidentiality), Section 13 (Books and Records), Section 15 (Indemnification), Section 16 (Exclusion of Consequential Damages; Limitation of Liability), and Section 17. (Governing Law, Jurisdiction; Waiver of Jury Trial).

o. Entire Agreement. This Agreement (including the Exhibits, Articles and Schedules hereto) constitutes the entire agreement between the Parties hereto and supersedes all prior agreements and understandings, oral and written, between the Parties hereto with respect to the subject matter hereof.

p. Assignment. LE may not assign its rights or obligations under this Agreement without the prior written consent of SHMC, which consent may be withheld in SHMC's absolute discretion. A Stockholding Change will constitute an assignment of this Agreement by LE for which assignment SHMC's prior written consent will be required. SHMC may freely assign its rights and obligations under this Agreement without the prior consent of LE. This Agreement will be binding on, and will inure to the benefit of, the permitted successors and assigns of the Parties.

q. Counterparts. This Agreement may be executed and delivered (including by facsimile or other electronic transmission (e.g., .pdf file) in counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

r. Condition Precedent to the Effectiveness of this Agreement. This Agreement will not be binding on either Party unless and until it has been approved by the Audit Committee of the Board of Directors of SHLD (or a subcommittee thereof, including the Related Party Transactions Subcommittee).

s. Fair Construction. This Agreement will be deemed to be the joint work product of the Parties without regard to the identity of the draftsperson, and any rule of construction that a document will be interpreted or construed against the drafting Party will not be applicable.

t. Dispute Resolution; Governing Law; Jurisdiction; Waiver of Jury Trial.

i. Dispute Resolution. Except as provided for in Section 17.j (Equitable Relief), all Disputes related to this Agreement are subject to Article XI (Dispute Resolution) of the Separation Agreement.

ii. Governing Law. This Agreement (and all claims, controversies or causes of action, whether in contract, tort or otherwise, that may be based upon, arise out of or relate to this Agreement or the negotiation, execution, termination, performance or nonperformance of this Agreement (including any claim, controversy or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement)) shall be governed by, and construed and enforced in accordance with, the federal laws of the United States, including the Lanham Act, and the internal laws of the State of Illinois, without regard to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois. This Agreement will not be subject to any of the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

iii. Jurisdiction. Each of the Parties hereto irrevocably agrees that all proceedings arising out of or relating to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other Party hereto or its successors or assigns shall be brought, heard and determined exclusively in any federal or state court sitting in Cook County, Illinois. Consistent with the preceding sentence, each of the Parties hereto hereby (a) submits to the exclusive jurisdiction of any federal or state court sitting in Cook County, Illinois for the purpose of any proceeding arising out of or relating to this Agreement or the rights and obligations arising hereunder brought by any Party hereto and (b) irrevocably waives, and agrees not to assert by way of motion, defense, counterclaim, or otherwise, in any such proceeding, any claim that it or its property is not subject personally to the jurisdiction of the above-named courts, that the proceeding is brought in an inconvenient forum, that the venue of the proceeding is improper, or that this Agreement or any of the other transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts. Each Party agrees that service of process upon such party in any such action or Proceeding shall be effective if notice is given in accordance with Section 17.b.

iv. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE 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 HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 17.T.IV.

Acknowledged and agreed:

Sears Holdings Management Corporation

By: /s/ D. Michael Anderson
D. Michael Anderson
VP, Loyalty Marketing

Lands' End, Inc.

By: /s/ Edgar O. Huber
Edgar O. Huber
Chief Executive Officer

Exhibit 1

Definitions

The following defined terms will have the meaning ascribed to them below. Other terms are defined in the body of this Agreement or in the Program Terms and Conditions as described below. All defined terms include the singular and the plural form of such terms.

"**Additional Points**" mean Points that are awarded in addition to Base Points on Program-Eligible Purchases in connection with specific offers, whether or not the Member is a Bonus Member and as may be further described in the Program Terms and Conditions. Additional Points include Bonus Points, but exclude Base Points and Surprise Points.

"**Affiliate**" means (solely for purposes of this Agreement and for no other purpose) (i) with respect to LE, its Subsidiaries, and (ii) with respect to SHMC, SHC and its Subsidiaries; provided, however, that except where the context indicates otherwise, for purposes of this Agreement, from and after the Effective Time (1) no SHC Entity shall be deemed to be an Affiliate of any LE Entity and (2) no LE Entity shall be deemed to be an Affiliate of any SHC Entity.

"**Applicable Law**" means all applicable common law, laws, ordinances, regulations, rules, and court and administrative orders and decrees of all national, regional, state, local and other governmental units that have jurisdiction in the given circumstances.

"**Base Points**" means the base points Members earn on Program-Eligible Purchases and as may be further described in the Program Terms and Conditions.

"**Bonus Members**" are Members who maintain a valid email address in their Program profile and who are opted-in to receiving promotional emails from the Program.

"**Bonus Points**" means Points that are awarded in addition to Base Points on Program-Eligible Purchases in connection with specific offers for which only Bonus Members are eligible and as may be further described in the Program Terms and Conditions.

"**Business Day**" means any day that is not a Saturday, a Sunday or any other day on which banks are required or authorized by Applicable Law to be closed in New York, New York.

"**Competitor**" means each Person that operates a rewards or points-issuance/redemption business that competes in any material respect with the Program or with any other rewards or points-issuance/redemption business operated by SHMC or any of its Affiliates.

"**Competitor Affiliates**" means each Person that directly or indirectly and by whatever means controls, is under common control with, or is controlled by, a Competitor.

"**Good Faith**" means honesty in fact and the observance of reasonable commercial standards of fair dealing in accordance with Applicable Law.

"**LE Entities**" has the meaning ascribed to it in the Separation Agreement.

"**Person**" means an individual, a sole proprietorship, a partnership, a joint venture, a limited liability company, a corporation, and all other entities.

"**Personnel**" means the officers, directors, employees, agents, suppliers, licensors, licensees, contractors, subcontractors, advisors (including attorneys, accountants, technical

consultants or investment bankers) and other representatives, from time to time, of a Party and its Affiliates; provided that the Personnel of the LE Entities shall not be deemed Personnel of the SHC Entities and the Personnel of the SHC Entities shall not be deemed Personnel of the LE Entities.

"**SHC**" means Sears Holdings Corporation.

"**SHC Entities**" has the meaning ascribed to it in the Separation Agreement.

"**Stockholding Change**" has the meaning ascribed to it in the Separation Agreement and also includes any change where a Competitor or a Competitor Affiliate becomes, directly or indirectly, at any time after the date of this Agreement and by whatever means, the beneficial owner of more than 50% of the total voting power of LE's outstanding securities entitled, to vote in, or carrying the right to direct voting with respect to, directly or indirectly and by whatever means the election of LE's board of directors.

"**Subsidiaries**" has the meaning ascribed to it in the Separation Agreement.

"**Surprise Points**" means Points of a short-term duration that may be awarded to specific Members to incentivize future purchases on various levels (e.g., whole house, category, item) and as may be further described in the Program Terms and Conditions.

The following terms are defined in the Agreement, as indicated:

Term	Section
Additional Points	Exhibit 1
Additional Points Fees	Exhibit 2
Affiliate	Exhibit 1
Auditing Party	13
Base Points	Exhibit 1
Base Points Fees	Exhibit 2
Bonus Points	Exhibit 1
Books and Records	13
Burn Rate	Exhibit 2
Competitor	Exhibit 1
Complying Change	3.b
Confidential Information	11.a
Confidential Personal Information	11.f
Disclosing Party	11.a
Effective Date	2
Electronic Resource	17.i
Expenses	17.d
Good Faith	Exhibit 1
Indemnified Party	15.c
Indemnifying Party	15.c

Inlet Stores	5.c
Issuing Retailers	Recital A
LE-Collected Program Data	10.a
LE Format	Recital B
LE Indemnified Parties	15.b
LE IP	XV.A.7
LE Mark	8.b
LE Shop	Recital B
LE-Shop Opt-in	10.c
LE-Shop Opt-in Data	10.c
Losses	15.a
Marketplace Agreement	Recital B
Member	Program Terms and Conditions
Member Analytics Reports	7.a.ii
Member Number	Program Terms and Conditions
Participating Retailers	Recital A.
Person	Exhibit 1
Personal Shopper Program	7.a.iii
Points	6.a
Points Issuance Fee	Exhibit 2
POS System	5.c
Program	Recital A.
Program Data	10.a
Program-Eligible Purchases	Program Terms and Conditions
Program-Related Marketing	7.a.ii
Program Site	Recital A
Program Terms and Conditions	Recital B
Promotional Activities	4
PS T&C	7.a.iii
Purchase Points	Exhibit 2
Rate Card	7.a.i
Receiving Party	11.a
Redeeming Retailers	Recital A
Separation Agreement	2
SHLD	2
SHMC Indemnified Parties	15.a
SHMC IP	14.b.vii
SHMC Mark	8.a

Stockholding Change	Exhibit 1
Surprise Points	Exhibit 1
Term	2
Termination Fees	17.h
Terminating Party	12.a.i
Third Party Agreement	17.h
Third Party Vendor	17.h
Transaction Information	5.a

Exhibit 2

Points Issuance and Redemption Fees

A. ***Points Issuance Fees***. For each Program-Eligible Purchase completed by a Member in an LE Format in accordance with the Agreement, LE will pay to SHMC a fee (the "**Points Issuance Fee**") consisting of the fees related to Base Points (the "**Base Points Fee**") and Additional Points (the "**Additional Points Fee**"), if any. The Base Points Fee and Additional Points Fee are calculated according to the following formulas:

1. Base Points Fee. The Base Points Fee will be [*****] for every thousand (1,000) Base Points issued to Members as a result of Program-Eligible Purchases in LE Formats.

2. Additional Points Fee. The Additional Points Fee will be [*****] for every thousand (1,000) Additional Points issued to Members as a result of Program-Eligible Purchases in LE Formats.

B. Surprise Points Fee. The Surprise Points Fee will be [*****] for every thousand (1,000) Surprise Points redeemed in LE Formats.

C. ***Reimbursements and Payments Upon Redemption***.

1. Calculation of Rate. As applicable, SHMC will reimburse LE or LE will pay SHMC for Base Points and Additional Points that are redeemed in LE Formats each fiscal quarter "**Redemption Fees**"). The rate of such reimbursement or payment will be determined at the beginning of each fiscal quarter and will be fixed for that entire quarter. The effective rate used for these purposes (the "**Burn Rate**") will be the rate expressed as the total number of Base Points and Additional Points (regardless of source) redeemed in LE Formats divided by the total number of Base Points and Additional Points issued by LE Formats, calculated on a trailing twelve (12) month basis. The Burn Rate will be calculated prior to the beginning of each fiscal quarter and will be the effective rate used for the next three fiscal months. Only Base Points and Additional Points that expire after twelve (12) months are taken into consideration when calculating the Burn Rate.

2. Burn Rate of 125% or Less. Where the overall Burn Rate is 125% or less, SHMC will reimburse LE for every thousand (1,000) Points (Base Points and/or Additional Points) redeemed in LE Formats in the applicable fiscal quarter in accordance with the following chart:

Quarterly Burn Rate	SYW Reimburses
50%	[*****]
55%	[*****]
60%	[*****]
65%	[*****]
70%	[*****]
75%	[*****]
80%	[*****]
85%	[*****]
90%	[*****]
95%	[*****]
100%	[*****]
105%	[*****]
110%	[*****]
115%	[*****]
120%	[*****]
125%	[*****]

3. Burn Rate is Greater than 125%. Where the overall Burn Rate is above 125%, LE will pay SHMC for every thousand (1,000) Points (Base Points and/or Additional Points) redeemed in LE Formats in the applicable fiscal quarter in accordance with the following chart:

Quarterly Burn Rate	Fees to SYW
125%	[*****]
130%	[*****]
135%	[*****]
140%	[*****]
145%	[*****]
150%	[*****]
155%	[*****]
160%	[*****]
165%	[*****]
170%	[*****]
175%	[*****]
180%	[*****]
185%	[*****]
190%	[*****]
195%	[*****]
200%	[*****]

D. *Examples*:

Example Quarterly Time Period #1

Burn Rate = 50%

- Every 1,000 Points redeemed in LE Formats is worth [*****] and SHMC calculates the quarterly Burn Rate before the quarter begins to be 50% based on the previous 12 months.
- LE issues Members 1,000,000,000 Base Points (worth [*****] in LE Formats) and pays [*****] points issued = [*****]
- LE issues another 1,000,000,000 (worth [*****] in LE Formats) Bonus Points on special Member offers and pays [*****] points issued = [*****]
- Members redeem 1,000,000,000 Points in LE Formats, worth [*****].
- LE receives [*****] from SHMC for the cost of these redeemed Points, as 1,000,000,000 Points were redeemed at the applicable reimbursement rate of [*****] Points redeemed.
- LE pays SHMC [*****] for the incremental benefit of having more Points redeemed in LE Formats.

Example Quarterly Time Period #2

Burn Rate = 150%

- Every 1,000 Points redeemed in LE Formats is worth [*****] and SHMC calculates the quarterly Burn Rate before the quarter begins to be 150% based on the previous 12 months.
- LE issues Members 1,000,000,000 Base Points (worth [*****] in LE Formats) and pays [*****] points issued = [*****]
- LE issues another 1,000,000,000 Bonus Points on special Member offers (worth [*****] in LE Formats) and pays [*****] Points issued = [*****]
- Members redeem 3,000,000,000 points in LE Formats, worth [*****].
- LE receives [*****] from SHMC for the cost of these Points, as Points redeemed in LE Formats exceeded 125% of the Points issued by LE Formats.
- LE pays SHMC [*****] for the incremental benefit of having more Points redeemed in LE Formats than were actually issued by LE Formats (at a quarterly Burn Rate of 150% LE pays SHMC [*****] Points redeemed so [*****]).

Exhibit 3

Rate Card and Email Support Services

Definitions:

"**CPM**" means cost per thousand.

"**Hero**" means the primary featured product in a multiple product email. The Hero is featured at the top of the email, and determines the subject line of the email.

"**Slice**" means one of 4-6 sub-features or products in an email. The Slice is typically displayed "below the fold" e.g. not visible until/unless Member scrolls down in the email, or some equivalent action depending on the format of the email.

"**Solo**" means an email campaign that features a single business unit or store format.

"**TI**" means targeted interactions.

"**Trigger**" means any metric or event used to generate an automatic communication to a Member, for example, emails sent upon purchase of merchandise, or POS contact.

Rate Card

Email Campaign Development and Deployment Services	**Cost**
Email Campaigns to Members who have made LE Program-Eligible Purchases • Includes Transactional Communications, Existing Triggers, Shopper Recap, and eReceipts	**$4.00 CPM** *($600/campaign minimum)*
Special Projects/New Development – defined in a separate SOW • Includes new Triggers, New/Revised transactional messaging and communications, or other net new campaigns	**Rate Card + CPM (if applicable, otherwise as defined in SOW)**

Email Creative/Coding Development Services		
New Trigger/Transactional Creative Template		$ 16,000
New Dynamic Promotional Creative Template		$ 8,000
New Standard Email Postcard Creative Template		$ 4,000
Banners/Trolley's		$ 500
Critical Changes	(changes requested less than 5 days prior to launch date)	
	Hero	$ 5,000
	Slice	$ 2,500

Email Service Notes:

- SHMC will continue to deploy emails for the lifecycle trigger emails which LE may participate in, including but not limited to:
  - Welcome Emails
  - Non-Redeemer Emails
  - Lapsed Member Emails
  - VIP Member Emails
- Promotional emails to the Program's opt-in email list require 10 business days from SHMC receipt of all required assets, rules, and documentation from LE.
- New creative templates (not one off campaigns in existing templates) require 4 weeks from SHMC's receipt of all requirements from LE.
- With respect to any LE-specific promotional email campaign purchased pursuant to this Exhibit 3, LE may provide SHMC with a list of LE email opt-outs and SHMC will use commercially reasonable efforts to exclude all addresses on such list from the campaign; provided that: (1) such services and any applicable terms and fees must first be mutually agreed upon in a separate SOW; (2) such services are not available for any other promotional emails from the Program that may reference or promote LE, and (3) SHMC will not provide these services with respect to any emails that SHMC reasonably determines in its sole discretion to fall within the transaction or relationship exception under the CAN-SPAM Act and associated rules or guidance provided by the Federal Trade Commission, even if LE is promoted in such emails.

Predictive Analytics

	Project Price
Predictive Models	$ 81,900
Campaign Design and Evaluation (DM, Liquidity, etc.)	$ 23,100
Segmentation Analysis	$ 15,300
Campaign Sizing and List Pull	$ 1,980

Targeting Execution / Campaign Measurement / Member Analytics

		Project Price
Campaign Deep Dives	Campaign deep dives	$ 7,290
	Offer impact analysis	$ 8,280
Segmentation/Clustering Model	BU Member segmentation	$ 94,500
Miscellaneous Analysis	Low Effort Counts. (How many Members ...)	$ 1,680
	Moderate Effort Analysis	$ 12,375
	Analytical Deep Dive	$ 37,500

Personalization Services

TI @ POS (LE)	$ 0.03 per print
TI propensity models (includes quarterly re-scoring)	$ 15,000/each
TI Implementation into new email campaign	$ 5,000 per campaign
Other TI requests	Per agreed upon SOW

Exhibit 4

Marks

Word Marks

SHOPYOURWAY
SHOPYOURWAY REWARDS
SHOP YOUR WAY
SHOP YOUR WAY REWARDS
SHOP YOUR WAY MAX
PERSONAL SHOPPER BY SHOP YOUR WAY
SYW MAX

Logos and Design Marks

Exhibit 5

Information Security

At a minimum and as specified herein, LE shall provide security for all data and communication systems in support of the Agreement to which this Exhibit 5 is attached ("**Security Exhibit**").

LE's security efforts will include, without limitation:

[*****]:

- [*****]
- [*****]
- [*****]
- [*****]
- [*****]
- [*****]
- [*****]
- [*****]
- [*****]
- [*****]

[*****]

[*****]

- [*****]
- [*****]
- [*****]

[*****]

[*****]

[*****]:

- [*****]
- [*****]
- [*****]
- [*****]

[*****]

[*****]:

- [*****]
- [*****]
- [*****]
- [*****]
- [*****]
- [*****]

[*****]

[*****]

- [*****]
- [*****]

Exhibit 10.7

This FINANCIAL SERVICES AGREEMENT (the "**Agreement**") is entered into by and between LANDS' END, INC., a Delaware corporation ("**LE**"), and SEARS HOLDINGS MANAGEMENT CORPORATION, a Delaware corporation ("**SHMC**"), as of April 4, 2014 (the "**Effective Date**"). SHMC and LE each are sometimes referred to as a "**Party**" and together sometimes are referred to as the "**Parties.**"

Recitals

WHEREAS, the board of directors of Sears Holdings Corporation, a Delaware corporation ("**SHC**"), has determined that it is in the best interests of SHC and its stockholders to separate the LE business from the rest of SHC (the "**Separation**");

WHEREAS, prior to the Separation, the LE Receiving Parties (as defined below) received and, following the completion of the Separation, will continue to receive certain credit card processing and other financial services as described herein and subject to the terms hereof; and

WHEREAS, the LE Receiving Parties desire to continue to receive the Services following the Separation, and SHMC is willing to continue to provide the Services.

NOW THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which SHMC and LE acknowledge, SHMC and LE agree as follows:

Terms and Conditions

1. PROVISION OF SERVICES

1.1 Card Processing. Subject to Section 5.1 and the terms and conditions of the Processing Agreements, SHMC shall provide to LE and for so long as they remain wholly owned subsidiaries of LE, to Land's End Direct Merchants, Inc. and Land's End Europe Limited (together with LE, the "**LE Receiving Parties**"), and to no other Affiliates of LE, payment card processing services (the "**Services**") for those consumer credit cards, debit cards, pre-paid access cards and private label credit cards (collectively, the "**Cards**") that are accepted by all retail businesses operated by Sears, Roebuck and Co. and Kmart Corporation, including Sears stores and Kmart stores, Sears.com, Kmart.com and all other retail businesses operated by all current and future electronic means, channels, processes and methods, including via the Internet (collectively, the "**SHMC Locations**") for payment of products and services, pursuant to the Card processing agreements between SHMC on the one hand, and one or more third parties, on the other hand as set forth on Appendix #1 and in effect as of the Effective Date (together with the merchant operating regulations for all such agreements, and as they may be amended, modified or waived from time to time, the "**Processing Agreements**"). SHMC may, in its sole discretion, add, remove or change the Cards accepted at any or all of the SHMC Locations or enter into new or amended Processing Agreements, and any and all such changes shall be immediately binding on the LE Receiving Parties without prior notice. SHMC shall not be obligated to provide any Services or any other benefits to any LE Receiving Party that are not provided for under the Processing Agreements.

1.2 Gift Card Issuance and Redemption. The Parties agree and acknowledge that all matters relating to the issuance and acceptance of LE-, Sears- and Kmart-branded gift cards shall be governed exclusively by that certain Gift Card Services Agreement in effect as of the Effective Date by and between SHC Promotions, LLC, formerly SHC Promotions, Inc., a Virginia corporation, and LE, as amended from time to time (provided that, subject to the terms of such agreement, all matters relating to the indemnification rights and obligations of the parties to such agreement shall be governed by that certain Separation and Distribution Agreement by and between SHC and LE, dated as of April 4, 2014 (the "**Separation Agreement**").

1.3 Layaway Program. SHMC acknowledges that neither LE nor its Affiliates wish to have LE merchandise made available for or eligible to participate in the program managed by SHMC under which customers make periodic payments on merchandise they wish to purchase but take possession of the merchandise only when all payments have been made (the "**layaway program**") or any similar successor program. SHMC agrees to use commercially reasonable efforts to prevent LE merchandise from being sold at the SHMC Locations through the layaway program. Notwithstanding the foregoing, LE acknowledges that no practical systematic method exists at SHMC Locations to exclude LE merchandise from the layaway program and that some LE merchandise may inadvertently be sold through the layaway program. In the event that LE merchandise is sold through the SHMC layaway program, LE shall be paid the amount provided for any such LE merchandise under the applicable layaway contract only when the full amount has been received by SHMC under such layaway contract. In the event that a customer purchasing LE merchandise pursuant to a layaway contract cancels such purchase, defaults on the payments or otherwise fails to pay for such merchandise in full, LE shall not be entitled any payment from SHMC or its Affiliates with respect to such merchandise, including with respect to any partial payments already made. LE merchandise subject to cancelled or defaulted layaway contracts shall be returned to stock at the SHMC Location that initiated the layaway contract. In the event that LE merchandise is sold through the SHMC layaway program, no fee shall be payable by LE to SHMC for layaway handling and LE shall receive no service fees paid by any layaway customer. All such service fees shall be retained by SHMC.

1.4 Leasing Program Excluded. Neither SHMC nor any of its Affiliates shall provide any product leasing program to LE or any of its Affiliates, and LE and its Affiliates shall not participate in any product leasing program offered by SHMC or its Affiliates, including the product leasing program offered by SHMC through a third party as of the Effective Time at certain SHMC Locations.

2. TERM AND TERMINATION

2.1 Term. This Agreement shall be effective on the Effective Date and remain in effect until terminated by either of the Parties as set forth in Sections 2.2 through 2.6 of this Agreement.

2.2 Termination for Convenience. Subject to Sections 2.3 and 2.6, either Party, upon not less than forty-five (45) days' prior written notice to the other Party, may terminate this Agreement or any individual Service provided hereunder. Notwithstanding the foregoing, in the event that SHMC provides LE with a notice of termination pursuant to this Section 2.2, such termination shall become effective on the earlier of (i) the date on which LE's ability to process

under the relevant Processing Agreement is terminated by the processor, (ii) the date on which LE transitions the relevant credit and/or debit card processing to an alternate provider, or (iii) one (1) year from the date that a notice of termination was provided by SHMC to LE. The termination rights set for in this Section 2.2 are in addition to, and not in replacement of, any other termination rights set forth in this Agreement.

2.3 Termination Based on Processing Agreements. Notwithstanding anything in this Agreement to the contrary, but subject to Section 2.6, SHMC may, in its sole discretion, terminate, stop, delay or otherwise modify all or any portion of the Services related to credit card or debit card processing immediately, and without incurring any liability to the LE Receiving Parties under this Agreement or otherwise, in the event that (i) any of the applicable credit or debit card issuers or processors from whom SHMC obtains such Services determines, after consultation with SHMC, that any of the LE Receiving Parties are not entitled to process credit or debit payments under a particular Processing Agreement, or (ii) any of the LE Receiving Parties has breached or is alleged by the applicable third-party issuer or payment processor to have breached any of the provisions of the Processing Agreements. To the extent reasonably practicable under the circumstances, SHMC shall provide at least thirty (30) days prior written notice of any termination, stoppage, delay or modification of the Services pursuant to this Section 2.3. For purposes of this Agreement, the determination of such applicable third-party payment processor regarding the rights of any of the LE Receiving Parties to receive Services under the applicable Processing Agreement shall be deemed conclusive and final and the LE Receiving Parties shall not be entitled to challenge such determination in any manner whatsoever.

2.4 Termination for Cause. Subject to Section 2.6 and the next sentence of this Section 2.4, either Party may terminate this Agreement immediately in the event of a material breach of this Agreement by the other Party; provided, that, if the breach is curable by the breaching Party, such Party shall have thirty (30) days following its receipt of written notice of the breach from the non-breaching Party to cure such breach; provided, further, that if so cured, no termination with respect to such cured breach shall occur. If the breach is not curable by the breaching Party, the non-breaching Party may immediately terminate this Agreement following the non-breaching Party's delivery of notice to the breaching Party.

2.5 Termination Upon Abandonment of Separation. Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate immediately and be of no further force or effect if the Board of Directors of SHC determines not to proceed with the Separation or the Separation is otherwise abandoned by SHC, including any termination of the Separation Agreement.

2.6 Obligations on Termination. Upon termination of this Agreement, LE shall remain obligated to pay: (i) all outstanding Fees for Services rendered and Expenses incurred through the date this Agreement is terminated in accordance with its terms, and (ii) any costs or expenses required by SHC or LE to transfer LE from one or more of the Processing Agreements to LE's own agreement, including without limitation, any computer systems updates required for SHC or LE and any purchases by LE of point-of-sale equipment or support.

3. FEES AND SETTLEMENT

3.1 SHMC Fees. As compensation for the Services provided herein, LE shall pay to SHC all fees, assessments and other charges attributable to credit and debit card processing of LE purchase transactions, as set forth in the various Processing Agreements, which fees, assessments and charges are subject to change from time to time in accordance with the Processing Agreements.

3.2 Settlement. Notwithstanding anything to the contrary in any of the Processing Agreements, SHC shall settle to LE payments from credit and debit card processing for LE purchases that SHC receives on LE's behalf under the Processing Agreements once each calendar week, in accordance with Section 4.4 of the Retail Operations Agreement by and between the Parties dated as of April 4, 2014. SHC shall calculate processing fees to be paid by LE and revenue to be paid to LE in accordance with past practice.

3.3 Rights of Recoupment, Deduction from Settlement and Setoff. Subject to the next two sentences of this Section 3.3, SHMC has the right to reduce, withhold, deduct or setoff from credit card settlement amounts otherwise due to any LE Receiving Party under this Agreement and, at SHMC's discretion, to invoice LE directly for any amounts due from any LE Receiving Party or any other liability or obligation that any LE Receiving Party may owe (i) pursuant to the Processing Agreements (including without limitation amounts due for unpaid chargebacks, returns or assessments for violations of the Processing Agreements or merchant operating regulations); or (ii) to SHMC or any of its Affiliates under this Agreement or otherwise. LE shall pay such invoices promptly upon demand. If LE does not pay such invoices within ten (10) days, SHMC shall have the right to reduce, withhold, deduct or setoff against credit card settlement amounts otherwise due to any LE Receiving Party or, if such settlement funds are insufficient, from any other payment due LE under this Agreement or any other agreement between LE or any of its Affiliates, on the one hand, and SHMC or any of its Affiliates, on the other hand.

3.4 Expenses. In addition to the Fees, LE will reimburse SHMC for all other reasonable out-of-pocket expenses actually incurred in its performance of the Services ("**Expenses**"). To the extent reasonably practicable, SHMC will provide LE with notice of such Expenses prior to incurring them. If directed by SHMC, LE will pay directly any or all third-party contractors providing Services to or for the benefit of LE.

4. COMPLIANCE WITH LAWS AND PROCESSING AGREEMENTS

4.1 Receipt of Processing Agreements. LE hereby acknowledges on behalf of itself and the other LE Receiving Parties that it has received, read and understands all provisions of the Processing Agreements, including the applicable merchant operating regulations. LE further acknowledges on behalf of itself and the other LE Receiving Parties that the merchant operating regulations may be modified by the applicable parties to the Processing Agreements from time to time.

4.2 Compliance Obligations. LE shall, and LE shall cause the other LE Receiving Parties to, comply with: (i) all laws, rules and regulations applicable to the Services, including without limitation, laws governing consumer credit, privacy and anti-money laundering; and (ii) all provisions of the Processing Agreements, including the applicable merchant operating regulations.

5. SHMC OBLIGATIONS

5.1 Standard of Care. Except as otherwise set forth in this Agreement, SHMC does not assume any responsibility under this Agreement other than to render the Services in good faith and without willful misconduct or gross negligence. SHMC MAKES NO OTHER GUARANTEE, REPRESENTATION OR WARRANTY OF ANY KIND (WHETHER EXPRESS OR IMPLIED) REGARDING ANY OF THE SERVICES PROVIDED HEREUNDER, AND EXPRESSLY DISCLAIMS ALL OTHER GUARANTEES, REPRESENTATIONS AND WARRANTIES OF ANY NATURE WHATSOEVER, WHETHER STATUTORY, ORAL, WRITTEN, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE. SHMC WILL ONLY BE OBLIGATED TO PROVIDE SERVICES IN A MANNER CONSISTENT WITH PAST PRACTICE.

5.2 Responsibility for Errors; Delays. SHMC's sole responsibility to the LE Receiving Parties for errors or omissions in Services caused by SHMC will be to furnish corrections to information or adjustments with respect to payments or the Services, and if such errors or omissions are solely or primarily caused by SHMC, SHMC will furnish such corrections to information or adjustments at no additional cost or expense to the LE Receiving Parties, provided that LE promptly advises SHMC of such error or omission.

6. OWNERSHIP OF DATA

Neither Party will acquire any right, title or interest in any asset that is owned or licensed by the other Party and used to provide the Services. Subject to the terms and conditions of the Separation Agreement and the other Ancillary Agreements, all data provided by or on behalf of a Party to the other Party for the purpose of providing the Services will remain the property of the providing Party. To the extent the provision of any Service involves intellectual property, including software or patented or copyrighted material, or material constituting trade secrets, neither Party will copy, modify, reverse engineer, decompile or in any way alter any of such material, or otherwise use such material in a manner inconsistent with the terms and provisions of this Agreement, without the express written consent of the other Party. All specifications, tapes, software, programs, services, manuals, materials and documentation developed or provided by SHMC and utilized in performing this Agreement, will be and remain the property of SHMC and may not be sold, transferred, disseminated or conveyed by any LE Receiving Party to any other entity or used other than in performance of this Agreement without the express written permission of SHMC.

7. DEFENSE AND INDEMNITY; LIMITATION OF LIABILITY

7.1 Indemnification by LE. Subject to Section 7.3, LE shall, and shall cause the LE Receiving Parties to, indemnify, defend and hold harmless each of SHMC and its Affiliates and their respective representatives from and against any and all costs, liabilities, losses, penalties, expenses and damages (including reasonable attorneys' fees) of every kind and nature arising from third-party claims, demands, litigation or suits relating to, arising out of, or resulting from, or claimed to arise out of or result from, in whole or in part, (i) any breach or default by LE or

any of its Affiliates, or any of their Representatives, officers, directors, employees or agents of any of the terms, conditions, covenants, representations, or warranties contained in this Agreement or any Processing Agreement, (ii) the unauthorized use or release of customer information by LE or its Affiliates, (iii) any breach, unauthorized access or use of LE's or its Affiliates' data systems that results in the theft or misuse of any credit or debit card information or (iv) any other act or omission, or willful misconduct, of LE or any of its Affiliates, or any of their Representatives, officers, directors, employees or agents (together, "**LE Claims**"), except to the extent that such LE Claims are found by a final judgment or opinion of an arbitrator or a court of appropriate jurisdiction to be caused by any grossly negligent act or omission or willful misconduct of SHMC, its Affiliates, or their respective Representatives in performance of this Agreement.

7.2. Procedures for Indemnification of Direct and Third-Party Claims. Each claim for indemnification pursuant to this Agreement shall be made in accordance with the procedures set forth in Article X of the Separation Agreement.

7.3 Limitation of Liability. EXCEPT FOR (I) LE'S INDEMNITY AND DEFENSE OBLIGATIONS AS SET FORTH IN SECTIONS 7.1 AND 7.2 AND OTHER LIABILITIES TO UNAFFILIATED THIRD PARTIES, AND (II) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY, NOR ITS AFFILIATES, CONTRACTORS OR AGENTS BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES, LOSSES OR EXPENSES (INCLUDING BUSINESS INTERRUPTION, LOST BUSINESS, LOST PROFITS, LOST DATA, OR LOST SAVINGS, DAMAGES TO SOFTWARE OR FIRMWARE, OR COST OF PROCURING OR TRANSITIONING TO SUBSTITUTE SERVICES), REGARDLESS OF THE LEGAL THEORY UNDER WHICH SUCH LIABILITY IS ASSERTED, AND REGARDLESS OF WHETHER A PARTY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH LIABILITY. THE SOLE LIABILITY OF SHMC AND ITS AFFILIATES FOR ANY ERRORS AND OMISSIONS IN THE SERVICES ARE LIMITED AS PROVIDED ABOVE AND FOR ALL OTHER ALL CLAIMS IN ANY MANNER RELATED TO THIS AGREEMENT ARE LIMITED TO THE PAYMENT OF DIRECT DAMAGES, NOT TO EXCEED (FOR ALL CLAIMS IN THE AGGREGATE) THE FEES RECEIVED BY SHMC UNDER THIS AGREEMENT DURING THE PRIOR SIX (6) MONTHS PRIOR TO THE DATE SUCH CLAIM AROSE. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, SHMC WILL NOT BE LIABLE FOR DAMAGES CAUSED BY SHMC'S THIRD-PARTY CONTRACTORS, INCLUDING THE PERSONS PROVIDING SERVICES PURSUANT TO THE PROCESSING AGREEMENTS.

8. CONFIDENTIALITY

8.1 Confidential Information. "Confidential Information" means all information, whether disclosed in oral, written, visual, electronic or other form, that (i) one Party (the "**Disclosing Party**"), its Affiliates or its Personnel discloses to the other Party (the "**Receiving Party**"), its Affiliates or its Personnel, (ii) relates to or is disclosed in connection with this Agreement or a Party's or a Party's Affiliate's business, and (iii) is or reasonably should be understood by the Receiving Party to be confidential or proprietary to the Disclosing Party

(whether or not such information is marked "Confidential" or "Proprietary"). The Disclosing Party's sales, pricing, costs, inventory, operations, employees, current and potential customers, financial performance and forecasts, and business plans, strategies, forecasts and analyses, as well as information as to which the Securities and Exchange Commission has granted confidential treatment pursuant to its Rule 406 of Regulation C (the "**CTR Information**"), are Confidential Information.

8.2 Treatment of Confidential Information. The Receiving Party will use Confidential Information only in connection with this Agreement and, except as expressly permitted by this Agreement and subject to the next sentence, will not disclose any Confidential Information for three years from the date of receipt of the Confidential Information. Neither Party will disclose the CTR Information for a period of ten years from the date or receipt.

(a) **Limitations**. The Receiving Party will (A) restrict disclosure of the Confidential Information to its and its Affiliates' Personnel with a need to know the Confidential Information for purposes of performing the Receiving Party's responsibilities or exercising the Receiving Party's rights under this Agreement, (B) advise those Personnel of the obligation not to disclose the Confidential Information or use the Confidential Information in a manner prohibited by this Agreement, (C) copy the Confidential Information only as necessary for those Personnel who need it for performing the Receiving Party's responsibilities under this Agreement, and ensure that confidentiality is maintained in the copying process; and (D) protect the Confidential Information, and require those Personnel to protect it, using the same degree of care as the Receiving Party uses with its own Confidential Information, but no less than reasonable care.

(b) **Liability for Unauthorized Use**. The Receiving Party will be liable to the Disclosing Party for any unauthorized disclosure or use of Confidential Information in violation of this Agreement by its Affiliates and any of its and its Affiliates' current or former Personnel.

(c) **Destruction**. Without limiting the foregoing, when any Confidential Information is no longer needed for the purposes contemplated by this Agreement the Receiving Party will, promptly after request of the Disclosing Party, either return such Confidential Information in tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party that it has destroyed such Confidential Information (other than electronic copies residing in automatic backup systems and copies retained to the extent required by Applicable Law, regulation or a bona fide document retention policy).

8.3 Exceptions to Confidential Treatment. The obligations under Section 8.2 do not apply to any Confidential Information that the Receiving Party can demonstrate (A) was previously known to the Receiving Party without any obligation owed to the Disclosing Party or its Affiliates to hold it in confidence, (B) is disclosed to third parties by the Disclosing Party or its Affiliates without an obligation of confidentiality to the Disclosing Party or its Affiliate, as applicable, (C) is or becomes available to any member of the public other than by unauthorized disclosure by the Receiving Party, its Affiliates or its or their Personnel, (D) was or is independently developed by the Receiving Party or its Affiliates or Personnel without use of the

Confidential Information, (E) legal counsel's advice is that the Confidential Information is required to be disclosed by Applicable Law or the rules and regulations of any applicable Governmental Authority (as defined in the Separation Agreement) and the Receiving Party has complied with Section 8.4 (Protective Arrangement) below, or (F) legal counsel's advice is that the Confidential Information is required to be disclosed in response to a valid subpoena or order of a court or other governmental body of competent jurisdiction or other valid legal process and the Receiving Party has complied with Section 8.4 (Protective Arrangement) below.

8.4 Protective Arrangement. If the Receiving Party determines that the exceptions under Section 8.3(E) or Section 8.3(F) apply, the Receiving Party shall give the Disclosing Party, to the extent legally permitted and reasonably practicable, prompt prior notice of such disclosure and an opportunity to contest such disclosure and shall use commercially reasonable efforts to cooperate, at the expense of the Receiving Party, in seeking any reasonable protective arrangements requested by the Disclosing Party. In the event that such appropriate protective order or other remedy is not obtained, the Receiving Party may furnish, or cause to be furnished, only that portion of such Confidential Information that the Receiving Party is advised by legal counsel is legally required to be disclosed and shall take commercially reasonable steps to ensure that confidential treatment is accorded such Confidential Information.

8.5 Ownership of Information. Except as otherwise provided in this Agreement, all Confidential Information provided by or on behalf of a Party (or its Affiliates) that is provided to the other Party or its Personnel shall remain the property of the disclosing entity and nothing herein shall be construed as granting or conferring rights of license or otherwise in any such Confidential Information.

9. MISCELLANEOUS

9.1 Computer Access. If either Party, its Affiliates or its Personnel are given access, whether on-site or through remote facilities, to any communications, computer, or electronic data storage systems of the other Party, its Affiliates or its Personnel (each an "**Electronic Resource**"), in connection with this Agreement, then the Party on behalf of whom such access is given will ensure that its Personnel's use of such access shall be solely limited to performance or exercise of, such Party's duties and rights under this Agreement, and that such Personnel will not attempt to access any Electronic Resource other than those specifically required for the performance of such duties and/or exercise of such rights. The Party given access will limit such access to those of its and its Affiliates' Personnel who need to have such access in connection with this Agreement, will advise the other Party in writing of the name of each of such Personnel who will be granted such access, and will strictly follow all security rules and procedures for use of such Electronic Resources. All user identification numbers and passwords disclosed to a Party's Personnel and any information obtained by such Party's Personnel as a result of its access to, and use of the other Party's, its Affiliates' or its Personnel's Electronic Resources will be deemed to be, and will be treated as, Confidential Information of the Party on behalf of whom such access is granted. Each Party will reasonably cooperate with the other Party in the investigation of any apparent unauthorized access by the other Party, its Affiliates, or its Personnel to any Electronic Resources or unauthorized release of Confidential Information. Each Party will promptly notify the other Party of any actual or suspected unauthorized access or disclosure of any Electronic Resource of the other Party, its Affiliates, or its Personnel.

9.2 Amendment; No Waiver. The terms, covenants and conditions of this Agreement may be amended, modified or waived only by a written instrument signed by both Parties, or in the event of a waiver, by the Party waiving such compliance. Any Party's failure at any time to require performance of any provision will not affect that Party's right to enforce that or any other provision at a later date. No waiver of any condition or breach of any provision, term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances will be deemed to be or construed as a further or continuing waiver of that or any other condition or of the breach of that or another provision, term or covenant of this Agreement.

9.3 Assignment. LE may not assign its rights or obligations under this Agreement without the prior written consent of SHMC, which consent may be withheld in SHMC's absolute discretion. A Stockholding Change (as defined in the Separation Agreement) will constitute an assignment of this Agreement by LE for which assignment SHMC's prior written consent will be required. SHMC may freely assign its rights and obligations under this Agreement to any of its Affiliates without the prior consent of LE; provided that any such assignment will not relieve SHMC of its obligations and liabilities hereunder. This Agreement will be binding on, and will inure to the benefit of, the permitted successors and assigns of the Parties.

9.4 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given (i) when delivered by hand, (ii) three (3) Business Days after it is mailed, certified or registered mail, return receipt requested, with postage prepaid, (iii) on the same Business Day when sent by facsimile or electronic mail (return receipt requested) if the transmission is completed before 5:00 p.m. recipient's time, or one (1) Business Day after the facsimile or email is sent, if the transmission is completed on or after 5:00 p.m. recipient's time or (iv) one (1) Business Day after it is sent by Express Mail, Federal Express or other courier service specifying same day or next day delivery, as follows (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 6.07):

If to SHMC, to:
Sears Holdings Management Corporation
3333 Beverly Road
Hoffman Estates, Illinois 60179
Attn.: Jai Holtz
Facsimile: (847) 286-4908
Email: Jai.Holtz@searshc.com

With a copy to:
Sears Holdings Corporation
3333 Beverly Road
Hoffman Estates, Illinois 60179
Attn.: General Counsel
Facsimile: (847) 286-2471
Email: Dane.Drobny@searshc.com

If to LE, to:

Lands' End, Inc.
5 Lands' End Lane
Dodgeville, Wisconsin 53595
Attn.: Brian Leek
Facsimile: (608) 935-4470
Email: Brian.Leek@landsend.com

With a copy to:

Lands' End
5 Lands' End Lane
Dodgeville, Wisconsin 53595
Attn.: General Counsel
Facsimile: 608-935-6550
Email: Karl.Dahlen@landsend.com

9.5 Publicity. All publicity regarding this Agreement is subject to Section 14.5 (Public Announcements) of the Separation Agreement.

9.6 Survival. Each term of this Agreement that would, by its nature, survive the termination or expiration of this Agreement will so survive, including the obligation of either Party to pay all amounts accrued hereunder and including the provisions of Section 6 (Ownership of Data), Section 7 (Defense and Indemnity; Limitation of Liability), Section 8 (Confidentiality), Section 9.1 (Computer Access), Section 9.5 (Publicity), Section 9.10 (Equitable Relief), Section 9.12 (Fair Construction), Section 9.13 (No Agency), Section 9.14 (Construction and Interpretation), Section 9.16 (Dispute Resolution), and Section 9.17 (Governing Law; Jurisdiction).

9.7 No Third Party Rights. Except for the indemnification rights under this Agreement of any SHMC or LE indemnitee in their respective capacities as such, this Agreement is intended to be solely for the benefit of the Parties and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the Parties.

9.8 Severability. If any provision of this Agreement is declared by any court of competent jurisdiction to be illegal, invalid, void or unenforceable, such provision will (to the extent permitted under Applicable Law) be construed by modifying or limiting it so as to be legal, valid and enforceable to the maximum extent compatible with Applicable Law, and all other provisions of this Agreement will not be affected and will remain in full force and effect.

9.9 Entire Agreement. This Agreement (including the Exhibits, Appendixes and Schedules hereto) constitutes the entire agreement between the Parties hereto and supersedes all prior agreements and understandings, oral and written, between the Parties hereto with respect to the subject matter hereof.

9.10 Equitable Relief. Each Party acknowledges that any breach by a Party of Section 8 (Confidential Information), Section 8.5 (Ownership of Data and Other Assets) and Section 9.1 (Computer Access) of this Agreement may cause the non-breaching Party and its Affiliates irreparable harm for which the non-breaching Party and its Affiliates have no adequate remedies at law. Accordingly, in the event of any actual or threatened default in, or breach of the foregoing provisions, each Party and its Affiliates are entitled to seek equitable relief, including specific performance, and injunctive relief; in addition to any and all other rights and remedies at

law or in equity, and all such rights and remedies shall be cumulative. A Party seeking such equitable relief is not obligated to comply with Section 9.16 (Dispute Resolution) and may seek such relief regardless of any cure rights for such actual or threatened breach. Each Party waives all claims for damages by reason of the wrongful issuance of an injunction and acknowledges that its only remedy in that case is the dissolution of that injunction. Any requirements for the securing or posting of any bond with such remedy are waived.

9.11 Force Majeure. Neither Party will be responsible to the other for any delay in or failure of performance of its obligations under this Agreement, to the extent such delay or failure is attributable to any act of God, act of terrorism, fire, accident, war, embargo or other governmental act, or riot; provided, however, that the Party affected thereby gives the other Party prompt written notice of the occurrence of any event which is likely to cause (or has caused) any delay or failure setting forth its best estimate of the length of any delay and any possibility that it will be unable to resume performance; provided, further, that said affected Party will use its commercially reasonable efforts to expeditiously overcome the effects of that event and resume performance.

9.12 Fair Construction. This Agreement will be deemed to be the joint work product of the Parties without regard to the identity of the draftsperson, and any rule of construction that a document will be interpreted or construed against the drafting Party will not be applicable.

9.13 No Agency. Nothing in this Agreement creates a relationship of agency, partnership, or employer/employee between SHMC and LE and it is the intent and desire of the Parties that the relationship be and be construed as that of independent contracting parties and not as agents, partners, joint venturers or a relationship of employer/employee.

9.14 Construction and Interpretation. In this Agreement (1) "include," "includes," and "including" are inclusive and mean, respectively, "include without limitation," "includes without limitation," and "including without limitation," (2) "or" is disjunctive but not necessarily exclusive, (3) "will" and "shall" expresses an imperative, an obligation, and a requirement, (4) numbered "Section" references refer to sections of this Agreement unless otherwise specified, (5) section headings are for convenience only and will have no interpretive value, (6) unless otherwise indicated all references to a number of days mean calendar (and not business) days and all references to months or years mean calendar months or years, (7) references to $ or Dollars mean U.S. Dollars, and (8) "hereof," "herein" and "herewith" and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

9.15 Condition Precedent to the Effectiveness of this Agreement. This Agreement will not become effective until it has been approved by the Audit Committee of the SHC Board.

9.16 Dispute Resolution. Except as provided for in Section 9.10 (Equitable Relief), all Disputes related to this Agreement are subject to Article XI (Dispute Resolution) of the Separation Agreement.

9.17 Governing Law; Jurisdiction.

(a) **Governing Law.** This Agreement and all claims, controversies or causes of action, whether in contract, tort or otherwise, that may be based upon, arise out of or relate to this Agreement or the negotiation, execution, termination, performance or nonperformance of this Agreement (including

any claim, controversy or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement) shall be governed by, and construed and enforced in accordance with, the federal laws of the United States, including the Lanham Act, and the internal laws of the State of Illinois, without regard to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois. This Agreement will not be subject to any of the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

(b) Each of the Parties hereto irrevocably agrees that all proceedings arising out of or relating to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other Party hereto or its successors or assigns shall be brought, heard and determined exclusively in any federal or state court sitting in Cook County, Illinois. Consistent with the preceding sentence, each of the Parties hereto hereby (a) submits to the exclusive jurisdiction of any federal or state court sitting in Cook County, Illinois for the purpose of any proceeding arising out of or relating to this Agreement or the rights and obligations arising hereunder brought by any Party hereto and (b) irrevocably waives, and agrees not to assert by way of motion, defense, counterclaim, or otherwise, in any such proceeding, any claim that it or its property is not subject personally to the jurisdiction of the above-named courts, that the proceeding is brought in an inconvenient forum, that the venue of the proceeding is improper, or that this Agreement or any of the other transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts. Each Party agrees that service of process upon such party in any such action or Proceeding shall be effective if notice is given in accordance with Section 9.4 (Notices).

(c) **Waiver of Jury Trial.** EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE 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 HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.17(c).

9.18 Counterparts. This Agreement may be executed and delivered (including by facsimile or other electronic transmission (e.g., .pdf file) in counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement effective as of the Effective Date.

LANDS' END, INC.

By: /s/ Edgar O. Huber
Name: Edgar O. Huber
Its: Chief Executive Officer

SEARS HOLDINGS MANAGEMENT CORPORATION

By: /s/ Robert A. Riecker
Name: Robert A. Riecker
Its: Vice President, Controller and Chief Accounting Officer

APPENDIX #1

The Processing Agreements

1. The Sears private label card and Sears MasterCard issuance and acceptance. Amended and Restated Program Agreement by and between Sears, Roebuck and Co., Sears Intellectual Property Management Corporation and Citibank (USA) N.A., dated as of July 15, 2003, Amended and Restated as of November 3, 2003, as late amended from time to time.

2. American Express Card Acceptance. Agreement for American Express Card Acceptance, dated as of May 1, 2013, by and between American Express Travel Related Services Company, Inc. and Sears Holdings Management Corporation.

3. Sears Solutions MasterCard (Second Look private label card) issuance and acceptance. Co-Branded Credit Card Agreement dated as of October 19, 2012, by and between Sears Holdings Management Corporation and Barclays Bank Delaware.

4. Visa and MasterCard Credit and Debit Card acceptance. Merchant Services Bankcard Agreement dated as of July 31, 2012, by and among First Data Merchant Services Corporation, Wells Fargo Bank, N.A. and Sears Holdings Management Corporation.

Exhibit 10.8

BUYING AGENCY AGREEMENT

Dated April 4, 2014

between

LANDS' END, INC.

and

SEARS HOLDINGS GLOBAL SOURCING, LTD.

Table of Contents

BUYING AGENCY AGREEMENT

Date: April 4, 2014

This Buying Agency Agreement ("**Agreement**") is entered between LANDS' END, INC., a Delaware corporation ("**LE**") and SEARS HOLDINGS GLOBAL SOURCING, LTD., a Hong Kong corporation ("**SHGS**"). SHGS and LE each are sometimes referred to as a "**Party**" and together sometimes are referred to as the "Parties."

1. **DEFINITIONS**. Certain terms are defined where they are first used below; while others are defined in Appendix #1 (Glossary).

2. **PRIOR AGREEMENT; TERM**.

(a) **Prior Agreement**. This Agreement, on and after the Effective Date, supersedes and replaces in its entirety that certain Buying Agency Agreement, dated February 1, 2007, between LE and SHGS (the "**Prior Agreement**").

(b) **Initial Term**. The initial term of this Agreement (the "**Initial Term**") will begin immediately following the Effective Time specified in the Separation and Distribution Agreement (the "**Separation Agreement**") to be executed and delivered by LE and Sears Holdings Corporation (the date on which the Effective Time occurs, the "**Effective Date**") and will end, unless terminated earlier or extended in accordance with Section 3, on January 31, 2016 (the "**Expiration Date**"). The calendar day that becomes the Effective Date will be inserted on Appendix #2 (Effective Date) after the Effective Date has occurred.

(c) **Renewal Rights**.

i. *Renewal Length*. If LE achieves the Renewal Criteria set forth below, and LE gives written notice of its intention to extend the Agreement to SHGS at least 90 days prior to the then current Expiration Date, the Expiration Date of this Agreement will extend for a renewal period of one-Contract Year. LE may extend the Expiration Date for a maximum of three renewal periods (the "**First Renewal Period**," ending January 31, 2017, the "**Second Renewal Period**," ending January 31, 2018, and the "**Third Renewal Period**," ending January 31, 2019) as provided for above. The Initial Term, as extended or renewed (as provided for in this Agreement), is referred to as the "**Term**."

ii. *Renewal Criteria*. In order to extend the Expiration Date, LE must (collectively, the "**Renewal Criteria**"):

A. Have earned and paid, for the four Fiscal Quarters immediately preceding the due date for LE's renewal notice, total Buying Commission in excess of the total Minimum Commission for those Fiscal Quarters (appropriately pro-rated where the four Fiscal Quarters extend over two Contract Years); and

B. Not be in breach of this Agreement.

3. **TERMINATION**.

(a) **Termination for Cause**. Either LE or SHGS may terminate this Agreement in the event of a material breach of this Agreement by the other party. If the breach is curable by the breaching party and the breaching party fails to cure the breach within 30 days following its receipt of written notice of the breach from the non-breaching party, then Termination is effective 30 days following the receipt of the notice of breach. If the breach is not curable by the breaching party, then Termination is effective upon the non-breaching party's delivery of notice to the breaching party.

(b) **Obligations upon Expiration or Termination**. Upon expiration or termination of this Agreement for any reason all amounts owed to SHGS by LE will become due and payable per the terms of this Agreement.

4. APPOINTMENT.

(a) **Appointment and Acceptance**. LE hereby appoints SHGS to be its non-exclusive buying agent for the purchase of the Merchandise throughout the Territory, upon the terms and conditions contained in this Agreement, and SHGS hereby accepts such appointment.

(b) **SHGS Limitations**. During the course of its performance under this Agreement, SHGS shall not represent itself as the legal representative of LE, or its Affiliates, for any purpose whatsoever. SHGS acknowledges and understands that LE reserves the right to employ other agents to purchase Merchandise on its behalf and that LE may purchase the same or similar Merchandise directly from any Seller without utilizing SHGS's services. SHGS further acknowledges and understands that: (i) Subject to its obligation to pay the Minimum Commission, LE is not obligated to purchase any quantity of Merchandise from any Seller identified by SHGS and (ii) LE has the right to reject any Seller and restrict SHGS's dealing with those Sellers deemed acceptable to LE to the extent it involves procurement of Merchandise for LE under this Agreement.

(c) **Scope of Appointment**. Nothing in this Agreement prevents SHGS from acting as a buying agent or performing the Services or similar services for any third-party, including SHGS Affiliates. In accepting the appointment, SHGS expressly disclaims any fiduciary obligations it has as an agent for LE and its only duty to LE is to perform the Services consistent with the standard of care outlined in Section 6(b).

5. **BUYING AGENT SERVICES**.

(a) **Service Description**. SHGS shall perform the services detailed on Appendix #3 (Services) on behalf and at the direction of LE to the extent not prohibited by Applicable Law (the "**Services**"). Except as expressly stated on Appendix #3 (Services), in the event of any conflict or inconsistency between this Agreement and Appendix #3, this Agreement will control. Unless otherwise agreed in writing by the Parties, the Services to be provided by SHGS under this Agreement are limited to those expressly stated herein. The intent of the parties is the Services described herein are based on those services that SHGS was providing to LE prior to the Spin-Off Effective Date in connection with the purchase of the Merchandise; provided, however, that the parties' have endeavored to modify such terms as necessary to reflect the spin-off of LE.

(b) **Modification of Services**. This Agreement, and the Services, Commission and Expenses hereunder, may only be modified by a written amendment which must be signed by both parties to be effective. LE acknowledges that modifications to this Agreement will require certain internal approvals by SHGS and therefore absent a signed written amendment LE will not rely (and any such reliance would be unreasonable) upon any proposed amendment or course of dealing by the parties. If a Party identifies a service that was previously provided by SHGS that is not described in this Agreement but such Party believes that services should be included in this Agreement, it will notify the other party's Contact Person and the Parties will work together to Good Faith to determine whether they wish to have such service added to this Agreement; any such addition will require a written amendment signed by both Parties to be effective. The Parties will include in such an amendment, if they agree to execute one, a description of the service, any modification to the Commissions, and allocation of Expenses for such Service.

(c) **Limitation on Services**. Without LE's express written consent, SHGS shall at no time:

i. place an order for Merchandise to be produced by a Seller (all orders shall be placed directly by LE and any alteration from this requirement will require a written amendment to this Agreement, which must be signed by both parties to be effective);

ii. take or claim legal or equitable title to any Merchandise purchased by LE;

iii. furnish to any Seller dies, molds, patterns, materials, artwork, engineering work, financial assistance, or any other assistance required for the production of Merchandise ordered by LE without the advance written approval of LE;

iv. act in any other capacity for LE other than as a buying agent under the terms of this Agreement.

(d) **Disclosure of Contracting Entity**. In performance of its duties under this Agreement, SHGS shall act at all times at the direction of LE and shall identify LE to all parties with whom SHGS deals. SHGS shall also identify in writing to LE all parties to any transactions involving LE and their respective roles, including sub-agents of SHGS, trading companies or representatives of trading companies, and Sellers (including their selling agents).

(e) **Related Party Transactions**. In any transaction where SHGS and the Seller are related parties (as that term is defined in U.S. customs law), SHGS shall provide documentation sufficient to establish that SHGS is working as a buying agent on behalf of LE, and not as a selling agent on behalf of the Seller. For example, the documentation should demonstrate that (i) the terms of the transaction are similar to transactions involving unrelated Sellers, (ii) SHGS is not taking title to the goods, (iii) SHGS is performing the same services on behalf of LE for a transaction between LE and the related Seller as SHGS would perform on behalf of LE for a transaction between LE and an unrelated Seller, (iv) the values charged are arm's length and comparable to transactions involving unrelated Sellers, and (v) no portion of the price LE pays the related Seller inures to the benefit of SHGS other than the Buying Commission attributable to the transaction.

6. **QUANTITY AND NATURE OF SERVICE**.

(a) **Quantity and Nature of Service**. Except as otherwise provided in Section 5 or this Section 6(a), there will be no material increase in the scope or level of, or use by, LE of Services during the Term (including changes requiring the hiring or training of additional employees by SHGS) without the mutual written agreement of the parties and adjustments, if any, to the charges for such Services; provided, however, SHGS may make changes from time to time in the manner of performing Services, subject to the other terms of this Agreement. The preceding sentence does not limit LE's ability to adjust order volume, subject to its obligation for the Minimum Commission. LE will not resell any Services, provide the Services to any joint-venture or non-wholly owned subsidiary, or otherwise use the Services in any way other than in connection with the conduct of LE's internal business.

(b) **Standard of Care**. Except as otherwise set forth in this Agreement, SHGS does not assume any responsibility under this Agreement other than to render the Services in Good Faith, without willful misconduct or gross negligence, and will comply with all Applicable Laws in the performance of the Services. SHGS MAKES NO OTHER GUARANTEE, REPRESENTATION, OR WARRANTY OF ANY KIND (WHETHER EXPRESS OR IMPLIED) REGARDING ANY OF THE SERVICES PROVIDED HEREUNDER, AND EXPRESSLY DISCLAIMS ALL OTHER GUARANTEES, REPRESENTATIONS, AND WARRANTIES OF ANY NATURE WHATSOEVER, WHETHER STATUTORY, ORAL, WRITTEN, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE. SHGS WILL ONLY BE OBLIGATED TO PROVIDE SERVICES IN A MANNER CONSISTENT WITH PRACTICES IN EFFECT IMMEDIATELY PRIOR TO THE EFFECTIVE DATE. During the annual budget process described in Section 7, the parties will align on the allocation of SHGS personnel primarily designated to perform the Services; provided, however that SHGS may use any excess capacity of such designate personnel to perform the Services for non-LE projects.

(c) **Responsibility For Errors; Delays**. SHGS's sole responsibility to LE for errors or omissions in Services caused by SHGS will be to furnish correct information, payment or adjustment in the Services, and if such errors or omissions are solely or primarily caused by SHGS, SHGS will promptly furnish such corrections at no additional cost or expense to LE if LE promptly advises SHGS of such error or omission.

(d) **Good Faith Cooperation; Alternatives**. SHGS and LE will use Good Faith efforts to cooperate with each other in all matters relating to the provision and receipt of the Services. If SHGS reasonably believes it is unable to provide any Service because of a failure to obtain third-party contractor consents or because of impracticability, SHGS will notify LE promptly after SHGS becomes aware of such fact and the Parties will cooperate to determine the best alternative approach.

(e) **Use of Third Parties**. SHGS may use any Affiliate or any unaffiliated third-party contractor to provide the Services; provided, however, that SHGS shall at all times remain responsible for the third parties' performance under this Agreement. SHGS will use reasonable efforts to provide advance notice to LE of unaffiliated third-party contractor that SHGS will be using to perform factory visits or product testing of the Merchandise.

(f) **Assets of LE**. During the Term, (i) SHGS and its Affiliates and third-party contractors may use, at no charge, all of the software and other assets, tangible and intangible, of LE (together, the "**Assets**") to the extent necessary to perform the Services, and (ii) LE will consult with SHGS prior to upgrading or replacing any of the Assets that are necessary for SHGS to provide the Services. The Parties will discuss whether SHGS wishes to continue to provide the Services after such upgrade or replacement and the cost (to be borne by LE) for SHGS to do so. Any agreement by the parties to such upgrade or replacement must be documented via an Amendment hereto, prior to it moving forward. SHGS will continue to support at its own cost the SHGS information systems necessary to access the Assets. If LE makes a change to the Assets that prevent SHGS from being able to access the Assets from SHGS existing information systems, then SHGS may suspend the Services. Any such suspension shall not affect the Minimum Commission due hereunder.

(g) **Ownership of Data and Other Assets**. Neither party will acquire any right, title or interest in any Asset that is owned or licensed by the other and used to provide the Services. All data provided by or on behalf of a party to the other party for the purpose of providing the Services will remain the property of the providing party. To the extent the provision of any Service involves intellectual property, including software or patented or copyrighted material, or material constituting trade secrets, neither party will copy, modify, reverse engineer, decompile or in any way alter any of such material, or otherwise use such material in a manner inconsistent with the terms and provisions of this Agreement, without the express written consent of the other party. All specifications, tapes, software, programs, services, manuals, materials, and documentation developed or provided by SHGS and utilized in performing this Agreement, will be and remain the property of SHGS and may not be sold, transferred, disseminated, or conveyed by LE to any other entity or used other than in performance of this Agreement without the express written permission of SHGS.

(h) **LE Standards.** Prior to the Effective Date, SHGS and LE have collaborated on and jointly contributed to certain information, data, processes, procedures, standards and protocols, including but not limited to those standard operating procedures, testing protocols and all other Seller requirements available on LE's vendor website (collectively, the "**LE Standards**"). The parties agree that they will jointly own such LE Standards (and any modifications thereto made by the Parties), without an obligation to account to the other party.

(i) **Contact Person**. Each party will appoint a contact person (each, a "**Contact Person**") to facilitate communications and performance under this Agreement. The initial Contact Person of each Party is set forth on Appendix #4 (Contact Persons). Each Party will have the right at any time and from time to time to replace its Contact Person by written notice to the other Party.

7. **OPERATIONAL OBLIGATIONS OF LE**.

(a) **Reporting**. LE shall consult with SHGS to jointly develop an annual budget for the Services, including allocation of SHGS personnel, travel expectations, and FOB forecast consistent with practices in effect immediately prior to the Effective Date. LE shall supply SHGS with such forecasting, and reporting information on a quarterly basis as reasonably requested by SHGS and shall supply LE a monthly actual shipment report consistent with practices in effect immediately prior to the Effective Date. LE will be the importer of record for all Merchandise purchased under this Agreement.

(b) **Merchandise Responsibility**. LE is responsible for duties, insurance, shipping and carriage costs, and all other charges related to the purchase of the Merchandise. LE will be solely responsible for (a) issuing all POs to Sellers, (b) all Merchandise acquired by LE, and (c) any problems related to such Merchandise except for problems caused by SHGS's failure to properly perform the Services; provided, however that SHGS's responsibility for problems related to Merchandise acquired by LE for problems caused by SHGS's failure to properly perform the Services is limited to the amount of the Buying Commission earned by SHGS on such Merchandise. For example, if LE places a purchase order for $30,000 of Merchandise that is defective and LE placed that order in reliance on an improperly performed Service, SHGS would be responsible to cover $600 in expenses related to that Merchandise.

8. **COMMISSIONS**.

(a) **Commission**. For the rendering of Services under this Agreement, LE shall pay SHGS the greater of the (i) Buying Commission or (ii) the Minimum Commission set forth in Section 8(c). LE shall calculate the payments due under this Section on a monthly basis (the "**Payment Period**") and shall pay the Commission as stated in Section 9(c). All Commissions paid by LE are a non-dutiable buying agency commission under the customs laws of the United States of America.

(b) **Calculation of the Buying Commission**. The "**Buying Commission**" is calculated by multiplying the F.O.B. invoice price of all Merchandise ordered by LE with the assistance of SHGS (regardless of the system used to order Merchandise), net of (i) export duties, levies, taxes, insurance, shipping and similar charges, and (ii) the price of Merchandise rejected or returned to a Seller as non-compliant or non-certified, by a commission rate of 2.0%. The Buying Commission will be calculated at time of receipt of the Merchandise consistent with practices in effect immediately prior to the Effective Date (i.e., for Merchandise for the LE Shops at Sears, as of receipt at the F.O.B. point (foreign port) and for all other Merchandise, at LE's U.S. distribution facility).

(c) **Minimum Commission**. The annual minimum commission (the "**Minimum Commission**") for each Contract Year is set forth below. Termination by SHGS under Section 3 will not relieve LE of its obligation to pay the Minimum Commission for the then current Term.

Contract Year	Minimum Commission (February - July)	Minimum Commission (August - January)	Minimum Commission (Annual)
2014*	$2,744,000	$4,116,000	$6,860,000
2015	$2,744,000	$4,116,000	$6,860,000
2016**			To be negotiated.
2017**			To be negotiated.
2018**			To be negotiated.

* The annual Minimum Commission for this Contract Year will be pro-rated based on the total number of days in the First Contract Year.
** Minimum Commission applies to this Contract Year only if this Agreement is extended under Section 2(c).

9. **PAYMENT AND REPORTING**.

(a) **Invoice Reporting**.

i. *Payment Period Invoices*. SHGS shall provide to LE, on a monthly basis, an invoice for the Commission earned or due for the Payment Period (the "**Commission Invoice**"), including any Expenses incurred in the performance of the Services for the Payment Period. For each Payment Period, the Commission Invoice will detail the Buying Commission earned for that Payment Period.

ii. *August Invoices Period*. For the invoice period ending July 31, SHGS shall compare the amount of Buying Commission earned by SHGS for the first half of that Contract Year to the respective Minimum Commission due for that period (as detailed in the chart in Section 8(c)). If the Minimum Commission for that period is greater than the Buying Commission earned in that period, SHGS shall invoice LE for the difference between the Buying Commission earned and the amount of the Minimum Commission attributable to that period.

iii. *January Invoices Period*. For the invoice period ending January 31, SHGS shall compare the amount of Buying Commission earned by SHGS for that entire Fiscal Year to the respective Minimum Commission due for that Contract Year (as detailed in the chart in Section 8(c)). If the Minimum Commission for that Contract Year is greater than the Buying Commission earned in that Contract Year, SHGS shall invoice LE for the difference between the Buying Commission earned and the amount of the Minimum Commission attributable to that Contract Year. Buying Commission earned in any Contract Year may only be credited against that Contract Year's Minimum Commission and may be aggregated to offset that Contract Year's annual Minimum Commission; but may not be used as a credit against any other Contract Year's annual Minimum Commission.

(b) **Expenses**. In addition to the Commission, LE will reimburse SHGS for all other reasonable out-of-pocket expenses actually incurred in its performance of the Services in accordance with Appendix #5 ("**Expenses**"). To the extent reasonably practicable, SHGS will provide LE with notice of such Expenses prior to incurring them. If directed by SHGS, LE will pay directly any or all third-party contractors providing Services to or for the benefit of LE.

(c) **Payment of Commission Invoices**.

i. *Ancillary Agreement Payment Reconciliation*. LE will pay SHGS the Commissions, Expenses, and Transaction Taxes in accordance with Sections 8, 9(b), and 9(f) and with the payment terms set forth in Section 14.19 of the Separation Agreement. Unless otherwise mutually agreed in writing, all amounts payable under this Agreement will be reconciled weekly and the Parties will after netting amounts due under the other Ancillary Agreements; make payments (to the Party who is owed the net amount) by electronic transfer of immediately available funds to a bank account designated by such Party from time to time. All amounts remaining unpaid for more than 15 days after their respective due date(s) will accrue interest as set forth in Section 14.19 (Payment Terms) of the Separation Agreement, until paid in full.

ii. *Compensation for Services*. Unless otherwise agreed to in writing by LE, the Commission payable under Section 8 represents SHGS's entire compensation for the Services performed on LE's behalf.

(d) **Payment of Merchandise Invoices.** LE is responsible for arranging payments to Seller for all Merchandise pursuant to the terms of LE's Merchandise purchase agreements with those Sellers. All Merchandise credit facilities or payment terms to Sellers are the sole responsibility of LE.

(e) **Rights of Recoupment and Setoff**. SHGS has the right to invoice LE for any liability or obligation that LE may owe to SHGS or its Affiliates. LE shall pay the amounts of such invoice as specified in Section 9(c). If LE does not pay such invoices, SHGS may reduce, withhold or setoff against any payment due LE from SHGS or its Affiliates. SHGS's rights to recoupment and set-off shall be senior to any claim asserted by any other party against the payment.

(f) **Taxes**. Commissions do not include applicable taxes. LE will be responsible for the payment of all taxes, duties, and tariffs payable in connection with the Services including sales, use, excise, value-added, business, service, goods and services, consumption, withholding, and other similar taxes or duties, including taxes incurred on transactions between and among SHGS, its Affiliates, and third-party contractors, along with any related interest and penalties ("**Transaction Taxes**"). LE will reimburse SHGS for any deficiency relating to Transaction Taxes that are LE's responsibility under this Agreement. Notwithstanding anything in this Section to the contrary, each party will be responsible for its own income and franchise taxes, employment taxes, and property taxes. The parties will cooperate in Good Faith to minimize Transaction Taxes to the extent legally permissible. Each party will provide to the other party any resale exemption, multiple points of use certificates, treaty certification and other exemption information reasonably requested by the other Party.

10. **SHIPPING AND HANDLING; RISK OF LOSS**.

(a) **Shipping Guidelines**. SHGS shall employ commercially reasonable efforts to ensure that Merchandise is shipped to LE in accordance with the routing guidelines attached to LE's purchase orders and letters of credit (where applicable), and by LE's carrier of choice.

(b) **Shipping Charges**. LE will be responsible for all shipping and forwarding charges in accordance with terms of sale negotiated with Seller. LE will reimburse SHGS for any authorized shipping or forwarding charges or fees SHGS incurs on LE's behalf.

(c) **Risk of Loss**. SHGS will not take title or assume the risk of loss to any Merchandise ordered on behalf of LE, including any damaged or defective goods and orders cancelled by LE. Title and risk of loss shall be borne by LE or Seller pursuant to the parties' terms of sale and the terms of LE's Merchandise purchase agreements with those Sellers.

11. **SUB-AGENTS**.

LE acknowledges and agrees that SHGS may engage sub-agents to perform some or all SHGS's services hereunder, provided, however, that in no event shall the relationship between the SHGS and sub-agent result in either party becoming a buyer or seller of Merchandise procured or to be procured under this Agreement from the other. SHGS shall advise LE in writing of the appointment of any sub-agents who may perform services under this Agreement. SHGS shall be solely responsible to ensure that its sub-agents strictly adhere to the terms and conditions of this Agreement and to pay all remuneration payable to its sub-agents.

12. **DEFENSE AND INDEMNITY; LIMITATION OF LIABILITY**.

(a) **Indemnification by LE**. LE will defend, indemnify, and hold harmless SHGS and its Affiliates and their respective Representatives from and against any and all costs, liabilities, losses, penalties, expenses and damages (including reasonable attorneys' fees) of every kind and nature arising from third-party claims, demands, litigation, and suits related to or arising out of this Agreement (together "**LE Claims**"), except to the extent that such LE Claims are found by a final judgment or opinion of an arbitrator or a court of appropriate jurisdiction to be caused by: (i) a breach of any provision of this Agreement by SHGS; or (ii) any negligent act or omission, or willful misconduct of SHGS, its Affiliates, or their respective Representatives in performance of this Agreement.

(b) **Indemnification by SHGS**. SHGS will defend, indemnify, and hold harmless LE and its Affiliates, and their respective Representatives, from and against any and all costs, liabilities, losses, penalties, expenses and damages (including reasonable attorneys' fees) of every kind and nature arising from third-party claims, demands, litigation, and suits, that: (i) relate to bodily injury or death of any person or damage to real and/or tangible personal property directly caused by the negligence or willful misconduct of SHGS or its Affiliates during the performance of the Services, or (ii) relate to the intentional infringement of any copyright or trade secret by an Asset owned by SHGS or its Affiliates and used by SHGS in the performance of the Services (together, "**SHGS Claims**"). Notwithstanding the obligations set forth above in this Section, SHGS will not defend or indemnify LE, its Affiliates, or their respective Representatives to the extent that such SHGS Claims are found by a final judgment or opinion of an arbitrator or a court of appropriate jurisdiction to be caused by: (x) a breach of any provision of this Agreement by LE; (y) any negligent act or omission, or willful misconduct of LE, its Affiliates, or their respective Representatives in performance of this Agreement; or (z) with respect to infringement claims: (I) LE's use of the Services in combination with any product or information not provided by SHGS; (II) LE's distribution, marketing or use for the benefit of third parties of the Services; (III) LE's use of the Services other than as contemplated by this Agreement; or (IV) information, direction, specification or materials provided by or on behalf of LE. LE Claims and SHGS Claims are each individually referred to as a "**Claim**."

(c) **Procedure**. In the event of a Claim, the indemnified Party will give the indemnifying Party prompt notice in writing of the Claim; but the failure to provide such notice will not release the indemnifying Party from any of its obligations under this Article except to the extent the indemnifying Party is materially prejudiced by such failure. Upon receipt of such notice the indemnifying Party will assume and will be entitled to control the defense of the Claim at its expense and through counsel of its choice, and will give notice of its intention to do so to the indemnified Party within 20 business days of the receipt of such notice from the indemnified Party. The indemnifying Party will not, without the prior written consent of the indemnified Party, (i) settle or compromise any Claim or consent to the entry of any judgment that does not include as an unconditional term thereof the delivery by the claimant or plaintiff to the indemnified Party of a written release from all liability in respect of the Claim or (ii) settle or compromise any Claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments that are indemnified hereunder. The indemnified Party will have the right at its own cost and expense to employ separate counsel and participate in the defense of any Claim.

(d) **Joint Claims**. If a third-party claim, demand, litigation, or suit involves allegations for which both Parties may invoke the obligation of the other Party to defend them under this Agreement ("**Mixed Claims**"); then LE shall defend both Parties and their Representatives from such Mixed Claims, at LE's sole reasonable expense, provided that SHGS may elect to take on the defense of such Mixed Claims.

(e) **Independent Obligation**. The obligations of each Party to defend, indemnify and hold harmless, the other Parties' Indemnified Parties under this Section are independent of each other and any other obligation of the Parties under this Agreement.

(f) **Limitation of Liability**. EXCEPT FOR (I) EACH PARTY'S OBLIGATIONS WITH RESPECT TO THE OWNERSHIP OF DATA AND OTHER ASSETS OF THE OTHER PARTY AS SET FORTH IN SECTION 6(g), (II) EACH PARTY'S INDEMNITY AND DEFENSE OBLIGATIONS AS SET FORTH IN SECTIONS 12(a), 12(b), AND 12(c), AND (III) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS, IN NO EVENT WILL EITHER PARTY, NOR ITS AFFILIATES, CONTRACTORS OR AGENTS BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES, LOSSES OR EXPENSES (INCLUDING BUSINESS INTERRUPTION, LOST BUSINESS, LOST PROFITS, LOST DATA, OR LOST SAVINGS, DAMAGES TO SOFTWARE OR FIRMWARE, OR COST OF PROCURING OR TRANSITIONING TO SUBSTITUTE SERVICES), REGARDLESS OF THE LEGAL THEORY UNDER WHICH SUCH LIABILITY IS ASSERTED, AND REGARDLESS OF WHETHER A PARTY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH LIABILITY. THE SOLE LIABILITY OF SHGS AND ITS AFFILIATES FOR ANY ERRORS AND OMISSIONS IN THE SERVICES ARE LIMITED TO THE PAYMENT OF DIRECT DAMAGES, NOT TO EXCEED (FOR ALL CLAIMS IN THE AGGREGATE) THE COMMISSIONS RECEIVED BY SHGS UNDER THIS AGREEMENT DURING THE PRIOR SIX (6) MONTHS PRIOR TO THE DATE SUCH CLAIM AROSE.

13. AUDIT

(a) Retention of Records. LE shall keep and preserve accurate records of all transactions relating to this Agreement including records of inventory purchased and delivered for the longer of: (i) the minimum period required by Applicable Law, and (ii) the Term plus two years after the Termination of this Agreement. SHGS, with reasonable notice to LE, may conduct audits of the books and records of LE to determine compliance with the accounting of Commissions provisions of this Agreement (each, an "**Audit**"). Except as provided below, Audits will occur no more than twice per calendar year and may be conducted by SHGS through itself or its authorized agents who agree to treat any information gained from such Audits as confidential in accordance with Section 14 (Confidentiality.) or terms substantially equivalent thereto.

(b) Number of Audits. In the event that an Audit or other information demonstrates that LE has underpaid Commissions by more than 5% in two or more Payment Periods, SHGS has the right to conduct Audits on a quarterly basis (unless such discrepancy was a result of incorrect information provided by SHGS or its Affiliates), until such time as LE has properly paid Commissions for three consecutive Audits, after which time SHGS will revert to auditing LE no more than twice per calendar year.

(c) Allocation of Audit Costs. SHGS shall pay for all Audits; provided that if any Audit shows a 5% or greater discrepancy in the amount of the Commission paid by LE for the applicable Payment Period(s), then LE shall pay for that Audit and any subsequent Audits for a period of one year; unless such discrepancy was a result of incorrect information provided by SHGS or its Affiliates.

(d) Late Payment. In the event that an Audit or other information demonstrates that LE has underpaid Commissions (unless such discrepancy was a result of incorrect information provided by SHGS or its Affiliates), LE shall remit to SHGS the amount of the underpayment, together with interest computed as set forth in Section 14.19 of the Separation Agreement from the date payment of the unpaid Commissions was originally due to the date of payment. Any late payment under this Section 13(d) is due 10 days after LE receives notice of the underpayment of Commissions.

14. CONFIDENTIALITY

(a) **Confidential Information**. "**Confidential Information**" means all information, whether disclosed in oral, written, visual, electronic or other form, that (i) one Party (the "**Disclosing Party**"), its Affiliates or its Personnel discloses to the other Party (the "**Receiving Party**"), its Affiliates or its Personnel, (ii) relates to or is disclosed in connection with this Agreement or a Party's or a Party's Affiliate's business, and (iii) is or reasonably should be understood by the Receiving Party to be confidential or proprietary to the Disclosing Party (whether or not such information is marked "Confidential" or "Proprietary"). The Disclosing Party's sales, pricing, costs, inventory, operations, employees, current and potential customers, financial performance and forecasts, and business plans, strategies, forecasts and analyses, as well as information as to which the Securities and Exchange Commission has granted confidential treatment pursuant to its Rule 406 of Regulation C (the "**CTR Information**"), are Confidential Information.

(b) **Treatment of Confidential Information**. The Receiving Party will use Confidential Information only in connection with this Agreement and, except as expressly permitted by this Agreement and subject to the next sentence, will not disclose any Confidential Information for three years from the date of receipt of the Confidential Information. Neither Party will disclose the CTR Information for a period of ten years from the date or receipt.

i. *Limitations*. The Receiving Party will (A) restrict disclosure of the Confidential Information to its and its Affiliates' Personnel with a need to know the Confidential Information for purposes of performing the Receiving Party's responsibilities or exercising the Receiving Party's rights under this Agreement, (B) advise those Personnel of the obligation not to disclose the Confidential Information or use the Confidential Information in a manner prohibited by this Agreement, (C) copy the Confidential Information only as necessary for those Personnel who need it for performing the Receiving Party's responsibilities under this Agreement, and ensure that confidentiality is maintained in the copying process; and (D) protect the Confidential Information, and require those Personnel to protect it, using the same degree of care as the Receiving Party uses with its own Confidential Information, but no less than reasonable care.

ii. *Liability for Unauthorized Use*. The Receiving Party will be liable to the Disclosing Party for any unauthorized disclosure or use of Confidential Information in violation of this Agreement by its Affiliates and any of its and its Affiliates' current or former Personnel.

iii. *Destruction*. Without limiting the foregoing, when any Confidential Information is no longer needed for the purposes contemplated by this Agreement the Receiving Party will, promptly after request of the Disclosing Party, either return such Confidential Information in tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party that it has destroyed such Confidential Information (other than electronic copies residing in automatic backup systems and copies retained to the extent required by Applicable Law, regulation or a bona fide document retention policy).

(c) **Exceptions to Confidential Treatment**. The obligations under this Section 14 do not apply to any Confidential Information that the Receiving Party can demonstrate (i) was previously known to the Receiving Party without any obligation owed to the Disclosing Party or its Affiliates to hold it in confidence, (ii) is disclosed to third parties by the Disclosing Party or its Affiliates without an obligation of confidentiality to the Disclosing Party or its Affiliate, as applicable, (iii) is or becomes available to any member of the public other than by unauthorized disclosure by the Receiving Party, its Affiliates or its or their Personnel, (iv) was or is independently developed by the Receiving Party or its Affiliates or Personnel without use of the Confidential Information, (v) legal counsel's advice is that the Confidential Information is required to be disclosed by Applicable Law or the rules and regulations of any applicable Governmental Authority and the Receiving Party has complied with Section 14(d) (Protective Arrangement), or (vi) legal counsel's advice is that the Confidential Information is required to be disclosed in response to a valid subpoena or order of a court or other governmental body of competent jurisdiction or other valid legal process and the Receiving Party has complied with Section 14(d) (Protective Arrangement).

(d) **Protective Arrangement**. If the Receiving Party determines that the exceptions under Sections 14(c)(v) or (vi) apply, the Receiving Party shall give the Disclosing Party, to the extent legally permitted and reasonably practicable, prompt prior notice of such disclosure and an opportunity to contest such disclosure and shall use commercially reasonable efforts to cooperate, at the expense of the Receiving Party, in seeking any reasonable protective arrangements requested by the Disclosing Party. In the event that such appropriate protective order or other remedy is not obtained, the Receiving Party may furnish, or cause to be furnished, only that portion of such Confidential Information that the Receiving Party is advised by legal counsel is legally required to be disclosed and shall take commercially reasonable steps to ensure that confidential treatment is accorded such Confidential Information.

(e) **Ownership of Information**. Except as otherwise provided in this Agreement, all Confidential Information provided by or on behalf of a Party (or its Affiliates) that is provided to the other Party or its Personnel shall remain the property of the disclosing entity and nothing herein shall be construed as granting or conferring rights of license or otherwise in any such Confidential Information

15. MISCELLANEOUS

(a) **Third Party Agreements**. The Parties anticipate that SHGS will be relying upon its and its Affiliates existing agreements with third parties to provide certain of the Services described herein ("**Third Party Agreements**") and that the Parties have assumed that SHGS's and/or its Affiliates' counterparty under each such Third Party Agreement (the "**Third Party Vendor**") will permit SHGS and/or its Affiliates to procure goods, services and/or license software, as applicable under such Third Party Agreement, on behalf of LE, at no additional cost, as if LE were an affiliate of SHGS and/or its Affiliates under such Third Party Agreement. If: (i) SHGS's or its Affiliates' costs, fees, or expenses increase under the terms of such Third Party Agreements, or (ii) the Third Party Vendor demands or is entitled to additional costs, fees, or expenses now or in the future, as a result of LE receiving benefits under such Agreement, then, in addition to all other amounts due hereunder, LE shall be liable for its proportionate share of all increased amounts under subsection (i) and all of the increased amounts under subjection (ii), in each case as such amounts are determined by SHGS in Good Faith. SHGS will notify LE once it learns of any increased amounts due under the immediately foregoing sentence, and will work with the Third Party Vendor to try to mitigate such cost increase. To the extent any such Third Party Agreement includes early termination fees (or similar charges, "**Termination Fees**"), LE will be solely responsible for any such Termination Fees SHGS or its Affiliates incur as a result of the Separation of LE and/or LE ceasing to use the Services under this Agreement.

(b) **Computer Access**. If either Party, its Affiliates or its Personnel are given access, whether on-site or through remote facilities, to any communications, computer, or electronic data storage systems of the other Party, its Affiliates or its Personnel (each an "**Electronic Resource**"), in connection with this Agreement, then the Party on behalf of whom such access is given will ensure that its Personnel's use of such access shall be solely limited to performance or exercise of, such Party's duties and rights under this Agreement, and that such Personnel will not attempt to access any Electronic Resource other than those specifically required for the performance of such duties and/or exercise of such rights. The Party given access will limit such access to those of its and its Affiliates' Personnel who need to have such access in connection with this Agreement, will advise the other Party in writing of the name of each of such Personnel who will be granted such access, and will strictly follow all security rules and procedures for use of such Electronic Resources. All user identification numbers and passwords disclosed to a Party's Personnel and any information obtained by such Party's Personnel as a result of its access to, and use of the other Party's, its Affiliates' or its Personnel's Electronic Resources will be deemed to be, and will be treated as, Confidential Information of the Party on behalf of whom such access is granted. Each Party will reasonably cooperate with the other Party in the investigation of any apparent unauthorized access by the other Party, its Affiliates, or its Personnel to any Electronic Resources or unauthorized release of Confidential Information. Each Party will promptly notify the other Party of any actual or suspected unauthorized access or disclosure of any Electronic Resource of the other Party, its Affiliates, or its Personnel.

(c) **Amendment; No Waiver**. The terms, covenants and conditions of this Agreement may be amended, modified or waived only by a written instrument signed by both Parties, or in the event of a waiver, by the Party waiving such compliance. Any Party's failure at any time to require performance of any provision will not affect that Party's right to enforce that or any other provision at a later date. No waiver of any condition or breach of any provision, term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances will be deemed to be or construed as a further or continuing waiver of that or any other condition or of the breach of that or another provision, term or covenant of this Agreement.

(d) **Assignment**. LE may not assign its rights or obligations under this Agreement without the prior written consent of SHGS, which consent may be withheld in SHGS's absolute discretion. A Stockholding Change will constitute an assignment of this Agreement by LE for which assignment SHGS's prior written consent will be required. SHGS may freely assign its rights and obligations under this Agreement to any of its Affiliates without the prior consent of LE; provided that any such assignment will not relieve SHGS of its obligations and liabilities hereunder. This Agreement will be binding on, and will inure to the benefit of, the permitted successors and assigns of the Parties.

(e) **Notices**. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given (i) when delivered by hand, (ii) three (3) Business Days after it is mailed, certified or registered mail, return receipt requested, with postage prepaid, (iii) on the same Business Day when sent by facsimile or electronic mail (return receipt requested) if the transmission is completed before 5:00 p.m. recipient's time, or one (1) Business Day after the facsimile or email is sent, if the transmission is completed on or after 5:00 p.m. recipient's time or (iv) one (1) Business Day after it is sent by Express Mail, Federal Express or other courier service specifying same day or next day delivery, as follows (or at such other address for a Party as shall be specified in a notice given in accordance with this Section):

If to SHGS, to: Sears Holdings Global Sourcing, Ltd.
56/F, Office Tower, Langham Place
8 Argyle Street
Mongkok, Hong Kong
Attn.: VP, Global Sourcing

With a Copy To:

Sears Holdings Corporation
3333 Beverly Road
Hoffman Estates, Illinois 60179
Attn.: General Counsel
Facsimile: (847) 286-2471
Email: Dane.Drobny@searshc.com

If to LE, to:

Lands' End, Inc.
5 Lands' End Lane
Dodgeville, Wisconsin 53595
Attn.: VP, Global Sourcing
Facsimile: (608) 935-4913
Email: Mary.Keenan@landsend.com

With a Copy To:

Lands' End, Inc.
5 Lands' End Lane
Dodgeville, Wisconsin 53595
Attn.: General Counsel
Facsimile: (608) 935-6550
Email: Karl.Dahlen@landsend.com

(f) **Publicity**. All publicity regarding this Agreement is subject to Section 14.5 (Public Announcements) of the Separation Agreement.

(g) **Survival**. Each term of this Agreement that would, by its nature, survive the termination or expiration of this Agreement will so survive, including the obligation of either Party to pay all amounts accrued hereunder and including the provisions of Sections 8 and 9.

(h) **No Third Party Rights**. Except for the indemnification rights under this Agreement of any SHGS or LE indemnitee in their respective capacities as such, this Agreement is intended to be solely for the benefit of the Parties and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the Parties.

(i) **Severability**. If any provision of this Agreement is declared by any court of competent jurisdiction to be illegal, invalid, void or unenforceable, such provision will (to the extent permitted under Applicable Law) be construed by modifying or limiting it so as to be legal, valid and enforceable to the maximum extent compatible with Applicable Law, and all other provisions of this Agreement will not be affected and will remain in full force and effect.

(j) **Entire Agreement**. This Agreement (including the Exhibits, Appendixes and Schedules hereto) constitutes the entire agreement between the Parties hereto and supersedes all prior agreements and understandings, oral and written, between the Parties hereto with respect to the subject matter hereof.

(k) **No Legal Service/Advice**. Notwithstanding anything herein to the contrary, SHGS shall not provide any legal services or legal advice to LE, LE is not entitled to rely on SHGS for legal advice and counsel, nor shall SHGS's advice be construed as legal advice.

(l) **Equitable Relief**. Each Party acknowledges that any breach by a Party of Section 14 (Confidential Information) of this Agreement may cause the non-breaching Party and its Affiliates irreparable harm for which the non-breaching Party and its Affiliates have no adequate remedies at law. Accordingly, in the event of any actual or threatened default in, or breach of the foregoing provisions, each Party and its Affiliates are entitled to seek equitable relief, including specific performance, and injunctive relief; in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. A Party seeking such equitable relief is not obligated to comply with Section 15(r) (Dispute Resolution) and may seek such relief regardless of any cure rights for such actual or threatened breach. Each Party waives all claims for damages by reason of the wrongful issuance of an injunction and acknowledges that its only remedy in that case is the dissolution of that injunction. Any requirements for the securing or posting of any bond with such remedy are waived.

(m) **Force Majeure**. Neither Party will be responsible to the other for any delay in or failure of performance of its obligations under this Agreement, to the extent such delay or failure is attributable to any act of God, act of terrorism, fire, accident, war, embargo or other governmental act, or riot; provided, however, that the Party affected thereby gives the other Party prompt written notice of the occurrence of any event which is likely to cause (or has caused) any delay or failure setting forth its best estimate of the length of any delay and any possibility that it will be unable to resume performance; provided, further, that said affected Party will use its commercially reasonable efforts to expeditiously overcome the effects of that event and resume performance.

(n) **Fair Construction**. This Agreement will be deemed to be the joint work product of the Parties without regard to the identity of the draftsperson, and any rule of construction that a document will be interpreted or construed against the drafting Party will not be applicable.

(o) **Independent Contractors**. Nothing in this Agreement creates a relationship of, partnership, or employer/employee between SHGS and LE and it is the intent and desire of the Parties that the relationship be and be construed as that of independent contracting parties and not as, partners, joint venturers or a relationship of employer/employee.

(p) **Construction and Interpretation**. In this Agreement (1) "include," "includes," and "including" are inclusive and mean, respectively, "include without limitation," "includes without limitation," and "including without limitation," (2) "or" is disjunctive but not necessarily exclusive, (3) "will" and "shall" expresses an imperative, an obligation, and a requirement, (4) numbered "Section" references refer to sections of this Agreement unless otherwise specified, (5) section headings are for convenience only and will have no interpretive value, (6) unless otherwise indicated all references to a number of days mean calendar (and not business) days and all references to months or years mean calendar months or years, (7) references to $ or Dollars mean U.S. Dollars, and (8) hereof," "herein" and "herewith" and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

(q) **Condition Precedent to the Effectiveness of this Agreement**. This Agreement will not become effective until it has been approved by the Audit Committee of the SHC Board (or a subcommittee thereof, including the Related Party Transactions Subcommittee).

(r) **Dispute Resolution**. Except as provided for in Section 15(l) (Equitable Relief), all Disputes related to this Agreement are subject to Article XI (Dispute Resolution) of the Separation Agreement.

(s) **Governing Law; Jurisdiction**.

i. *Governing Law*. This Agreement (and all claims, controversies or causes of action, whether in contract, tort or otherwise, that may be based upon, arise out of or relate to this Agreement or the negotiation, execution, termination, performance or nonperformance of this Agreement (including any claim, controversy or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement)) shall be governed by, and construed and enforced in accordance with, the federal laws of the United States, including the Lanham Act, and the internal laws of the State of Illinois, without regard to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois. This Agreement will not be subject to any of the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

ii. *Jurisdiction*. Each of the Parties hereto irrevocably agrees that all proceedings arising out of or relating to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other Party hereto or its successors or assigns shall be brought, heard and determined exclusively in any federal or state court sitting in Cook County, Illinois. Consistent with the preceding sentence, each of the Parties hereto hereby (a) submits to the exclusive jurisdiction of any federal or state court sitting in Cook County, Illinois for the purpose of any proceeding arising out of or relating to this Agreement or the rights and obligations arising hereunder brought by any Party hereto and (b) irrevocably waives, and agrees not to assert by way of motion, defense, counterclaim, or otherwise, in any such proceeding, any claim that it or its property is not subject personally to the jurisdiction of the above-named courts, that the proceeding is brought in an inconvenient forum, that the venue of the proceeding is improper, or that this Agreement or any of the other transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts. Each Party agrees that service of process upon such party in any such action or Proceeding shall be effective if notice is given in accordance with Section 15(e).

(t) **Waiver of Jury Trial**. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE 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 HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(u) **Counterparts**. This Agreement may be executed and delivered (including by facsimile or other electronic transmission (e.g., .pdf file) in counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

Signatures begin on the next page.

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement effective as of the Effective Date.

SHGS:

SEARS HOLDINGS GLOBAL SOURCING LTD.

By: /s/ Jay Burdett
Name: Jay Burdett
Its: Vice President

LE:

LANDS' END, INC.

By: /s/ Edgar O. Huber
Name: Edgar O. Huber
Its: Chief Executive Officer

APPENDIX #1
Glossary

"**Affiliate**" means (solely for purposes of this Agreement and for no other purpose) (i) with respect to LE, its Subsidiaries, and (ii) with respect to SHGS, SHC and its Subsidiaries; provided, however, that except where the context indicates otherwise, for purposes of this Agreement and for no other purpose, from and after the Effective Time (1) no SHC Entity shall be deemed to be an Affiliate of any LE Entity and (2) no LE Entity shall be deemed to be an Affiliate of any SHC Entity.

"**Ancillary Agreements**" has the meaning ascribed to it in the Separation Agreement.

"**Applicable Law**" means all applicable common law, laws, ordinances, regulations, rules, and court and administrative orders and decrees of all national, regional, state, local and other governmental units that have jurisdiction in the given circumstances.

"**Business Day**" means any day that is not a Saturday, a Sunday or any other day on which banks are required or authorized by Applicable Law to be closed in New York, New York.

"**Commission**" means both the Buying Commission and the Minimum Commission.

"**Competitor Affiliates**" has the meaning ascribed to it in the Separation Agreement.

"**Competitor**" has the meaning ascribed to it in the Separation Agreement.

"**Contract Year**" means each Fiscal Year during the Term, except that the first contract year (the "**First Contract Year**") begins with the Effective Date and continues through the end of SHGS current Fiscal Year.

"**Fiscal Year**" and "**Fiscal Quarter**" mean SHGS's fiscal year and fiscal quarter, as applicable.

"**Good Faith**" means honesty in fact and the observance of reasonable commercial standards of fair dealing in accordance with Applicable Law.

"**LE Entities**" has the meaning ascribed to it in the Separation Agreement.

"**Merchandise**" means the apparel, home goods, shoes, apparel accessories and other products purchased by SHGS on the instructions of LE for LE's account.

"**Personnel**" means the officers, directors, employees, agents, suppliers, licensors, licensees, contractors, subcontractors, advisors (including attorneys, accountants, technical consultants or investment bankers) and other representatives, from time to time, of a Party and its Affiliates; provided that the Personnel of the LE Entities shall not be deemed Personnel of the SHC Entities and the Personnel of the SHC Entities shall not be deemed Personnel of the LE Entities.

"**Representatives**" means Personnel, partners, shareholders, and members.

"**Sellers**" means the third-party suppliers, vendors, and manufacturers (or their respective selling agents) of the Merchandise.

"**SHC Board**" has the meaning ascribed to it in the Separation Agreement.

"**SHC Entities**" has the meaning ascribed to it in the Separation Agreement.

"**SHC**" means Sears Holdings Corporation.

"**Stockholding Change**" has the meaning ascribed to it in the Separation Agreement.

"**Subsidiaries**" has the meaning ascribed to it in the Separation Agreement.

"**Termination**" means expiration (without renewal or extension) or termination of this Agreement for any reason.

"**Territory**" means anywhere in the world.

[End of Appendix #1]

APPENDIX #2
Effective Date

The Effective Date is April 4, 2014.

End of Appendix #2

APPENDIX #3
Services

Sourcing Services	• Provide market intelligence regarding potential suppliers, manufacturers, research and evaluation of factory capability, and new vendor setup (including vendor and factory documentation.
	• Provide current and timely information on commodity pricing, country specific market intelligence, labor/wage rates by country and changes in political situation.
	• Assist LE with vendor selection, price, quality, packaging and delivery negotiation.
	• Assist LE with sourcing new fabric and fabric development, approval of production for fabric and colors.
	• Provide technical expertise to problems of fabric, prints, technical design & fits, colors and product delivery.
	• Assist LE with mill and vendor strategy in alignment with LE, including LE Standard Operating Procedures (SOP's). Identify and qualify new mills. Support fabric development and bulk submits and fabric approvals.
	• Assist LE with obtaining timely execution of Purchase Order Terms and Conditions and any other required documents.
	• Provide follow up on production and purchase order status when required, inclusive of work in progress (WIP) reporting, alerting LE of any potential delays or non-compliance.
	• Facilitate communication between LE and Sellers, when necessary, acting as translator for LE in vendor meetings and with potential vendors.
	• Educate staff, vendors and mills on LE SOP's, quality, labor compliance and purchasing requirements, as listed on LE Vendor Website.
	• Support procurement of development, production, fit and photo samples.
	• Manage color approvals and support. Train and educate mills on color SOPs, tools and expectations.
	• Provide technical design support; assist in block creation and grading, along with counter-sourcing support.
	• Validate, when requested, vendors are purchasing trims and packaging product from designated suppliers.
	• Facilitate the resolution of export document discrepancies as requested.
Marketing Services	• Act as a bridge to communicate with vendors, suppliers, and business partners of LE developments and Brand strategy as dictated by LE.
Quality Control Services	• Setup LE quality standard, certified auditor program, product safety, testing protocols, standard operation procedures and on-going training and technical support to vendors.
	• Evaluate new production facilities and conduct evaluation and approval, prior to production.
	• Conduct production facility evaluation and approval, regular quality review, manage corrective actions to vendors to ensure LE quality standards are met.

	• Designate 3rd party testing partners and fee negotiation, and ensure lab test results are in compliance, SHGS Lab Testing added services and leverage of new contract pricing. Third party designee subject to LE written approval. • Assist in negotiation with any claims for damaged / non-conforming goods, or rejected product. • Use commercially reasonable efforts to ensure no transshipment and that the services provided by SHGS comply with all currently Applicable Laws and currently applicable LE business codes • In addition to the factory visits currently performed for LE, SHGS associates will provide up to an additional 600 annual Inline/Final factory field or mill QA inspections in a given year as required or requested. • LE will be responsible for Travel expenses for travel to and from inspection sites that are 50km or more from the location of SHGS personnel. SHGS not required to Travel to a separate country or region than regions in which SHGS has personnel or to any location which SHGS deems unsafe. • Disclose any Labor Compliance violations, evidence of any transshipment or other apparent violation of law or Seller's contractual obligations as witnessed during Quality Audits at factory or made known to Agent. • Facilitate the de-identification requirements of any LE product rejected by LE. • Ensure LE has access to vendor facilities, at any time.
PO Contract Support Services	• Purchase order contract support not provided by SHGS.
IT and Software	• Continue existing IT infrastructure support.
Access to Facilities	• Provide occasional working and meeting facilities as needed and as available.
LE Business Knowledge	• Familiarize itself and remain current with LE policies and requirements. (reference LE vendor website and social compliance).
Claim resolution	• Assist in resolution of claims with vendor, mill and service provider negotiations, as needed.
Returns	• Facilitate the collection of Lands' End returns in the region, as currently provided (centralized in Hong Kong).

APPENDIX #4
Contact Person

SHGS:	Jay Burdett
LE:	Mary Keenan

APPENDIX #5
Included Expenses

The following travel and other expenses are included in the calculation of the Commissions and will not be billed separately under Section 9(b):

- Reasonable travel expenses for travel to and from inspection sites that are (i) less than 50km from, and (ii) within the same country as the location of SHGS personnel conducting the inspection.
- Reasonable travel expenses for travel to and from LE's corporate office for meetings, orientations or for enhancement of communication, up to four times a calendar year.

The following expenses are examples of Expenses which will be billed separately under Section 9(b):

- All expenses incurred for Vendor Summit functions specifically requested by LE to be organized in Hong Kong or in other countries.
- Requests for travel that are outside the scope of the mutually agreed upon annual budget (+ or minus 15%) (based upon past practices) and travel for duties beyond those set forth in this Agreement.
- Investments in fixed assets, software licenses, or other equipment required by LE (beyond what SHGS currently provides for its associates that support LE).

Exhibit 14.1

Lands' End, Inc.

Corporate Governance Guidelines

The Board of Directors of Lands' End, Inc. (the "**Board**") is committed to the maximization of stockholder value while adhering to all applicable laws and observing the highest ethical standards. These Corporate Governance Guidelines, which have been approved by the Board, should be interpreted in the context of all applicable laws and the certificate of incorporation, bylaws and other corporate governance documents of Lands' End, Inc. (the "**Corporation**"). The Board recognizes corporate governance as a matter of importance, and will review these Corporate Governance Guidelines at least annually, and more often if deemed appropriate.

1. Board Size

The Board believes that 6 to 8 members is the optimum size range for the Board. However, the Board would be willing to go to a somewhat larger size in order to accommodate the availability of an outstanding candidate.

2. Board Meetings

Directors are expected to attend the annual stockholders meeting, Board meetings, and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the Directors before the meeting, and Directors should review these materials in advance of the meeting. The independent Directors will meet regularly in executive session in conjunction with regularly scheduled Board meetings. Executive sessions of the independent Directors will occur at least twice a year as determined by the independent Directors.

A Director can make a valuable contribution through focused discussion of and relevant inquiry into management proposals. Any questions that occur to a Director, however basic, should be raised and discussed.

3. Board Agendas

The Chairman of the Board, or another designee of the Board, working with the other Directors and management, will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Corporation's long-term strategic plans and the principal issues that the Corporation will face in the future during at least one Board meeting each year.

4. Board Committees

The Board will have at all times an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. The Compensation Committee will have a Benefit-Plan Subcommittee. Members of the Audit Committee will be independent

Directors to the extent required by the rules of NASDAQ Stock Market and by other applicable laws and regulations. Members of the Benefit-Plan Subcommittee will be independent Directors to the extent required by Section 162(m) of the Internal Revenue Code (and the related rules of the Internal Revenue Service), Rule 16b-3 of the Securities and Exchange Commission, and by other applicable laws and regulations. The Board may have additional standing and temporary committees as appropriate. In general, committee members will be appointed by the Board with consideration of the desires of individual Directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees.

The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. The meeting schedule for each committee will be furnished to all Directors.

5. Election of Chairman of the Board and the CEO

In accordance with the Corporation's Bylaws, the Board elects the Chairman of the Board and elects the Chief Executive Officer. The Board has no policy with respect to the separation of the positions of Chairman of the Board and the Chief Executive Officer. As of the date of these Corporate Governance Guidelines these positions are separated. The Board believes that this issue is part of the succession planning process, which is overseen by the Compensation Committee, and that it is in the best interests of the Corporation for the Board to make a determination whenever it elects a new Chairman of the Board or Chief Executive Officer.

6. Director Qualifications/Attributes

Board members must possess a high degree of integrity and should have broad knowledge, experience, and mature judgment. In addition to the meaningful economic commitment to the Corporation that is expressed in the "Stock Ownership" section of these Corporate Governance Guidelines, members should possess predominately business backgrounds, have experience at policy-making levels in business or technology, and bring a diverse set of business experiences and perspectives to the Board.

7. Director Independence

In accordance with the rules of the NASDAQ Stock Market, by the earlier of April 4, 2015 and the Company's first annual stockholders meeting a majority of the Directors will be independent.

8. Term Limits

The Board does not believe it should establish term limits. While term limits could help insure that there are fresh ideas and viewpoints available to the Board, they have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and, therefore, provide an increasing contribution to the Board as a whole.

9. Director Selection

The Nominating and Corporate Governance Committee is responsible for reviewing the qualifications and independence of the members of the Board and its various committees on a periodic basis as well as the composition of the Board as a whole. This assessment will include members' qualifications, their economic interest in the Corporation, as well as consideration of diversity, age, skills, and experience in the context of the needs of the Board. Nominees for directorship will be recommended to the Board by the Nominating and Corporate Governance Committee in accordance with the policies and principles in its charter.

The ultimate responsibility for selection of new candidates resides with the Board of Directors.

10. Director Orientation

The CEO and the General Counsel shall provide an orientation program for Directors to enable them to carry out their responsibilities. Orientation will include, at a minimum, briefing sessions with corporate senior management regarding the Corporation's financials, strategic plans, and key policies. Orientation may also include store visits with senior management to familiarize Directors with basic merchandising and store operations.

11. Director Access to Officers and Employees

Directors have full and free access to officers and employees of the Corporation. Any meetings or contacts that a Director wishes to initiate may be arranged through the CEO or the Secretary or directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Corporation and will, to the extent appropriate, copy the CEO on any written communications between a Director and an officer or employee of the Corporation.

The Board welcomes regular attendance at each Board meeting of the appropriate representatives of senior management of the Corporation as shall be determined from time to time, subject to the Board's right in all instances to meet in executive session or with a more limited number of management representatives. If the CEO wishes to have additional Corporation personnel attend on a regular basis, this suggestion should be brought to the Chairman of the Board for consideration.

12. Director Responsibilities

The basic responsibility of the Directors is to exercise their business judgment in good faith to act in what they reasonably believe to be in the best interests of the Corporation. In discharging that obligation, Directors should be entitled to rely on the honesty and integrity of their fellow Directors and the Corporation's senior executives and outside advisors and auditors. The Directors shall also be entitled to have the Corporation purchase reasonable Directors' and Officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Corporation's articles of incorporation, by-laws and any indemnification agreements, and to exculpation as provided by state law and the Corporation's articles of incorporation.

The Board and each committee have the power to hire at the expense of the Corporation independent legal, financial, and other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Corporation in advance. The Board and each committee recognize that the expenses incurred by the Board are ultimately paid for by the stockholders. The Board and its committees are committed to evaluating the benefit and the cost to the stockholders of its actions. Directors are expected to devote the time and to have the ability to analyze and evaluate business decisions without the reliance on outside advisors, except where the specific circumstances dictate otherwise.

The Board expects that each of its Directors will periodically visit Corporation stores throughout the country and report to the CEO and the other members of the Board on the results of such visits. The CEO will provide a key items list to help Directors generate the most value from those trips and will provide financial details on the stores in advance upon a Director's request.

13. Changes in Professional Responsibility

Individual Directors who change the principal occupation, position, or responsibility they held when they were elected to the Board should volunteer to resign from the Board. While the Directors who retire or change from the position they held when they joined the Board should not necessarily leave the Board, there should be an opportunity for the Board through the Nominating and Corporate Governance Committee to review the continued appropriateness of Board membership when there has been a change in the professional role of a Director.

14. Outside Directorships

Directors should advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board. There should be an opportunity for the Board through the Nominating and Corporate Governance Committee to review the Director's availability to fulfill his or her responsibilities as a Director if he or she serves on more than three other public company boards. These Corporate Governance Guidelines apply equally to the CEO and the other executives and officers of the Corporation.

15. Public Communications

The Board believes that the management speaks publicly for the Corporation. While individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Corporation, the Board expects that Board members will speak publicly for the Corporation only with the knowledge of the management and, absent unusual circumstances, only at the request of management.

16. Ethics

Directors are expected to act in compliance with these Corporate Governance Guidelines, the Board of Directors Code of Conduct, and applicable laws and regulations. Employee Directors are also governed by the Corporation's Code of Conduct.

17. Director Compensation

The form and amount of Director compensation will be determined from time to time by the Board, taking into account any review and recommendations of the Nominating and Corporate Governance Committee. The Board will consider that Directors' independence may be jeopardized if Director compensation and perquisites exceed customary levels, if the Corporation makes substantial charitable contributions to organizations with which a Director is affiliated, or if the Corporation enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization with which the Director is affiliated.

The Board expects that the contribution to the value of the Corporation by its Directors will ultimately be reflected in the price of the Corporation's common stock. Therefore, over the long-term, the most effective form of compensation to Directors is the appreciation in the price of the Corporation's common stock held by the Directors.

18. Stock Ownership

It is important to align the interests of Board members and the Corporation's stockholders. To that end, the Board requires that each non-employee Director acquire a number of shares of the Corporation's common stock in an amount that, at cost, is equal to one times the amount of the Director's annual retainer in effect on the date when the Director first becomes a member of the Board (such dollar amount the "**Retainer Amount**"). The Director must meet the foregoing acquisition requirement by the third anniversary of that date unless, due to employment or legal restrictions, the Director is unable to acquire the Corporation's common stock. During the Director's Board service the Board expects that the Director will continue to beneficially own a number of shares of the Corporation's common stock the market value of which is no less than the Retainer Amount.

19. CEO and Board Annual Evaluation

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board of Directors will review the Compensation Committee's report in order to confirm that the CEO is providing effective leadership for the Corporation in the long- and short-term.

The Compensation Committee should periodically report to the Board on succession planning. The entire Board will work with the Compensation Committee to nominate and evaluate potential successors to the CEO. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee will receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Corporation and specifically focus on areas in which the Board or management believes that the Board could improve.

Exhibit 14.2

Lands' End, Inc.

Code of Conduct

Adopted March 14, 2014

Table of Contents

I. INTRODUCTION

Lands' End, Inc. (together with its subsidiaries, "**LE**") values honesty, integrity and adherence to the highest ethical standards. As associates, each of us has a responsibility for upholding these values and maintaining a commitment to basic principles of business ethics and good judgment. As part of this commitment, LE has instituted a series of policies and procedures to reaffirm its dedication to the highest ethical standards.

Attached is the LE Code of Conduct (this "**Code**"). This Code applies to all officers and associates of LE. This Code embodies our values and sets forth the principles to guide our behavior. It is important for each of us to fully understand these principles and to commit ourselves to them in all our business activities. It is up to each of us to ensure that all of our business relationships are conducted with integrity and honesty and reflect both the letter and spirit of this Code. A good starting point is to act with integrity in everything you do and to never engage in behavior that would undermine the reputation of LE, your peers or yourself. If you would be ashamed to have your friends and family read about what you did at work today in tomorrow morning's newspaper, then don't do it.

This Code reflects our values and defines the common-sense behaviors required of all of us to ensure that LE maintains legal and ethical business practices.

We believe abiding by this Code will make LE a better, more profitable company.

Edgar Huber Chief Executive Officer and President

II. GENERAL[1]

SCOPE; RESPONSIBILITIES. This Code is at the essence of LE's management philosophy and provides an overview of standards of behavior applicable to all LE associates. It is not, however, an exhaustive statement of LE policies and procedures, and does not address every potential scenario. When faced with questions beyond those addressed in this Code, associates are expected to follow both the spirit and letter of this Code and LE policies and procedures that govern the issue. In reading this Code and LE's policies it is important to remember that we as LE associates have a duty to do the right thing under all circumstances, and this includes avoiding all situations that have even the appearance of impropriety. Taken together, this Code and LE policies and procedures set forth the requirements for responsible behavior. LE's management, customers, business associates, regulators and shareholders expect all LE associates to observe these high standards, to comply with laws and regulations, and to use good judgment in situations where rules may not clearly define the appropriate course of action.

1 This Code is not a contract of employment, and does not create any contractual rights between you and Lands' End, Inc. or any of its subsidiaries. Employment at LE is on an "at-will" basis. This means that you can terminate your employment whenever you wish, for any reason, just as LE may terminate your employment at any time, with or without notice and with or without cause.
This Code supersedes all other policies, procedures, instructions, practices, rules or verbal representations of LE to the extent they are inconsistent. However, after consultation with and approval of the Chief Executive Officer and the General Counsel, individual business teams may adopt policies and procedures that are more restrictive than this Code.

ADDITIONAL RESPONSIBILITY FOR MANAGERS. LE's managers are expected to exemplify the highest standards of ethical business conduct. Pursuant to LE's open door policy, managers are intended to promote open discussion of ethical and legal implications of business decisions. Managers have a responsibility to create and sustain a work environment in which associates, contractors, and vendors know that ethical, legal behavior is expected. This responsibility includes ensuring that this Code is communicated to those associates, contractors, and vendors working for or with the manager. It also means managers are responsible for ensuring that subordinates are properly trained and familiar with policies required to do their jobs.

ACKNOWLEDGEMENT. Associates acknowledge their understanding and agreement to comply with this Code upon commencement of employment. Upon request, associates also periodically re-affirm their agreement to comply with this Code.

DISCIPLINARY ACTION. LE will enforce compliance with this Code and all LE policies and procedures through appropriate disciplinary action up to and including termination of employment and legal action. Adequate LE discipline of individuals responsible for an offense is a necessary component of enforcement. The appropriate form of discipline by LE will be case-specific and fairly applied. A few examples of conduct that may result in discipline include: (i) violation of the law or LE policy, including requesting or directing others to violate the law or LE policy; (ii) failure to report a known or suspected violation of LE policy; (iii) failure to cooperate in an investigation of possible violations of LE policy; (iv) retaliation against another associate for reporting a concern or violation; (v) intentional false reporting of another associate; (vi) failure to monitor and oversee compliance with LE policies and applicable law by subordinates effectively; and (vii) unauthorized disclosure of confidential information relating to LE or LE associates (if the confidential information relating to LE associates was obtained in violation of law or lawful LE policy),vendors or customers.

QUESTIONS. If you have any questions about this Code, a LE policy, or any suspected improper conduct, you have an obligation as an associate to contact and discuss the matter with your supervisor or department manager, an officer, a Human Resources representative, or the Law Department. If you raise a concern with one of these contacts and the issue is not resolved, you should raise it with one of the other contacts.

III. POLICIES

ACCOUNTING AND REPORTING PRACTICES

LE and its associates must follow generally accepted accounting principles and maintain appropriate control policies and procedures. The law requires accurate and reliable business records; accordingly, all assets, liabilities, income and expenses shall be correctly identified and accurately recorded in the appropriate corporate books of account. False or misleading entries or exclusions are unlawful and are not permitted. Management and internal and independent auditors

and examiners must be given access to all information necessary for them to conduct appropriate reviews. LE and its associates shall provide full, fair, accurate, timely and understandable disclosure in reports and documents that LE files with the Securities and Exchange Commission and in other public filings and communications made by LE.

Issues regarding accounting, internal accounting controls, and auditing matters should be directed to LE's Governance Hotline at [•] or [•], or in writing to the Audit Committee Chair, c/o Secretary.

ANTITRUST

LE is subject to complex antitrust laws designed to preserve competition among enterprises and to protect consumers from unfair business arrangements and practices. You are expected to comply with these laws at all times. Many situations create the potential for unlawful anti- competitive conduct and should be avoided. These include, for example:

COMMUNICATIONS WITH COMPETITORS. Unless authorized by the General Counsel in writing, associates may not discuss with competitors any LE pricing, plans, or other competitive marketing information, including relationships with our vendors. Additionally, associates may not make any agreements, directly or indirectly, with a competitor regarding price, terms, conditions of sale, boycotts, or market allocation.

COMMUNICATIONS WITH VENDORS. LE encourages regular communication with our vendors, indeed, such communication is a necessity. However, unless authorized by the General Counsel in writing, associates may not make any agreements, directly or indirectly, with any vendors on the retail price of a product. While vendors may suggest retail pricing, the actual pricing on our merchandise is solely and always LE's decision.

The monetary fines for antitrust violations can be high, and the cost to LE's reputation even higher. If you have any questions about potential antitrust implications, consult with LE's Law Department.

CHARITABLE CONTRIBUTIONS AND POLITICAL ACTIVITIES

LE encourages our associates to become involved in community activities and charitable organizations. However, no associate may bring undue pressure on another associate to contribute to a charitable organization. LE respects the rights of our associates to participate in the political process. Indeed, engaging in the process builds a stronger community and a better political system. However, you must at all times make clear that your views and actions are your own, and not those of LE. Additionally, associates may not use LE time or resources to support personal political activities or use their position to coerce or pressure associates to make contributions or support a candidate or political cause.

COMMERCIAL BRIBERY

No LE associate should directly or indirectly pay or receive a bribe or kickback intended to influence business conduct. LE further prohibits any activity that creates the appearance of improper conduct.

Nothing of value may be given or received by a LE associate to bribe or influence a decision by LE or a vendor, supplier, subcontractor, competitor (or their agents), or governmental official or their representatives. A LE associate may never accept from a vendor any personal services, promise of employment, samples for personal use, or money or its equivalent.

COMMUNICATIONS

WITH GOVERNMENTAL AGENCIES. LE regularly and routinely cooperates with all governmental agencies, including requests for information and facility visits. LE's Law Department will represent LE in such situations and will determine what information is appropriate to supply to investigators. If you are contacted by any governmental agency you should contact the Law Department immediately for assistance.

WITH THE MEDIA. To ensure consistent, accurate delivery of LE information, associates are not authorized to answer questions from the news media, securities analysts, or investors. When approached for information, you should refer the person to LE's Chief Financial Officer.

WITH VENDORS. LE encourages regular communication with our vendors. However, a LE associate should not provide any information to a vendor that could advantage the vendor in negotiating terms of its relationship with LE. Sears Holdings Corporation and several of its subsidiaries (together, "**SHC**") are vendors to LE. Special rules are applicable to the LE-SHC relationship. You must contact the Law Department if you are uncertain about how and when these rules apply. If you are involved in proposals, bid preparations or contract negotiations, be certain that all statements, communications and representations you make are accurate and truthful. Make sure all relationships with vendors and suppliers are conducted at arms-length and are based on objective criteria, fairness and the best interest of LE. Information regarding a competitive bidding process which is not formally communicated to all vendors involved in the bidding (such as where a vendor's proposal stands relative to other bidders or what changes would have to be made to the vendor's proposal for the vendor to be awarded the business) should never be disclosed to a vendor.

WITH EACH OTHER AND THE PUBLIC. Each associate is responsible for maintaining professionalism when communicating with each other and the public. You can enhance or injure LE's image with every written, verbal or electronic communication. LE associates should not engage in communications that are distasteful, obscene or defamatory.

CONFIDENTIAL INFORMATION AND PRIVACY

While working at LE, and after you cease employment with LE, you must protect confidential, non-public information that you obtain or create for LE. You must take precautionary measures to prevent unauthorized disclosures of confidential information. This includes ensuring that access to work areas and computers is properly controlled, and refraining from discussions of sensitive matters in public places, such as elevators, hallways, restaurants, restrooms, etc.

You must not disclose proprietary or confidential information about LE, other associates (if the proprietary or confidential information about other associates was obtained in violation of law or lawful LE policy), vendors, or customers, to anyone (including other associates) not authorized to receive it or with no need to know the information. Not disclosing confidential information means not communicating the information by any means including, without limitation, orally, in writing, or electronically (e.g., in person or via telephone, mail, fax, email, Internet "chat rooms" or social networking websites, posting to community bulletin boards, or otherwise). In addition to the foregoing, you are also prohibited from using any proprietary or confidential information for any unauthorized purpose, including for your own personal gain.

LE INFORMATION. By way of illustration, LE confidential and proprietary information includes: (i) any LE system, information, or process; (ii) any non-public information about LE's operations, results, strategies or projections; (iii) any non- public information about LE's business plans, business processes, or vendor relationships; (iv) any non-public information about LE's technology systems; and (v) any other non-public information received during the course of your employment, whether about customers, vendors, or other associates, if the non-public information about associates was obtained in violation of law or lawful LE policy.

ASSOCIATE INFORMATION. LE will comply with all applicable laws and regulations regarding the privacy of associate information, including the privacy of associate medical information.

PRIOR EMPLOYER INFORMATION. LE recognizes that its associates may have had access to a prior employer's confidential or proprietary information, including arising from employment at SHC or one of its subsidiaries. All associates must respect the confidential nature of that information and not disclose it in connection with your employment at LE.

VENDOR INFORMATION. Our vendors are our business associates. In addition to being obligated to not disclose non-public LE information to our vendors, you must also respect the confidentiality of any non-public proprietary information given to you by a vendor. For example, you may not share pricing data among competing vendors.

CUSTOMER INFORMATION. LE respects the privacy of our customers. You must maintain the confidentiality and privacy of all personal, nonpublic information of our customers in accordance with all applicable laws, including customer financial information and medical information, and, as associates, you are expected to employ all necessary physical, electronic and procedural safeguards to ensure such compliance.

COMPETITIVE INFORMATION. LE is involved in a very competitive business and we are always looking for a competitive edge, but we are committed to obtaining that competitive edge in an honest and ethical manner. LE associates shall not collect competitive information in an unethical or illegal manner and will not deal with vendors who attempt to use such inappropriately gathered information as an incentive to gain our business.

SHC INFORMATION SYSTEMS. LE associates may be given permission by LE or SHC to access SHC's information systems for the purpose of retrieving and viewing LE information. With respect to this access, LE associates may not retrieve or view, or seek to retrieve or view, material nonpublic information or other confidential or proprietary information concerning SHC or its businesses, customers, associates, vendors, or others (together "**SHC Confidential Information**"). LE associates must protect and keep confidential all SHC Confidential Information and may not disclose SHC Confidential Information to anyone.

CONFLICTS OF INTEREST / PERSONAL BENEFITS

As an associate, you must be sensitive to any activities, interests or relationships that might interfere with, or even appear to interfere with, your or any other associate's ability to act in the best interest of LE. Because it is impossible to describe every potential conflict, LE relies on your commitment to exercise sound judgment, to seek advice when appropriate, and to adhere to the highest ethical standards in the conduct of your personal and professional affairs.

GIFTS, MEALS, ENTERTAINMENT. Except as expressly permitted below, associates may not accept gifts or the conveyance of anything of more than nominal value, including entertainment such as tickets to sporting events, from a vendor (as used in this Code, "vendor" means a current or prospective vendor and includes vendors of merchandise, supplies, equipment, software or any other commodity, consultants and service providers, and any other type of entity or organization that LE may transact business with) absent pre-approval of your manager and the General Counsel.

***You must <u>never</u> accept a gift under any circumstances and regardless of value if it could appear to others that your business judgment has been compromised*.** Similarly, you must not allow a family member, close friend or other person with whom you have a close personal relationship to accept gifts, services, or preferential treatment from any vendor in exchange for a past, current, or future business relationship with LE.

<u>Gifts</u> ***You must <u>never</u> request or encourage a vendor to provide a gift, regardless of value*.** In situations where it is customary or conducive to maintaining good business relationships, it is permissible to accept infrequent, non-cash gifts of nominal value (no more than $50) which have been offered by a vendor. LE associates should return non-perishable gifts valued over $50 and donate perishable gifts to a charitable organization or share them with other associates.

Business meals Although it is common to conduct business over lunch or dinner, you must use good judgment when allowing a vendor to pay for a meal. ***Reasonable business meals at which the giver is present are permissible if occasional rather than frequent and the value of the meal is appropriate to the circumstances.*** Avoid lavish or excessive meals where acceptance could create the impression of favoritism.

Business entertainment LE associates may accept occasional offers of business-related entertainment, including tickets to a sporting event or concert if (1) the giver will be present, (2) the value of the ticket is no greater than $250 (not to exceed $500 annually from any one vendor), and (3) business will be discussed at the event.

Accepting tickets valued at greater than $250, or tickets to highly sought-after events where the actual value of the ticket is much greater than the printed or face value, is not permissible absent pre-approval of your manager and the General Counsel. Examples of such "big ticket" events where pre-approval is required include the Super Bowl, the World Series, the Western Open, the NBA Finals, the Stanley Cup Finals and any playoffs leading up to any of the foregoing events.

If any of the criteria for accepting business entertainment is not met, the entertainment is considered a gift and is subject to the $50 gift limit and other above-stated requirements.

TRAVEL, CONFERENCES. Unless approved by the General Counsel, travel or lodging should not be paid for by a vendor. If you are offered travel or lodging from a vendor and (1) it is not for entertainment or recreational purposes and (2) you believe there are valid business reasons for accepting such offer, you must first obtain the approval of your manager and then request approval from the General Counsel. The request for approval must come from your manager, evidencing his or her approval of the request, and must include your name and position at LE, the nature of the travel and lodging and your business reason for wanting to accept the offer. The request to accept the accommodations will be approved or denied by the General Counsel.

FAMILY / FRIENDS. A conflict of interest may arise if you have a family member, close friend or other person with whom you have a close personal relationship who is employed by, or has an interest in, a vendor. Family members include siblings, parents, children, spouses, and in-laws, and may also include other family members depending upon the nature of the relationship.

If you have a family member, close friend or other person with whom you have a close personal relationship who has an interest in or is employed by a competitor or a vendor, you are required to disclose the nature of the relationship to your area's Senior Vice President and the General Counsel. If you are at all unsure as to whether a conflict of interest exists due to a business relationship involving any such person, you should discuss the relationship with your supervisor and the General Counsel to determine the best course of action.

OUTSIDE EMPLOYMENT. LE prohibits all salaried associates and all hourly associates with management responsibilities from working for or receiving payment from any vendor or competitor of LE. A conflict of interest may also arise if an associate's outside employment activities are so demanding that they interfere with the associate's

responsibilities to LE. In no event should an associate be engaged in other employment activities on LE time or while using LE resources. A full-time associate must disclose any outside employment to his/her supervisor, and if the supervisor has any questions he or she should contact the Law Department for guidance.

FORMER ASSOCIATES. Unless you have received written approval from your area's senior manager and from the General Counsel, you may not engage in any LE-related business with a former LE associate (other than a former LE associate who is employed by SHC) for at least twelve months following the date the former associate ceases employment with LE.

DISCLOSURE. The best way to avoid an embarrassing—or even a job threatening—situation is to disclose any situation that may have the potential to be misinterpreted by others. If you have any questions about an actual or potential conflict of interest, including the appropriateness of accepting a gift or invitation, you should discuss the matter with your supervisor and the General Counsel.

CUSTOMS AND IMPORT

Several U.S. laws restrict or prohibit trade with certain countries. You are expected to comply with all U.S. export restrictions, as well as applicable export control laws of each country in which LE business is conducted.

You must also comply with the Foreign Corrupt Practices Act, which prohibits LE from directly or indirectly offering or authorizing payment of money or anything of value to foreign governmental officials, parties, or candidates for the purpose of influencing the acts or decisions of foreign officials. If you have any questions, please consult with the Law Department.

ENVIRONMENTAL LAWS

LE is committed to being an environmentally responsible corporate citizen. You are expected to comply with or exceed all applicable laws and regulations related to the environment in each of our facilities. We encourage associates to minimize the impact of LE's business operations on the environment with methods that are socially responsible and economically sound.

FRAUD

It is the policy of LE to comply with the law and to maintain accurate records of its business. All associates are responsible for recognizing and reporting fraud, falsification of records, or other irregularities. Managers should become familiar with the types of irregularities that might occur in their area of responsibility and must establish standards and procedures designed to prevent and detect irregularities.

Fraud applies to any irregularity or suspected irregularity related to LE business and involving associates, vendors, or persons providing service or materials to LE. Irregularities include, but are not limited to, the following:

- Forgery or alteration of any document
- Misappropriation, destruction, or disappearance of funds, inventory, supplies or other LE assets, whether tangible or intangible
- Impropriety in the handling or reporting of financial transactions
- False, fictitious, or misleading entries or reports
- False or misleading statements to those conducting investigation of irregularities

Associates must immediately report all suspected irregularities and acts of fraud to LE's Governance Hotline or the General Counsel. LE's ability to investigate and remediate fraud successfully depends on prompt and confidential reporting. If you suspect fraud, do not discuss the matter with any of the individuals involved, do not attempt to investigate or determine facts on your own, and do not discuss your suspicions with anyone unless specifically directed or authorized to do so by a member of the investigations team.

All investigations under this Code, including those regarding allegations of fraud or other irregularities, will be under the direction of the General Counsel, who will coordinate with Human Resources and others, as necessary and appropriate.

Associates must cooperate with all investigations and provide accurate and truthful information. Associates must not disclose or discuss the fact that an investigation is being conducted or has been conducted, and must not disclose the results of any investigation to anyone except those persons in LE or law enforcement who need to know in order to perform their duties, or except as otherwise required by law.

GOVERNMENT CONTRACTS

Special rules and regulations apply to companies conducting business with the government. Before engaging in any sales to federal or state governmental agencies or entering into any other business relationship with these agencies, you must consult with and obtain the approval of the Law Department.

INTELLECTUAL PROPERTY

LE owns all inventions, discoveries, ideas, trade secrets, and original works of authorship that an associate conceives or develops either alone or jointly with others during the course of employment with LE or using LE resources. As an associate, you agree to help LE document LE's ownership of this intellectual property, which includes: (i) promptly and completely communicating to LE management your conception or development of its intellectual property; (ii) maintaining current and appropriate notes, sketches, and other records thereof; (iii) assigning to LE all right, title, and interest in such intellectual property; and (iv) performing all acts and, on request, executing all necessary and appropriate documents to enable LE to obtain all right, title, and interest in and to such intellectual property and whatever other legal protection LE deems appropriate.

LE has the sole right to determine the terms and conditions of any disposition of its intellectual property, which may be made with or without monetary compensation, and you have no right to share in any monetary compensation or other receipts resulting from the intellectual property.

PRODUCT SAFETY

LE is committed to offering quality, safe products. LE may be subject to monetary penalties, costly litigation, and negative publicity for violating product-safety laws. If you see or suspect any product-safety violation, you should immediately report it to ensure that unsafe products are removed from sale to the Law Department.

SECURITIES LAWS

All associates are required to comply with the federal laws and this Code regarding the disclosure and use of material non-public information. Anyone who possesses material non-public information and who buys or sells stock or other equity securities of LE or any other public company, including SHC, or "tips" another investor, may be liable for damages, civil and criminal penalties and may also be subject to disciplinary action by LE. In order to avoid violations of law or this Code, you should follow these specific guidelines:

Insider Trading

It is illegal to trade in securities based on inside information. Inside information is any information about LE or another company that has not reached the public and is likely to be considered important by investors in deciding whether to buy or sell publicly traded securities. Examples include news about LE's financial results before it is formally released, planned actions regarding LE stock, and unannounced senior management changes. Inside information also includes non-public information about other companies, including SHC, that you receive in the course of your employment.

Associates who have access to inside information hold special positions of trust and confidence, and must not abuse this trust. Never trade in securities or other property based on inside information, or "tip" others who might make an investment decision based on this information. Trading under such circumstances is illegal, whether you trade for your own benefit or for the benefit of others. Do not take advantage of inside information when buying or selling LE stock, options in LE stock, or the stock of any supplier or customer of LE or one of its subsidiaries. This applies whether you act directly or through someone else, such as a family member. Stricter standards apply to officers and certain other manager-level associates. Contact the Law Department if you have any doubts about the information you use to help make buying or selling decisions.

USE AND PROTECTION OF COMPANY ASSETS

During the course of employment with LE, associates are entrusted with numerous assets belonging to LE. These assets include not only cash and financial assets, but also computers, telephones, supplies, inventory, and other equipment and technology belonging to LE. These assets are intended for LE business use, and you have a responsibility to protect these assets. Personal use is generally prohibited. Any act involving fraud, theft, embezzlement or misappropriation of LE assets is strictly prohibited. LE assets such as computers, email, and telephone systems may be monitored by LE to promote quality control and confirm appropriate use.

If separated from LE, you agree to return to LE all LE property at the time of separation, including laptops, pagers, smart or other mobile phones, Blackberry devices, tablets, and any other LE property.

Outdated, excess, or otherwise unneeded assets of LE (e.g., supplies, fixtures, equipment, etc.) are the property of LE and may not be disposed of without permission from the Chief Operating Officer. Associates may not directly or indirectly purchase such assets unless for sale at a designated selling location.

LE will implement an appropriate Document Retention Policy that will apply to all of LE's documents, including printed and electronic correspondence.

VENDOR SAMPLES

Samples of merchandise from vendors that are not returned to the vendor are the property of LE. Under no circumstances may an associate accept, keep, or purchase a sample directly from a vendor. All samples must be disposed of through a sales location designated by LE or, if not saleable, either given as a charitable donation to a charity designated by LE under the supervision of the Chief Operating Officer or destroyed as designated by the Chief Operating Officer.

VENDOR STANDARDS

LE is committed to doing business with vendors who conduct business ethically and legally. LE vendors are expected to sign all of LE's vendor policies in effect from time to time. LE may terminate its business relationship with any vendor refusing to sign or comply with LE's these policies.

WORKPLACE

FAIR EMPLOYMENT PRACTICES AND DIVERSITY. LE is fully committed to equal employment opportunity and compliance with the letter and spirit of the full range of fair employment practices and nondiscrimination laws, including all wage and hour laws. LE prohibits any "off the clock" work, and strictly forbids conduct by associates that may encourage the inaccurate recording of time. In addition, we believe that diversity is critical to our success. LE seeks to hire, develop and retain the most talented individuals from a diverse candidate pool.

HARASSMENT. LE associates have the right to work in an environment free from discrimination, harassment and intimidation, whether committed by or against a co- worker, supervisor, customer, vendor or visitor. Harassment, whether based on a person's gender, sexual orientation, race, ethnicity, religion, national origin, citizenship, age, disability, socioeconomic status or marital status, is repugnant and completely inconsistent with LE's commitment to provide a respectful, professional and dignified workplace. Discrimination in any area of employment, including hiring, advancement, compensation, discipline, and termination, will not be tolerated. LE also prohibits any associate from making any claim known by that associate to be false.

SAFE AND HEALTHY WORKPLACE. To meet our responsibilities to associates, customers, and investors, LE must maintain a healthy and productive workplace. Associates must report all safety concerns or accidents no matter how slight the problem. Violence or the threat of violence will not be tolerated, whether committed by or against a co-worker, supervisor, customer, vendor or visitor. Misusing controlled substances or selling, manufacturing, distributing, possessing, using or being under the influence of alcohol or illegal substances on the job is absolutely prohibited.

IV. REPORTING PROCEDURES

Maintaining ethical standards is the responsibility and obligation of every LE associate. Early identification and resolution of conflict of interest and other ethical issues that may arise are critical to maintaining our commitments to our customers, vendors, investors, and to ourselves and our co-workers. LE associates are expected to treat compliance with ethical standards as a critical element of their responsibilities. While this Code sets forth a wide range of practices and procedures, it cannot address every issue that may arise. If you are unsure of what to do in a situation, you should seek additional guidance and information before you act. If something seems unethical or improper, or if you have questions regarding the best course of action, you should promptly contact any of the following:

- Your supervisor, department manager, or any LE officer
- Your Human Resources Representative
- The General Counsel
- LE's Governance Hotline at [•]

LE's Governance Hotline is operated by specially trained third-party representatives. The Hotline is available 24 hours a day, 7 days a week. Hotline representatives will listen to your information and report it to the Company's Human Resources Department and to the Chief Compliance Officer. The Human Resources Department will determine whether any action should be taken (in consultation with the Chief Compliance Officer when necessary), take all appropriate action, and notify the Chief Compliance Officer as to the action taken.

It is against LE policy to retaliate against any associate who raises a concern in good faith and, if requested and to the extent possible, every effort will be made to maintain confidentiality. All reported violations will be acted on appropriately. If your concern requires an investigation, LE will respond promptly. If possible, you will be informed about the status of the investigation and the outcome of the matter. However, LE has an obligation of confidentiality to all associates, including those being investigated.

V. SENSITIVE INVESTIGATIONS COMMITTEE

A "**Sensitive Complaint**" is a complaint with respect to LE or any of its employees or members of the Board of Directors containing allegations that:

- Concern improprieties in accounting, auditing, financial record keeping or internal accounting controls,
- Involve conduct of officers,
- Have realistic potential to cause significant financial, legal or regulatory consequences for LE,
- Might reasonably result in significant adverse publicity,
- Involve the systematic violation of customer trust, or
- Concern systemic criminal conduct not otherwise covered by one of the above categories.

Any person who has or receives a complaint that he or she believes may reasonably be a Sensitive Complaint should forward that complaint immediately to the Chief Compliance Officer in a manner that clearly identifies the matter as a potential Sensitive Complaint.

1. The Sensitive Investigations Committee shall consist of the Vice President, Human Resources, the General Counsel, the Chief Compliance Officer (if not the General Counsel) and the Chief Financial Officer and their designees.

2. Oversight of Sensitive Investigations: The Sensitive Investigations Committee shall review all Sensitive Complaints and shall initiate and oversee investigations of Sensitive Complaints. The Sensitive Investigations Committee shall determine the necessity of investigations on a case-by-case basis.

    A. The Sensitive Investigations Committee shall have the authority to direct LE internal resources (such as Internal Audit and Law Department) to conduct such investigations. The Sensitive Investigations Committee shall also have the authority to direct the Law Department or outside counsel to engage outside resources to conduct an investigation whenever the Sensitive Investigations Committee determines a conflict of interest exists in using a LE internal resource, or the nature of the investigation requires outside expertise or perspective.

    B. The Sensitive Investigations Committee shall report to the Audit Committee of the Board of Directors the existence of any Sensitive Complaint regarding accounting, internal accounting controls, or auditing matters, and shall keep the audit committee informed of the progress and results of the investigations of such matters.

    C. A member of the Sensitive Investigations Committee who is implicated in connection with a Sensitive Complaint shall recuse himself or herself from involvement in the investigation.

The Sensitive Investigations Committee shall conduct effective investigations of Sensitive Complaints. The Sensitive Investigations Committee shall keep a complainant's identity confidential except where disclosure is required to conduct an effective investigation. LE shall not retaliate against any individual who in good faith submits a Sensitive Complaint or participates in a Sensitive Investigation.

Exhibit 14.3

Lands' End, Inc.
Board of Directors Code of Conduct

Introduction

This Board of Directors Code of Conduct (this "**Code**") describes the general expectations of Lands' End, Inc. ("**LE**") for its Board of Directors, and describes standards of ethical behavior that each Director is expected to uphold. It does not address every situation that may be encountered, and is not a substitute for a Director's exercise of good judgment and common sense. A Director who has a question about a particular circumstance that may implicate a provision of this Code should address the question with the Chairman of the Audit Committee, who may consult with LE's General Counsel or with external legal counsel as appropriate.

Directors who are also officers of LE are also subject to LE's Code of Conduct that is applicable to associates.

Compliance with Laws, Rules and Regulations

Directors shall comply with all applicable laws, regulations and rules and with LE's policies and procedures in effect from time to time with respect to insider trading and disclosure, among others.

Conflicts of Interest

Directors must avoid conflicts of interest with LE and its subsidiaries (collectively the "**Company**"). A conflict of interest occurs when:

- a Director's private interests interfere in any way, or can reasonably be expected to interfere in any way, with the Company's interests;
- a Director or a Family Member of such Director[1] receives an improper personal benefit as a result of the Director's position as a Director of the Company; or
- a Director has other duties, responsibilities or obligations that run counter to the Director's duties to the Company.

A Director must immediately disclose to the Chairman of the Audit Committee each situation that involves, or may reasonably be expected to involve, a conflict of interest. While this Code does not attempt to describe all possible conflicts of interest that could arise, the following are some of the conflicts of interest that Directors must avoid:

- Receiving loans or guarantees of obligations as a result of one's position as a Director;

---

1 NASDAQ Rule 5605 defines "Family Member" to mean a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home.

- Engaging in conduct or activity that improperly interferes with the Company's existing or prospective business relationships with a third party;
- Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the Company' business; and
- Accepting, or having a Family Member accept, a gift from persons or entities that deal with the Company, in cases where the gift, considered in light of the totality of the circumstances, would reasonably be expected to influence the Director's actions as a member of the Board.

Business Relationships With Directors

Any direct or indirect monetary arrangement for goods and services between a Director or a Family Member of such Director and the Company or a member of the Company's senior management must be approved by the Board of Directors. Such approval shall not be required where:

1. The interest of the Director or his or her Family Member is solely due to such person's status as a Director or the collective ownership by the Director and his or her Family Members of less than a 10% equity interest in the entity with which the Company has concluded such an arrangement;
2. The value of the payments made to or by the Company constitute less than $120,000 during any period of twelve consecutive months; and
3. Neither the Director nor any of his or her Family Members is personally involved in (a) the negotiation or execution of the arrangement; (b) the performance of services or provision of goods pursuant to the arrangement; or (c) the monetary aspects of the arrangement.

Use of Corporate Information, Opportunities and Assets

A Director may not (1) compete with the Company or (2) use opportunities that the Director discovers through the use of Company information or the Director's position with the Company for the Director's own personal benefit or for the benefit of persons or entities outside the Company. Directors may not waste or improperly use any Company asset.

Covered Parties (as defined below) are not prohibited from investing, and the Company has renounced all interest and expectancy, and being offered an opportunity to participate or invest, in all investment opportunities that may come to the attention of any Covered Party other than the following investments (unless they are investments of ESL (as defined below) made prior to the date of adoption of this Policy):

1. investment opportunities that come to the Covered Party's attention directly and exclusively in the Covered Party's capacity as director, officer or employee of the Company;
2. control investments in retailers primarily focused on casual clothing, accessories, footwear and home products; and
3. investment opportunities in companies or assets that have a significant role in the Company's business such as investment opportunities in (a) real estate currently leased by the Company or (b) suppliers of which the Company is a substantial customer representing over 10% of such companies' revenues.

"**Covered Parties**" means each of ESL Investments, Inc. and its affiliates, including Edward S. Lampert (together, "**ESL**"), and each employee, officer, director or advisor to ESL who may serve as an officer or Director of the Company.

Confidentiality

A Director may never use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company. Directors shall not disclose Confidential Information outside the Company either during or after their service as a Director of the Company, except (1) with the consent of the Board and the Company's General Counsel, (2) with a natural person or an entity, in each case that has entered into a non-disclosure agreement with the Company, or (3) as required by law.

"**Confidential Information**" means all non-public information entrusted to or obtained by a Director by reason of his or her position as a Director of the Company. It includes, but is not limited to, non-public information that might be useful to competitors or harmful to the Company or its customers if disclosed, such as:

- Non-public information about the Company's financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to mergers and acquisitions, stock repurchases and divestitures;
- Non-public information concerning possible transactions with other companies or information about the Company's customers, suppliers or joint venture partners that the Company is under an obligation to maintain as confidential; and
- Non-public information about discussions and deliberations relating to business issues and decisions between and among employees, officers and Directors.

Reporting of Violations

Directors should communicate all suspected violations of this Code promptly to the Chairman of the Audit Committee. Suspected violations shall be investigated by or at the direction of the Board or the Audit Committee, and appropriate action shall be taken in the event that a violation is confirmed.

Waiver

Waivers of a provision of this Code can only be made by the Board of Directors, and shall be granted only in very exceptional circumstances. The Company shall disclose any such waiver, and the reasons for it, in accordance with legal and regulatory requirements. A Director who becomes aware of a circumstance that may require a waiver shall promptly bring the circumstance to the attention of the Chairman of the Audit Committee.

Exhibit 99.1

INFORMATION STATEMENT

LANDS' END, INC.

Common Stock

This information statement is being furnished in connection with the distribution by Sears Holdings Corporation ("Sears Holdings") to its stockholders of 100% of the outstanding shares of common stock, par value $0.01 per share, of Lands' End, Inc. (together with all of its consolidated subsidiaries and predecessors, "Lands' End"), a Delaware corporation. To implement the spin-off of Lands' End, Sears Holdings will distribute all of the outstanding shares of Lands' End common stock on a *pro rata* basis to Sears Holdings stockholders as of 5:30 p.m. Eastern time on March 24, 2014 (the "record date").

Each share of Sears Holdings common stock outstanding as of the record date will entitle the holder thereof to receive 0.300795 shares of Lands' End common stock, except that holders of Sears Holdings' restricted stock that is unvested as of the record date will receive cash awards in lieu of shares. Fractional shares of Lands' End common stock will not be distributed. Instead, fractional shares that Sears Holdings stockholders would otherwise have been entitled to receive after application of the foregoing ratio will be aggregated and sold in the public market by the distribution agent and the aggregate cash proceeds of these sales, net of brokerage fees and other expenses, will be distributed *pro rata* to those stockholders who would otherwise have been entitled to receive fractional shares. We expect the shares of Lands' End common stock to be distributed by Sears Holdings to you on April 4, 2014 (the "distribution date"). As discussed under "The Spin-Off—Trading Between the Record Date and Distribution Date," if you sell your shares of Sears Holdings common stock in the "regular-way" market after the record date but before the distribution, you also will be selling your right to receive shares of Lands' End common stock pursuant to the spin-off. We expect that the spin-off will be tax-free to Sears Holdings stockholders for U.S. federal income tax purposes, except for any cash received in lieu of fractional shares. See "Material U.S. Federal Income Tax Consequences."

No action will be required by you to receive shares of Lands' End common stock in the spin-off, which means that:

- no vote of Sears Holdings stockholders is required in connection with the spin-off and we are not asking you for a proxy and you are requested not to send us a proxy;
- you will not be required to pay for the shares of Lands' End common stock that you will receive in the spin-off; and
- you do not need to surrender or exchange any of your shares of Sears Holdings common stock in order to receive shares of Lands' End common stock or take any other action in connection with the spin-off.

Following the spin-off, Lands' End will be a publicly traded company independent from Sears Holdings, and Sears Holdings will not retain any Lands' End common stock. We expect that, immediately following the spin-off, ESL Investments, Inc. and affiliated persons (collectively, "ESL"), which currently own approximately 48.4% of the outstanding shares of Sears Holdings common stock, will own approximately 48.4% of the outstanding shares of Lands' End common stock.

There is no current trading market for Lands' End common stock. Lands' End has applied to have its common stock listed on the NASDAQ Stock Market ("NASDAQ") under the symbol "LE." We expect that a limited market, commonly known as a "when-issued" trading market, will develop for the shares of Lands' End common stock being distributed in the spin-off. We expect that "when-issued" trading will begin on or shortly before the record date and continue up to and including the distribution date, after which time all shares of Lands' End common stock will be traded on a regular settlement basis, or "regular-way" trading, under the symbol "LE." We cannot predict the trading prices for Lands' End common stock before, on or after the distribution date.

This information statement will be made publicly available at *www.searsholdings.com/invest/LEInfoStmt* beginning March 18 and notices of this information statement's availability will be first sent to holders of record of Sears Holdings common stock on or about March 24, 2014.

In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 19.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR DETERMINED IF THIS INFORMATION STATEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is March 18, 2014.

TABLE OF CONTENTS

Presentation of Information

Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement about Lands' End assumes the completion of all of the transactions referred to in this information statement in connection with the spin-off. Except as otherwise indicated or unless the context otherwise requires, references in this information statement to "Lands' End," "we," "us," "our," "our company" and "the Company" refer to Lands' End, Inc., a Delaware corporation, and its consolidated subsidiaries and predecessors, and references in this information statement to "Sears Holdings" and "Sears Holdings Corporation" refer to Sears Holdings Corporation, a Delaware corporation, and its consolidated subsidiaries (other than, for all periods following the spin-off, Lands' End). References in this information statement to Lands' End's historical assets, liabilities, products, businesses or activities are generally intended to refer to the historical assets, liabilities, products, businesses or activities of the Lands' End business as conducted by Sears Holdings and its subsidiaries prior to the spin-off. References in this information statement to "ESL" refer to ESL Investments, Inc. and its affiliated persons. References in this information statement to the "separation" refer to the separation of the Lands' End business from the rest of the Sears Holdings businesses; references to the "distribution" refer to the distribution of Lands' End common stock to Sears Holdings stockholders; and references to the "spin-off" refer to the separation and the distribution. Unless the context otherwise requires, references in this information statement to years refer to fiscal years rather than calendar years. Lands' End's fiscal year consists of 52–53 weeks, ending on the Friday preceding the Saturday closest to January 31. Unless otherwise specified, operating results and executive compensation data are reported on a fiscal basis.

Trademarks, Trade Names and Service Marks

Lands' End owns or has rights to use certain trademarks, service marks and trade names that are registered or exist under common law in the United States and other jurisdictions. The Lands' End® trade name and trademark is used both in the United States and internationally, and is material to our business. Trademarks that are important in identifying and distinguishing our products and services are Lands' End Canvas®, Guaranteed. Period.®, Square Rigger®, Squall®, Super-T™, Drifter™ and Beach Living®, all of which are owned by us, as well as the licensed marks Polartec® and Supima®. Other recognized trademarks owned by Lands' End include SwimMates™, Starfish™, Iron Knees®, Willis & Geiger® and ThermaCheck®. Lands' End's rights to some of these trademarks may be limited to select markets. Each trademark, trade name or service mark of any other company appearing in this information statement is, to Lands' End's knowledge, owned by such other company.

INFORMATION STATEMENT SUMMARY

This summary highlights information discussed elsewhere in this information statement. This summary may not contain all the details concerning the spin-off or other information that may be important to you. To better understand the spin-off and our business and financial position, you should carefully review this entire information statement.

References in this information statement to Lands' End's historical assets, liabilities, products, businesses or activities are generally intended to refer to the historical assets, liabilities, products, businesses or activities of the Lands' End business as conducted by Sears Holdings and its subsidiaries prior to the spin-off.

Lands' End

Lands' End is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products. We offer products through catalogs, online at *www.landsend.com* and affiliated specialty and international websites, and through retail locations, primarily at Lands' End Shops at Sears and standalone Lands' End Inlet stores that sell a combination of full-price and liquidation merchandise. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and we seek to deliver timeless style for men, women, kids and the home. Lands' End was founded 50 years ago in Chicago by Gary Comer and his partners to sell sailboat hardware and equipment by catalog. While our product focus has shifted significantly over the years, we have continued to adhere to our founder's motto as one of our guiding principles: "Take care of the customer, take care of the employee and the rest will take care of itself."

In 2012, we generated revenue of approximately $1.6 billion. Our revenues are generated worldwide through an international, multi-channel network in the United States, Canada, United Kingdom, Germany, France, Austria and Japan. This network reinforces and supports sales across the multiple channels in which we do business. In 2012, sales outside the United States totaled approximately $259.3 million, or 16.3% of revenue.

We operate in two reportable segments, Direct (sold through e-commerce websites and direct-mail catalogs, which in 2012 comprised approximately 82% of our revenue, or $1.3 billion) and Retail (sold through stores, which in 2012 comprised approximately 18% of our revenue, or $281.8 million), and we offer merchandise that includes men's, women's and kids' apparel, outerwear and swimwear; specialty apparel; accessories; footwear; and home products. Historically, catalogs have been our primary source of sales. Over time, we have expanded our Direct sales through the Internet and created a Retail segment to bring the Lands' End catalog to life. Online sales represented approximately 80% of our U.S. consumer revenue in 2012, up from approximately 20% in 2002. In addition, Lands' End Business Outfitters offers business casual apparel and an extensive variety of promotional products that can be embroidered to enhance a partner company's image. Lastly, the Lands' End School Uniform business provides high-quality school uniforms and school-appropriate clothing designed to meet dress-code requirements.

We believe that Lands' End has a deeply rooted tradition of offering excellent quality, value and service along with the Lands' End guarantee, and we seek to reflect that tradition in all of our merchandise. Any item associated with our name falls under our unconditional return policy of Guaranteed. Period.® The Lands' End guarantee reads: "If you're not satisfied with any item, simply return it to us at any time for an exchange or refund of its purchase price."

Recent Developments

Set forth below is our preliminary estimated financial data for the 13-week period ended January 31, 2014 compared to the 14-week period ended February 1, 2013 and for the year ended January 31, 2014 compared to the year ended February 1, 2013. Our final financial results for these periods may be materially different from the

preliminary estimated financial data provided below as the quarterly and annual financial close process is not complete, the financial data has not been audited or reviewed by our independent registered public accounting firm, and additional developments and adjustments may arise between now and the time the financial results for these periods are finalized. Accordingly, you should not place undue reliance on the following preliminary estimated financial data.

For the 13-week period ended January 31, 2014 compared to the 14-week period ended February 1, 2013, we expect the following results:

- For the fourth quarter of 2013, merchandise sales and services, net were $530.4 million, a decrease of $15.1 million, or 3% as compared to net sales of $545.5 million for the fourth quarter of 2012. The decrease in merchandise sales and services, net was driven primarily by the impact of the 14th week in the fourth quarter of 2012, approximately $24.0 million, and lower sales in our Retail segment partially offset by higher sales in our Direct segment, primarily in the U.S.
- Same store sales decreased 6% in the fourth quarter of 2013 in our Retail segment compared to the fourth quarter of 2012.
- Gross margin was $231.6 million, or 43.7% of net sales, for the fourth quarter of 2013, as compared to $216.9 million, or 39.8% of net sales, for the fourth quarter of 2012. The increase in gross margin rate of 390 basis points was driven primarily by higher gross margins in both our Direct and Retail segments attributable to lower markdowns and lower product cost components.
- Selling and administrative expenses were $151.5 million for the fourth quarter of 2013, a decrease of $16.6 million as compared to selling and administrative costs of $168.1 million for the fourth quarter of 2012. The decrease in selling and administrative costs was primarily due to declines in payroll, third-party costs, the favorable impact in the fourth quarter of 2013 of restructuring costs incurred in the fourth quarter of 2012 and decreased advertising expenses.
- Depreciation and amortization expense was $5.3 million for the fourth quarter of 2013, as compared to $6.5 million for the fourth quarter of 2012. The decrease of $1.2 million of depreciation and amortization expense was primarily due to an increase in fully depreciated assets.
- Income tax expense was $28.8 million for the fourth quarter of 2013, as compared to $16.6 million for the fourth quarter of 2012. The effective tax rate was 38.5% in the fourth quarter of 2013 and 39.2% in the fourth quarter of 2012. The change in our effective tax rate was primarily due to decreased effective state tax rates.
- Net income was $45.9 million for the fourth quarter of 2013, as compared to $25.7 million for the fourth quarter of 2012.
- Operating cash flows were $125.9 million for the fourth quarter of 2013, as compared to $129.2 million for the fourth quarter of 2012.
- Adjusted EBITDA, as defined below, was $80.1 million for the fourth quarter of 2013, as compared to $49.3 million for the fourth quarter of 2012. The increase in Adjusted EBITDA was primarily attributable to lower selling and administrative costs and gross margin improvement of our fall and winter product offerings.

For 2013 (the 52-week fiscal year ended January 31, 2014) compared to 2012 (the 53-week fiscal year ended February 1, 2013), we expect the following results:

- For 2013, merchandise sales and services, net were $1.56 billion, a decrease of $23.1 million, or 1% as compared to net sales of $1.59 million for 2012. The Company recorded sales of approximately $24.0 million during the 53rd week of 2012. When adjusting for the 53rd week, revenues during 2013 increased $0.9 million compared to 2012; with revenue increases in our Direct segment of $19.8 million largely offset by revenue decreases of $18.9 million in our Retail segment.

- Same store sales decreased 7% in 2013 in our Retail segment compared to 2012.
- Gross margin was $710.3 million, or 45.5% of net sales, for 2013, as compared to $704.1 million, or 44.4% of net sales, for 2012. The increase in gross margin rate of 110 basis points was attributable to improved gross margin performance of our fall and winter business, partially offset by increased spring and summer markdowns in our International and U.S. consumer businesses. The increased spring and summer business markdowns were in response to increased promotional activity in the marketplace as a result of an unseasonably cold spring.
- Selling and administrative expenses were $560.3 million for 2013, a decrease of $38.6 million as compared to selling and administrative costs of $598.9 million for 2012. The decrease in selling and administrative costs was primarily due to declines in payroll, third-party costs, the favorable impact in 2013 of restructuring costs incurred in 2012 and decreased advertising expenses.
- Depreciation and amortization expense was $21.6 million for 2013, as compared to $23.1 million for 2012. The decrease of $1.5 million of depreciation and amortization expense was primarily due to an increase in fully depreciated assets.
- Income tax expense was $49.5 million for 2013, as compared to $32.2 million for 2012. The effective tax rate was 38.6% in 2013 and 39.3% in 2012. The change in our effective tax rate was primarily due to decreased effective state tax rates.
- Net income was $78.8 million for 2013, as compared to $49.8 million for 2012.
- Operating cash flows were $114.9 million for 2013, as compared to $96.2 million for 2012.
- Adjusted EBITDA, as defined below, was $150.0 million for 2013, as compared to $107.7 million for 2012. The increase in Adjusted EBITDA was primarily attributable to lower selling and administrative costs and gross margin improvement of our fall and winter product offerings during the second half of 2013.

Adjusted EBITDA—In addition to our net income determined in accordance with accounting principles generally accepted in the United States ("GAAP"), for purposes of evaluating operating performance, we use an Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"), which is adjusted to exclude certain significant items as set forth below. Our management uses Adjusted EBITDA to evaluate the operating performance of our business, as well as executive compensation metrics, for comparable periods. Adjusted EBITDA should not be used by investors or other third parties as the sole basis for formulating investment decisions as it excludes a number of important cash and non-cash recurring items. The Adjusted EBITDA should not be considered as a substitute for GAAP measurements. While Adjusted EBITDA is a non-GAAP measurement, management believes that it is an important indicator of operating performance, and useful to investors, because:

- EBITDA excludes the effects of financing and investing activities by eliminating the effects of interest and depreciation costs; and
- Other significant items, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of results. We have adjusted our results for these items to make our statements more comparable and therefore more useful to investors as the items are not representative of our ongoing operations. These adjustments are shown below:
  - Restructuring costs—costs associated with a call center and administrative reorganization in 2012. Management considers these costs to be infrequent and affecting comparability of results between reporting periods.
  - Loss on the sale of property and equipment—management considers the losses on sale of assets to result from investing decisions rather than ongoing operations.

The following table presents a reconciliation of Adjusted EBITDA to net income, the most comparable GAAP measure for each of the periods indicated:

	Fiscal Year		13-Weeks Ended January 31,	14-Weeks Ended February 1,
(in thousands)	2013	2012	2014	2013
Net income	$ 78,847	$ 49,827	$ 45,943	$ 25,736
Income tax expense	49,544	32,243	28,797	16,564
Other income, net	(50)	(67)	(17)	(1)
Depreciation and amortization	21,599	23,121	5,346	6,503
Restructuring costs	—	2,479	—	528
Loss on sale of property and equipment	70	70	11	5
Adjusted EBITDA	$150,010	$107,673	$ 80,080	$ 49,335

Our Strengths

Gary Comer founded Lands' End on certain principles of doing business that are embodied in our promise to deliver great quality, exceptional value and uncompromising service to our customers. These core principles of quality, value and service are the foundation of the competitive advantages that we believe distinguish us from our competitors, including:

Large, loyal customer base. We believe that a principal factor in our success to date has been the development of our list of existing and prospective households, many of whom were identified by their responses to our advertising. We routinely update and refine our customer list prior to individual catalog and email mailings and monitor customer interest in our offerings as reflected by criteria such as the timing and frequency of purchases and the dollar amount of and types of products purchased. We believe our customer list has desirable demographic characteristics for current performance and future growth and is well-suited to the range of products offered by us. We believe our customer base consists primarily of affluent, college-educated, professional and style-conscious women and men. In 2012, the average annual household income of our customers was approximately $104,000 and approximately 47% of our customers were within the 36–55 age group, according to an analysis of our customer file prepared by our third-party consumer information provider using its proprietary demographic, behavioral, lifestyle, financial and home attribute databases.

Innovative yet timeless products. We seek to develop new, innovative products for our customers by utilizing modern fabrics and quality construction to create timeless, affordable styles with consistently excellent fits. We also seek to present our products in an engaging and inspiring way. We believe that our typical customers value quality, seek good value for their money and are looking to add classics to their wardrobe while also placing an emphasis on being fashionable. From a design and merchandising perspective, we seek to balance our product offerings to provide the right combination of classic styles alongside modern touches that are consistent with current trends. We believe that we have had success adding relevant, timeless items into our product assortment, many of which have become customer favorites. We devote significant time and resources to quality assurance and product compliance. Our in-house team manages all product specifications and seeks to ensure brand integrity by providing our customers with the consistent, high-quality merchandise for which Lands' End is known. We are a vertically integrated retailer that manages all aspects of our design, marketing and distribution in-house, which provides us with maximum control over the promotion and sale of our products.

Excellent customer service. We are firmly committed to building on Lands' End's legacy of strong customer service. We believe that we have a strong track record of improving the customer service experience through innovation. We believe that we were the first apparel retailer to offer shoppers a toll-free number and the

first apparel retailer to have an e-commerce-enabled website, which we launched in 1995. We believe that we have been at the forefront of many online innovations in our industry, such as online chat and personalization features. Today, Lands' End is focused on making the shopping experience as easy and personalized as possible, regardless of whether our customers shop online, by phone or in one of our Lands' End Shops at Sears. Our operations, including prompt order fulfillment, responsiveness to our customers' requests and our unconditional return policy of Guaranteed. Period.®, have contributed to our award-winning customer service, which we believe is one of our core strengths and a key point of differentiation from our competitors. Lands' End is often recognized in the industry for outstanding customer service; for example, beginning in 2006, the National Retail Federation recognized Lands' End as one of the top retailers for customer service for the six consecutive years in which the ranking was published.

Digital transformation. As one of the first apparel retailers to establish an online e-commerce presence, we believe that we have a strong track record as a leader of digital innovation in the apparel industry. One of our strategic goals is to optimize the digital shopping experience for our customers and develop new ways to engage consumers through our e-commerce platforms. To this end, we have launched our Paper to Digital initiative, which is dedicated to delivering the catalog experience through digital channels. Highlights of our Paper to Digital initiative include:

- *Responsive design*, a cross-platform experience that allows our customers to shop *www.landsend.com* across a variety of devices, including laptops and tablets. Responsive design for smart phones is currently scheduled to launch in 2014.
- *An enhanced site merchandising and search capabilities tool*, which seeks to provide a more thoughtful and productive shopping experience via *www.landsend.com*, allowing us to better engage with our customers by providing seamless navigation to find merchandise by product attributes, as well as specific sizes. We continue to improve this tool and intend to enhance our "fit solutions" to deliver the optimal shopping experience.
- *Outfitting*, the expansion of outfitting options for our customers. Select merchandise categories are accompanied by a compilation of "favorite looks" or "one item three ways" to show our customers how different pieces can be incorporated into a wardrobe. These looks are featured on our website and in our emails. Additionally, customers receive product recommendations on our website and via email based on past purchase and browsing history.
- *Digital catalogs*, which allow prospective and existing customers to view and download digital versions of our print catalogs via desktop and tablet. Our catalogs can be viewed at *www.landsend.com.* Additionally, our catalogs are featured on various third-party digital catalog sites through our affiliate program.
- *Social media*, the opportunity to engage with our customers on social sharing platforms. With over one million Facebook "fans," the Lands' End Facebook page is a place for our fans to receive exclusive fan-only offers, behind-the-scenes information and a first look at our newest styles. Lands' End customers are also engaged via Shop Your Way, a social shopping and networking platform that allows members to receive personalized coupons, participate in sweepstakes, build custom catalogs and share with friends.
- *Apostrophe*, Lands' End digital customer publication, was launched in fall 2013. Published quarterly on *www.landsend.com*, *Apostrophe* features fashion and lifestyle articles and highlights the people behind our brand via employee profiles. Our goal is to use *Apostrophe* to promote our products and attract new customers to our brand.

Worldwide distribution infrastructure and opportunity for continued geographic penetration and expansion. We have been operating our business internationally since the mid-1980s. We currently conduct business in seven countries and ship our products to approximately 157 countries around the world. We believe

that we have established extensive direct sales, distribution and customer service capabilities with our in-country offices in the United Kingdom (established 1993), Japan (established 1994) and Germany (established 1996). In addition to our operations in the United Kingdom, Japan and Germany, we also have catalog and e-commerce channels in Austria, France and Canada.

In September 2013, Lands' End launched a global extension of our core e-commerce platform, allowing international customers to view pricing and place orders in 60 local currencies at *www.landsend.com*.

We believe that continued penetration in our existing markets and our intended international expansion will drive growth in our business worldwide. We are focused on creating a digital presence for Lands' End in new markets while also leveraging third-party retailer relationships worldwide.

Retail partnership with Sears Holdings. Beginning in fall 2002, Sears, Roebuck and Co. ("Sears Roebuck") rolled out Lands' End apparel and footwear in its stores. In 2005, Lands' End developed and opened the first Lands' End Shop at Sears. Today, there are Lands' End Shops at Sears located in select Sears full-line stores ("Sears stores") across the United States. Each Lands' End Shop at Sears features an assortment of products optimized for its location, with most stores offering a variety of men's, women's and kids' apparel and accessories, personalized service, enhanced visual displays and a shopping lounge where customers can search all of our Lands' End offerings via the Internet and our catalog. Our customers receive free shipping on any orders placed from these stores. Through this integration of our retail and digital presences, we seek to deliver a world-class, multi-channel shopping experience. In 2012, the Lands' End Shops at Sears accounted for 16% of our total revenues.

Partnership with Shop Your Way. As a Shop Your Way business partner, we are able to leverage Shop Your Way, an innovative social shopping and networking platform, to strengthen our relationships with our customers that are Shop Your Way members. Currently, approximately 75% of all retail purchases at Lands' End Shops at Sears are made by Shop Your Way members. Members can earn reward points when they purchase program-eligible merchandise through both our Direct and Retail segments. Members can also redeem points as a form of payment for merchandise sold through both our Direct and Retail segments. Members can engage with us on the Shop Your Way social shopping platform at *www.shopyourway.com* or via the Shop Your Way mobile app. Through this platform, members gain access to personalized coupons, participate in sweepstakes, build custom catalogs and share with friends.

Experienced management team. Our current management team will continue to manage Lands' End following the spin-off. Our executive management team, which is composed of the individuals named under "Management," has an average of nearly 25 years of experience in the retail, direct-to-consumer and consumer product industries in the United States and abroad. Our management team is well positioned to pursue our objective of increasing profitability and stimulating growth. See "Management."

Sustainable practices. We have made sustainability a key initiative in our business. We have worked towards conserving resources for nearly 50 years and are committed to finding sustainable approaches to doing business. We established a corporate-wide GoGreen Committee in 2009 that focuses on sustainable initiatives. See "Business—Environmental Matters."

- Lands' End utilizes paper from sustainably managed forests. Our catalog covers contain 10% post-consumer waste. The remainder of our catalog paper contains 100% chain-of-custody-certified fiber. This paper is third-party certified through programs such as the Programme for the Endorsement of Forest Certification, the Sustainable Forestry Initiative and the Forest Stewardship Council.
- In 2012, we reused or recycled 88% of waste generated at our corporate headquarters.
- Lands' End has formed a strategic partnership with the National Forest Foundation and funded the planting of trees in the national forests in northern Wisconsin and Michigan's Upper Peninsula.

Our Strategies

We continue to develop Lands' End into a more global lifestyle brand through five avenues of growth:

Continue our digital transformation. Our continued digital transformation is intended to allow us to accelerate our acquisition of new customers by improving our ability to communicate digitally with prospective customers while reducing operating expenses related to paper, printing and postage. Approximately 80% of our U.S. Direct business is already conducted online and our goal is to continue this transition by emphasizing the benefits of our online experience.

Increase our product offerings. We plan to improve and expand several product lines that we believe are currently under-represented in our product mix. We intend to expand these categories of our business by developing a larger and more diverse selection of footwear, handbags, small leather goods and fashion accessories so that these product lines represent a larger percentage of our total consumer business.

Expand our international business. Outside the United States, we currently operate our business in Canada, Northern and Central Europe and Japan. We plan to increase our sales in our existing international markets and develop a presence in other areas of Europe (such as Switzerland, Russia and Scandinavia) and Asia (particularly China).

Optimize and develop our retail business. We intend to focus on increasing sales productivity in our existing Lands' End Shops at Sears in the United States and to explore additional retail opportunities.

Grow Lands' End Business Outfitters and School Uniforms. Over the last 20 years, Lands' End Business Outfitters has grown to become a trusted brand partner for companies of all sizes by offering quality apparel, uniforms and related business gift and promotional products. With an expansive, state-of-the-art embroidery operation, we service tens of thousands of clients, including major airlines, financial institutions and the hospitality industry, offering branded tailored and business casual apparel for office wear, trade shows, company events and more.

In addition to apparel, Lands' End Business Outfitters offers an extensive variety of business gift and promotional products to enhance a partner company's image and message. The Lands' End Business Outfitters model enables us to introduce quality Lands' End products to new audiences and acquire new customers through business channels ranging from single entrepreneurs to members of the Fortune 500®.

As part of Lands' End Business Outfitters, our School Uniform business provides high-quality school uniforms and school-appropriate clothing designed to meet dress-code requirements. As more schools adopt uniform and dress-code policies, we seek to grow the Lands' End School Uniform business by developing new relationships with schools in the United States and Canada while also seeking additional international opportunities.

Risks Associated with Our Business and the Spin-Off

An investment in our common stock is subject to a number of risks, including risks relating to the spin-off, including:

- our ability to offer merchandise and services desirable to our customers and compete effectively in the apparel industry;
- the success of our overall marketing strategies, including customers' use of our digital platform, response to direct mail catalogs and digital marketing;
- the performance of our "store within a store" business model;

- our reliance on sources for merchandise located in foreign markets;
- the impact on our business of adverse worldwide economic and market conditions, including economic factors that negatively impact consumer spending on discretionary items; and
- our failure to achieve some or all of the expected benefits of the spin-off.

The above list of risk factors is not exhaustive. Please read the information in the section entitled "Risk Factors" starting on page 19 for a more thorough description of these and other risks.

The Spin-Off

On March 14, 2014, the Sears Holdings board of directors approved the distribution of all of Lands' End's issued and outstanding shares of common stock on the basis of 0.300795 shares of Lands' End common stock for each share of Sears Holdings common stock held as of 5:30 p.m. Eastern time on March 24, 2014, the record date.

Our Relationship with Sears Holdings

In June 2002, we were acquired by Sears Roebuck, a company that is now a wholly owned subsidiary of Sears Holdings. Sears Holdings is the company that was formed in connection with the merger of Sears Roebuck and Kmart Holding Corporation ("Kmart") in March 2005, and Sears Holdings is the parent company of Sears Roebuck and Kmart.

In connection with the spin-off, we will enter into a separation and distribution agreement with Sears Holdings, which we refer to in this information statement as the "separation and distribution agreement." We will enter into various other agreements with Sears Holdings or its subsidiaries to effect the separation and provide a framework for our relationship with Sears Holdings after the spin-off. These other agreements will include a transition services agreement and a tax sharing agreement. In addition, we will enter into commercial agreements with Sears Holdings or its subsidiaries, including a master lease agreement, a master sublease agreement, a financial services agreement, a retail operations agreement for the Lands' End Shops at Sears and a Shop Your Way retail establishment agreement. We previously entered into a co-location and services agreement with a subsidiary of Sears Holdings that will be amended in connection with the spin-off. For additional information regarding the separation and distribution agreement and the other agreements, see "Risk Factors—Risks Related to the Spin-Off" and "Certain Relationships and Related Person Transactions."

On the distribution date, Sears Holdings will distribute shares of Lands' End common stock *pro rata* to its stockholders as of the record date, except that holders of Sears Holdings' restricted stock that is unvested as of the record date will receive cash awards in lieu of shares. Based on the ownership of Sears Holdings common stock outstanding on March 14, 2014, we anticipate that immediately following the spin-off, ESL will own approximately 48.4% of our outstanding common stock. For a more detailed description of the beneficial ownership of our capital stock by ESL following the spin-off, see "Security Ownership of Certain Beneficial Owners and Management."

Reasons for the Spin-Off

The Sears Holdings board of directors believes that separating the Lands' End business from the rest of Sears Holdings is in the best interests of Sears Holdings and its stockholders for a number of reasons, including:

- *Simplified focus and operational flexibility*. Following the spin-off, Lands' End and Sears Holdings will each have simplified, more focused businesses and be better able to dedicate resources to pursue unique growth opportunities and execute strategic plans best suited to their respective businesses.

- *Business-appropriate capital structure*. The spin-off will allow each of Sears Holdings and Lands' End to implement a capital structure that is tailored to its business needs and is expected to result in a more efficient allocation of capital for both Sears Holdings and Lands' End and mitigate the competition for capital that currently exists between Lands' End and other Sears Holdings business units. In addition, the spin-off should increase the overall borrowing capacity of Lands' End, which would allow Lands' End greater flexibility to issue new debt financing to fund organic growth through capital expenditures or to pursue acquisition-based growth.
- *Focused management*. The spin-off will allow management of each company to devote time and attention to the development and implementation of corporate strategies and policies that are based on the specific business characteristics of the respective companies, and to design more tailored compensation structures that better reflect these strategies, policies and business characteristics. Separate equity-based compensation arrangements for Lands' End should more closely align the interests of Lands' End management with the interests of stockholders and more directly incentivize the employees of Lands' End and attract new talent.
- *Investor choice*. The spin-off will allow investors to increase their understanding of Lands' End and its market position within its industry, while also allowing for a more natural and interested investor base. The spin-off may also potentially enhance Lands' End's financial flexibility, such as allowing direct access by Lands' End to the capital markets. In contrast to a sale of the entire business, the spin-off will enable current Sears Holdings stockholders to directly participate in any future value creation by Lands' End, while also allowing investors the flexibility to consider Sears Holdings and Lands' End as independent investment decisions based on Lands' End's and Sears Holdings' different business models and strategies.

The Sears Holdings board of directors also considered a number of potentially negative factors in evaluating the spin-off, including risks relating to the creation of a new public company, possible increased costs and one-time spin-off costs, but concluded that the potential benefits of the spin-off outweighed these factors. For more information, see "The Spin-Off—Reasons for the Spin-Off" and "Risk Factors."

Corporate Information

Lands' End opened for business in 1963. Lands' End, Inc. was incorporated in Delaware in 1986. The address of our principal executive offices is 1 Lands' End Lane, Dodgeville, Wisconsin 53595. Our telephone number is (608) 935-9341.

We maintain an Internet site at *www.landsend.com*. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this information statement, and you should not rely on any such information in making an investment decision.

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to stockholders of Sears Holdings who will receive shares of Lands' End common stock in the spin-off. It is not and is not to be construed as an inducement or encouragement to buy or sell any of Lands' End's securities. We believe the information contained in this information statement to be accurate as of the date set forth on its cover. Changes may occur after that date and neither Sears Holdings nor we will update the information except in the normal course of our respective disclosure obligations and practices.

SUMMARY OF THE SPIN-OFF

This is a summary of the terms of the spin-off. See "The Spin-Off" in this information statement for a more detailed description of the matters described below.

Distributing company	Sears Holdings Corporation is the distributing company in the spin-off.
Distributed company	Lands' End, Inc. is the distributed company in the spin-off.
Distribution ratio	Each share of Sears Holdings common stock outstanding as of 5:30 p.m. Eastern time on March 24, 2014, the record date for the distribution, will entitle the holder thereof to receive 0.300795 shares of Lands' End common stock, except that holders of Sears Holdings' restricted stock that is unvested as of the record date will receive cash awards in lieu of shares. Cash will be distributed in lieu of any fractional shares of common stock holders of Sears Holdings common stock would otherwise have been entitled to receive, as described below.
Record date	The record date for the distribution is 5:30 p.m. Eastern time on March 24, 2014.
Distribution date	The distribution date will be April 4, 2014.
Trading market and symbol	We intend to list our common stock on the NASDAQ Stock Market under the symbol "LE."
Dividend policy	We do not currently expect to declare or pay dividends on our common stock for the foreseeable future following the spin-off. Instead, we intend to retain earnings to finance the growth and development of our business and for working capital and general corporate purposes. Any payment of dividends will be at the discretion of our board of directors and will depend upon various factors then existing, including earnings, financial condition, results of operations, capital requirements, level of indebtedness, any contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions and other factors that our board of directors may deem relevant. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."
Tax consequences to Sears Holdings stockholders	Assuming that the spin-off qualifies as a tax-free transaction under Sections 355, 368 and related provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Sears Holdings stockholders are not expected to recognize any gain or loss for U.S. federal income tax purposes solely as a result of the spin-off except to the extent of any cash received in lieu of fractional shares. See "Material U.S. Federal Income Tax Consequences" in this information statement for a more detailed description of the U.S. federal income tax consequences of the spin-off.

	You should consult your own tax advisors concerning the U.S. federal income tax consequences to you of the receipt, ownership and disposition of shares of Lands' End common stock in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.
Distribution agent, transfer agent and registrar	The distribution agent, transfer agent and registrar for our common stock will be Computershare Trust Company, N.A.
Information agent	The information agent for the spin-off will be Georgeson Inc. If you have questions about the spin-off, please contact Georgeson Inc. by calling (800) 868-1391 (toll-free).
Risk factors	You should carefully consider the matters discussed under "Risk Factors" starting on page 19.

QUESTIONS AND ANSWERS ABOUT THE SPIN-OFF

Set forth below are examples of what we expect will be commonly asked questions about the spin-off and the related transactions contemplated in connection with the spin-off. The answers are based on selected information included elsewhere in this information statement. The following questions and answers do not contain all of the information that may be important to you and may not address all of the questions that you may have about the spin-off. The remainder of this information statement contains more detailed descriptions of the terms and conditions of the spin-off and provides additional information about us and our business, including potential risks related to the spin-off, our common stock and our business.

What is Lands' End and why is Sears Holdings spinning off the Lands' End business and distributing Lands' End common stock?

Lands' End is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products. We offer products through catalogs, online at *www.landsend.com* and affiliated specialty and international websites, and through retail locations, primarily at Lands' End Shops at Sears and standalone Lands' End Inlet stores. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and we seek to deliver timeless style for men, women, kids and the home. Lands' End was founded 50 years ago in Chicago by Gary Comer and his partners to sell sailboat hardware and equipment by catalog. Lands' End, Inc. was incorporated in Delaware in 1986 and in June 2002 was acquired by Sears Roebuck, a company that is now a wholly owned subsidiary of Sears Holdings.

The separation of Lands' End from Sears Holdings and the distribution of Lands' End common stock to Sears Holdings stockholders are intended to provide you with equity investments in two separate companies that will, among other things, be able to focus on each of their respective businesses and allow investors to make independent investment decisions based on the two companies' different business models and strategies. Sears Holdings and Lands' End expect that the spin-off will result in enhanced long-term performance of each business for the reasons discussed in "The Spin-Off—Background" and "The Spin-Off—Reasons for the Spin-Off."

Why am I receiving this document?

Lands' End is making this information statement available to holders of Sears Holdings common stock. Each share of Sears Holdings common stock outstanding as of 5:30 p.m. Eastern time on March 24, 2014, the record date for the distribution, will entitle the holder thereof to receive 0.300795 shares of Lands' End common stock and cash in lieu of fractional shares, except that holders of Sears Holdings' restricted stock that is unvested as of the record date will receive cash awards in lieu of shares. This information statement will help you understand how the spin-off will affect your investment in Sears Holdings and your investment in Lands' End after the spin-off.

How will the spin-off of Lands' End from Sears Holdings work?

To accomplish the spin-off, Sears Holdings will distribute 100% of the outstanding shares of Lands' End common stock on a *pro rata* basis to Sears Holdings stockholders as of the record date, except that holders of Sears Holdings' restricted stock that is unvested as of the record date will receive cash awards in lieu of shares. Each person who as of the record date holds outstanding unvested restricted stock issued pursuant to the Sears Holdings Corporation 2006 Stock Plan or the Sears Holdings Corporation 2013 Stock Plan will receive a cash amount in lieu of any and all rights such holder may have to any shares of Lands' End common stock distributed in the distribution with respect to such unvested restricted stock. Such cash amount will represent the right to receive on the applicable vesting date a cash payment from Sears Holdings equal to the value of the Lands' End common stock and cash in lieu of fractional shares that would have been distributed in the distribution to such holder had such holder's unvested restricted stock been Sears Holdings common stock, calculated on the basis of the volume-weighted average price per share of Lands' End common stock for the 10 trading-day period immediately following the distribution date.

Why is the spin-off of Lands' End structured as a distribution?

Sears Holdings believes that a distribution of shares in the United States of Lands' End common stock to Sears Holdings stockholders is an efficient way to separate the Lands' End business in a manner that will create long-term value for Lands' End and its stockholders.

What is the record date for the distribution?

The record date for the distribution will be March 24, 2014.

When will the distribution occur?

We expect the distribution of 100% of the outstanding shares of Lands' End common stock to occur on April 4, 2014 to holders of record of Sears Holdings common stock as of the record date.

What do stockholders need to do to participate in the distribution?

Stockholders of Sears Holdings as of the record date will not be required to take any action to receive shares of Lands' End common stock in the distribution, but you are urged to read this entire information statement carefully. No stockholder approval of the distribution is required. **You are not being asked for a proxy.** You do not need to pay any consideration, exchange or surrender your existing shares of Sears Holdings common stock or take any other action to receive your shares of Lands' End common stock. The distribution will not affect the number of outstanding shares of Sears Holdings common stock or any rights of Sears Holdings stockholders, although it may affect the market value of each outstanding share of Sears Holdings common stock.

How will shares of Lands' End common stock be issued?

You will receive shares of Lands' End common stock through the same channel(s) that you currently use to hold or trade shares of Sears Holdings common stock, whether a bank, brokerage account or other channel. Receipt of Lands' End shares will be documented for you in the same manner that you typically receive stockholder updates, such as monthly broker statements.

If you own Sears Holdings common stock as of 5:30 p.m. Eastern time on March 24, 2014, the record date, the Lands' End common stock that you are entitled to receive in the distribution will be issued electronically, as of the distribution date, to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. Registration in book-entry form refers to a method of recording share ownership when no physical share certificates are issued to stockholders, as will be the case in the distribution. If you sell your Sears Holdings common stock in the "regular-way" market up to and including the distribution date, you will also be selling your right to receive shares of our common stock in the distribution.

Commencing on or shortly after the distribution date, if you own Sears Holdings shares that are registered directly in your name with Sears Holdings' transfer agent, you are a "registered holder" and the distribution agent will mail to you an account statement that indicates the number of shares of our common stock that have been registered in book-entry form in your name.

How many shares of Lands' End common stock will I receive in the distribution?

Sears Holdings will distribute to you 0.300795 shares of Lands' End common stock for each share of Sears Holdings common stock held by you as of the record date, except that holders of Sears Holdings' restricted stock that is unvested as of the record date will receive cash awards in lieu of shares. Based on approximately 106,240,107 million shares of Sears Holdings common stock outstanding as of March 14, 2014 (excluding shares of unvested restricted stock), a total of approximately 32 million shares of Lands' End common stock will be distributed. For additional information on the distribution, see "The Spin-Off." Fractional shares of Lands' End common stock will not be distributed.

What are the conditions to the distribution?

The distribution is conditioned upon the satisfaction or waiver of the following conditions:

- the Sears Holdings board of directors shall have authorized and approved the spin-off and related transactions and not withdrawn such authorization and approval, and shall have declared the distribution of our common stock to Sears Holdings stockholders;
- the separation and distribution agreement between Lands' End and Sears Holdings and each ancillary agreement contemplated thereby shall have been executed by each party thereto;
- the registration statement of which this information statement forms a part shall have become effective, and no stop order suspending the effectiveness of the registration statement shall be in effect and no proceedings for such purpose shall be pending before or threatened by the U.S. Securities and Exchange Commission ("SEC");
- this information statement shall have been made available to Sears Holdings stockholders as of the record date;
- Lands' End common stock shall have been accepted for listing on NASDAQ or another national securities exchange or quotation system approved by Sears Holdings, subject to official notice of issuance;
- no order, injunction or decree issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing consummation of the spin-off shall be in effect, and no other event outside the control of Sears Holdings shall have occurred or failed to occur that prevents the consummation of the spin-off;
- the debt financing contemplated to be obtained in connection with the spin-off shall have been obtained;
- the receipt of an opinion from an outside financial advisor to the board of directors of Sears Holdings confirming the solvency and financial viability of Sears Holdings before the distribution and of each of Sears Holdings and Lands' End after the distribution that is in form and substance acceptable to Sears Holdings in its sole discretion;
- the receipt of an opinion from the law firm of Simpson Thacher & Bartlett LLP that the spin-off will meet the requirements necessary for the spin-off to receive tax-free treatment under Sections 355, 368 and related provisions of the Code;
- the Internal Transactions (as defined in the separation and distribution agreement) shall have been completed;
- the individuals listed as members of Lands' End's post-spin-off board of directors in this information statement shall have been duly elected, and such individuals shall be the members of Lands' End's board of directors immediately after the spin-off;
- prior to the spin-off, Sears Holdings shall deliver or cause to be delivered to Lands' End resignations, effective as of immediately prior to the spin-off, of any individual who will be an officer or director of Lands' End after the spin-off and who is an officer or director of Sears Holdings immediately prior to the spin-off; and
- immediately prior to the spin-off, Lands' End's amended and restated certificate of incorporation and bylaws, each in substantially the form filed as an exhibit to the registration statement of which this information statement forms a part, shall be in effect.

Sears Holdings and Lands' End cannot assure you that any or all of these conditions will be met.

Sears Holdings also reserves the right to withdraw and cancel the distribution if, at any time prior to the distribution date, the board of directors of Sears Holdings determines, in its sole discretion, that the distribution is

not in the best interest of Sears Holdings or its stockholders, or that market conditions are such that it is not advisable to consummate the distribution. If Sears Holdings cancels or waives any condition to the distribution, it will notify Sears Holdings stockholders in a manner reasonably calculated to inform them about the cancellation as may be required by law, by, for example, publishing a press release, filing a current report on Form 8-K, or circulating a supplement to this information statement. The fulfillment of the foregoing conditions will not create any obligation on the part of Sears Holdings to effect the spin-off.

Sears Holdings will have the sole and absolute discretion to determine (and change) the terms of, and whether to proceed with, the distribution (including the number of shares of Lands' End common stock that will be distributed to holders of shares of Sears Holdings common stock on the distribution date) and, to the extent it determines to so proceed, to determine the record date, the distribution date and the distribution ratio. Sears Holdings does not intend to notify its stockholders of any modifications to the terms of the spin-off that, in the judgment of its board of directors, are not material. For example, the Sears Holdings board of directors might consider material such matters as significant changes to the number of shares of Lands' End common stock that will be distributed to holders of shares of Sears Holdings common stock on the distribution date, the distribution ratio, the assets to be contributed or the liabilities to be assumed in the spin-off. To the extent that the Sears Holdings board of directors determines that any modifications by Sears Holdings materially change the material terms of the distribution, Sears Holdings will notify Sears Holdings stockholders in a manner reasonably calculated to inform them about the modification as may be required by law, by, for example, publishing a press release, filing a current report on Form 8-K, or circulating a supplement to this information statement.

What is the expected date of completion of the spin-off?

The completion and timing of the spin-off are dependent upon a number of conditions as described above. We expect that the shares of Lands' End common stock will be distributed by Sears Holdings on April 4, 2014 to the holders of record of Sears Holdings common stock as of the record date. However, no assurance can be provided as to the timing of the spin-off or that all conditions to the spin-off will be met.

Can Sears Holdings decide to cancel the distribution of Lands' End common stock even if all the conditions have been met?

Yes. The distribution is subject to the satisfaction or waiver of certain conditions. See "The Spin-Off—Conditions to the Spin-Off." However, until the distribution has occurred, Sears Holdings has the right to terminate the distribution, even if all of the conditions are satisfied.

What if I want to sell my shares of Sears Holdings common stock or my shares of Lands' End common stock?

You should consult with your financial advisors, such as your stockbroker, bank or tax advisor.

What is "regular-way" and "ex-distribution" trading of Sears Holdings stock?

Beginning on or shortly before the record date and continuing up to and through the distribution date, it is expected that there will be two markets in Sears Holdings common stock: a "regular-way" market and an "ex-distribution" market. Shares of Sears Holdings common stock that trade in the "regular-way" market will trade with an entitlement to shares of Lands' End common stock distributed pursuant to the distribution. Shares that trade in the "ex-distribution" market will trade without an entitlement to shares of Lands' End common stock distributed pursuant to the distribution. If you sell your shares of Sears Holdings common stock in the "regular-way" market after the record date and before the distribution, you also will be selling your right to receive shares of Lands' End common stock in connection with the spin-off.

Where will I be able to trade shares of Lands' End common stock?

Lands' End has applied to list its common stock on NASDAQ under the symbol "LE." We expect that a limited market, commonly known as a "when-issued" trading market, will develop on NASDAQ for the shares of

Lands' End common stock being distributed in the spin-off. This will allow you to trade your entitlement to shares of Lands' End common stock, without the shares of Sears Holdings common stock you own, on the "when-issued" market (entitlements represent shares of Lands' End common stock being distributed in the spin-off, and trades of such shares will settle on a delayed basis up to three trading days following the distribution date). We expect that this "when-issued" market will begin on or shortly before the record date and will continue up to and including the distribution date, after which time all shares of Lands' End common stock will be traded on a regular settlement basis, or "regular-way" trading, under the symbol "LE." Lands' End cannot predict the trading prices for its common stock before, on or after the distribution date.

What will happen to the listing of Sears Holdings common stock?

Sears Holdings common stock will continue to trade on NASDAQ after the spin-off.

Will the number of shares of Sears Holdings common stock that I own change as a result of the spin-off?

No. The number of shares of Sears Holdings common stock that you own will not change as a result of the spin-off. However, after the spin-off, your shares of Sears Holdings common stock will no longer represent an ownership interest in Lands' End.

Will the spin-off affect the market price of my Sears Holdings shares?

The market price of Sears Holdings common stock immediately following the spin-off may be lower than immediately prior to the spin-off because the trading price will no longer reflect the value of the common stock of Lands' End that is being distributed in the spin-off. Furthermore, prior to the spin-off, and in particular before the market has fully analyzed the value of Sears Holdings without Lands' End, the price of Sears Holdings common stock may fluctuate.

How will fractional shares be treated in the spin-off?

Lands' End will not issue fractional shares of its common stock in the spin-off. Fractional shares that Sears Holdings stockholders would otherwise have been entitled to receive will be aggregated and sold in the public market by the distribution agent. The aggregate cash proceeds of these sales, net of brokerage fees and other expenses, will be distributed *pro rata* to those stockholders who would otherwise have been entitled to receive fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares. The receipt of cash in lieu of fractional shares generally will be taxable to the recipient stockholders that are subject to U.S. federal income tax as described in "Material U.S. Federal Income Tax Consequences."

What are the material U.S. federal income tax consequences of the spin-off?

Sears Holdings expects to receive an opinion from the law firm of Simpson Thacher & Bartlett LLP that the spin-off will meet the requirements necessary for the spin-off to receive tax-free treatment under Sections 355, 368 and related provisions of the Code. The receipt by Sears Holdings of the opinion is a condition to effecting the spin-off. The tax consequences of the spin-off are described in more detail below under "Material U.S. Federal Income Tax Consequences."

You will recognize gain or loss for U.S. federal income tax purposes with respect to cash received in lieu of a fractional share of Lands' End common stock. For more information regarding the potential U.S. federal income tax consequences to Sears Holdings and to you of the separation and the distribution, see "Material U.S. Federal Income Tax Consequences."

How will I determine my tax basis in the Lands' End shares I receive in the spin-off?

For U.S. federal income tax purposes, your aggregate basis in the shares of common stock that you hold in Sears Holdings and the new Lands' End common stock received in the distribution (including any fractional

share interest in Lands' End common stock for which cash is received) will equal the aggregate basis in the shares of Sears Holdings common stock held by you immediately before the distribution, allocated between your Sears Holdings shares and the Lands' End common stock (including any fractional share interest in Lands' End common stock for which cash is received) you receive in the distribution in proportion to the relative fair market value of each on the distribution date. Sears Holdings intends to post IRS Form 8937 with respect to the allocation of the basis in Sears Holdings and Lands' End common stock to the Sears Holdings website, *www.searsholdings.com*, following the spin-off.

You should consult your own tax advisors concerning the United States federal income tax consequences to you of the receipt, ownership and disposition of shares of Lands' End common stock in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.

Who will own Lands' End common stock following the spin-off?

Sears Holdings will distribute shares of Lands' End common stock *pro rata* to its stockholders as of the record date, except that holders of Sears Holdings' restricted stock that is unvested as of the record date will receive cash awards in lieu of shares. Based on the ownership of Sears Holdings common stock on March 14, 2014, we expect that, immediately following the spin-off, ESL will own approximately 48.4% of Lands' End outstanding common stock. Edward S. Lampert is the Chairman of the Board and Chief Executive Officer of Sears Holdings and Chairman and Chief Executive Officer of ESL. For a more detailed description of the expected beneficial ownership of Lands' End capital stock by ESL following the spin-off, see "Security Ownership of Certain Beneficial Owners and Management."

What will Lands' End's relationship be with Sears Holdings following the spin-off?

Lands' End intends to enter into a separation and distribution agreement, a tax sharing agreement, and a transition services agreement with Sears Holdings or its subsidiaries in connection with the spin-off. Lands' End also intends to enter into commercial agreements with Sears Holdings or its subsidiaries, such as a master lease agreement, a master sublease agreement, a financial services agreement, a retail operations agreement for the Lands' End Shops at Sears and a Shop Your Way retail establishment agreement. Lands' End has previously entered into a co-location and services agreement with a subsidiary of Sears Holdings and will amend this agreement in connection with the spin-off. Together, these agreements will provide for the allocation between Lands' End and Sears Holdings of the assets, employees, liabilities and obligations (including its investments, property and tax-related assets and liabilities) of Sears Holdings and its subsidiaries attributable to periods prior to, at and after the spin-off and will govern the relationship between Lands' End and Sears Holdings subsequent to the completion of the spin-off. For additional information regarding the separation and distribution agreement and other transaction agreements, see "Risk Factors—Risks Related to the Spin-Off" and "Certain Relationships and Related Person Transactions—Our Relationship with Sears Holdings Following the Spin-Off."

Are there risks associated with owning Lands' End common stock?

Yes. Ownership of Lands' End common stock is subject to both general and specific risks relating to Lands' End's business, the industry in which it operates, its ongoing contractual relationships with Sears Holdings and its status as a separate, publicly traded company. Ownership of Lands' End common stock will also be subject to risks relating to the spin-off. These risks are described in the "Risk Factors" section of this information statement beginning on page 19. You are encouraged to read that section carefully.

Does Lands' End plan to pay dividends on its common stock?

We do not currently expect to declare or pay dividends on our common stock for the foreseeable future following the spin-off. Instead, we intend to retain earnings to finance the growth and development of our business and for working capital and general corporate purposes. Any payment of dividends will be at the

discretion of our board of directors and will depend upon various factors then existing, including earnings, financial condition, results of operations, capital requirements, level of indebtedness, any contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions and other factors that our board of directors may deem relevant. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Dividend Policy."

Who will be the distribution agent and the transfer agent and registrar for the Lands' End common stock?

The distribution agent, transfer agent and registrar for the Lands' End common stock will be Computershare Trust Company, N.A.

Where can I find more information about the spin-off?

The information agent for the spin-off will be Georgeson Inc. If you have questions about the spin-off, please contact Georgeson Inc. by calling (800) 868-1391 (toll-free).

RISK FACTORS

You should carefully consider the following risks and other information in this information statement in evaluating our company and our common stock. Any of the following risks could materially and adversely affect our business, results of operations or financial condition. The risk factors generally have been separated into four groups: risks related to our business, risks related to our indebtedness, risks related to the spin-off and risks related to our common stock.

Risks Related to Our Business

If we fail to offer merchandise and services that customers want to purchase, our business and results of operations could be adversely affected.

Our products and services must satisfy the desires of customers, whose preferences change over time. In order to be successful, we must identify, obtain supplies of, and offer to customers attractive, innovative and high-quality merchandise on a continuous and timely basis. Failure to effectively gauge the direction of customer preferences, or convey a compelling brand image or price/value equation to customers may result in lower sales and resultant lower gross profit margins. This could have an adverse effect on our business and results of operations.

Customer preference for our branded merchandise could change, which may adversely affect our profitability.

Sales of branded merchandise account for substantially all of our total revenues and the Lands' End brand, in particular, is a critical differentiating factor for our business. Our inability to develop products that resonate with our existing customers and attract new customers, our inability to maintain our strict quality standards or to develop, produce and deliver products in a timely manner, or any unfavorable publicity with respect to the foregoing or otherwise could negatively impact the image of our brand with our customers and could result in diminished loyalty to our brand. As customer tastes change, our failure to anticipate, identify and react in a timely manner to emerging fashion trends and appropriately supply our stores, catalogs and websites with attractive high-quality products that maintain or enhance the appeal of our brand could have an adverse effect on our sales, operating margins and results of operations.

The success of our Direct segment depends on customers' use of our digital platform, including our e-commerce websites, and response to direct mail catalogs and digital marketing; if our overall marketing strategies, including our maintenance of a robust customer list, is not successful, our business and results of operations could be adversely affected.

The success of our Direct segment, which accounted for approximately 82% of our revenues in 2012, depends on customers' use of our e-commerce websites and their response to our direct mail catalogs and direct marketing.

The level of customer traffic and volume of customer purchases on our e-commerce websites is substantially dependent on our ability to provide attractive and accessible websites, a high-quality customer experience and reliable delivery of our merchandise. If we are unable to maintain and increase customers' use of our e-commerce websites and the volume of goods they purchase, including through our failure to successfully promote and maintain our e-commerce websites and their associated services, our business and results of operations could be adversely affected.

Customer response to our catalogs and digital marketing is substantially dependent on merchandise assortment, merchandise availability and creative presentation, as well as the selection of customers to whom our catalogs are sent and to whom our digital marketing is directed, changes in mailing strategies and the size of our mailings. Our maintenance of a robust customer list, which we believe includes desirable demographic

characteristics for the products we offer, has also been a key component of our overall strategy. If the performance of our catalogs, emails and e-commerce websites decline, or if our overall marketing strategy is not successful, our business and results of operations could be adversely affected.

We depend on information technology and a failure of information technology systems, including with respect to our e-commerce operations, or an inability to upgrade or adapt our systems could adversely affect our business.

We rely on sophisticated information technology systems to operate our business, including the e-commerce websites that drive our direct-to-consumer, Lands' End Business Outfitters and international sales channels and in-store/point-of-sale systems, inventory management and human resources. Our e-commerce websites are subject to numerous risks associated with selling merchandise that could have an adverse effect on our results of operations, including unanticipated operating problems, reliance on third-party computer hardware and software providers, system failures and the need to invest in additional and updated computer platforms.

Our information technology systems are potentially vulnerable to malicious intrusion, random attack or breakdown. Although we have invested in the protection of our data and information technology and also monitor our systems on an ongoing basis, there can be no assurance that these efforts will prevent breakdowns or breaches in our information technology systems that could adversely affect our business.

We also currently depend on Sears Holdings' information technology systems for certain key services to support our core Lands' End business channels, including tax processing and filing, credit and gift card processing, expense reporting and reimbursement and several key jointly shared commercial constructs. In addition, many Sears Holdings information technology systems are leveraged in support of our Lands' End Shops at Sears. There can be no assurance that Sears Holdings will maintain and protect these information technology systems in such a way that would prevent breakdowns or breaches in such systems, which could adversely affect our business.

Additionally, our success will depend, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, enhance our existing services, develop new services and technologies that address the increasingly sophisticated and varied needs of our existing and prospective customers, and respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development and operation of our e-commerce websites and other proprietary technology entails significant technical and business risks. We can provide no assurance that we will be able to effectively use new technologies or adapt our e-commerce websites, proprietary technologies and transaction-processing systems to meet customer requirements or emerging industry standards. If we are unable to accurately project the need for such system expansion or upgrade or adapt our systems in a cost-effective and timely manner in response to changing market conditions or customer requirements, whether for technical, legal, financial or other reasons, our business and results of operations could be adversely affected.

Fluctuations and increases in the costs of raw materials could adversely affect our business and results of operations.

Our products are manufactured using several key raw materials, including wool, cotton and down, which are subject to fluctuations in price and availability and many of which are produced in emerging markets in Asia, South Asia and Central America. The prices of these raw materials can be volatile due to the demand for fabrics, weather conditions, supply conditions, government regulations, general economic conditions, crop yields and other unpredictable factors. Such factors may be exacerbated by legislation and regulations associated with global climate change. The prices of these raw materials may also fluctuate based on a number of other factors beyond our control, including commodity prices such as prices for oil, changes in supply and demand, labor costs, competition, import duties, tariffs, anti-dumping duties, currency exchange rates and government regulation. These fluctuations may result in an increase in our transportation costs for freight and distribution,

utility costs for our retail stores and overall costs to purchase products from our vendors. Fluctuations in the cost, availability and quality of the raw materials used to manufacture our merchandise could have an adverse effect on our cost of goods, or our ability to meet customer demand.

If our relationships with our vendors are impaired, this could have an adverse effect on our competitive position and our business and results of operations.

Most of our arrangements with the vendors that supply a significant portion of our merchandise are not long-term agreements, and, therefore, our success depends on maintaining good relations with them. Our growth strategy depends to a significant extent on the willingness and ability of our vendors to efficiently supply merchandise that is consistent with our standards for quality and value. If we cannot obtain a sufficient amount and variety of quality product at acceptable prices, it could have a negative impact on our competitive position. This could result in lower revenues and decreased customer interest in our product offerings, which, in turn, could adversely affect our business and results of operations.

Our arrangements with our vendors are generally not exclusive. As a result, our vendors might be able to sell similar or identical products to certain of our competitors, some of which purchase products in significantly greater volume. Our competitors may enter into arrangements with suppliers that could impair our ability to sell those suppliers' products, including by requiring suppliers to enter into exclusive arrangements, which could limit our access to such arrangements or products.

If we do not maintain the security of customer, employee or company information, we could experience damage to our reputation, incur substantial additional costs and become subject to litigation.

Any significant compromise or breach of customer, employee or company data security, whether held and maintained by us or by our third-party providers, could significantly damage our reputation and result in additional costs, lost sales, fines and lawsuits. The regulatory environment related to information security and privacy is increasingly rigorous, with new and constantly changing requirements applicable to our business, and compliance with those requirements could result in additional costs. There is no guarantee that the procedures that we have implemented to protect against unauthorized access to secured data are adequate to safeguard against all data security breaches. We could be held liable to our customers or other parties or be subject to regulatory or other actions for breaching privacy rules, and our business and reputation could be adversely affected by any resulting litigation, civil or criminal penalties or adverse publicity.

If we cannot compete effectively in the apparel industry, our business and results of operations may be adversely affected.

The apparel industry is highly competitive. We compete with a diverse group of direct-to-consumer companies and retailers, including national department store chains, men's and women's specialty apparel chains, outdoor specialty stores, apparel catalog businesses, sportswear marketers and online apparel businesses that sell similar lines of merchandise. Our competitors may be able to adopt more aggressive pricing policies, adapt to changes in customer tastes or requirements more quickly, devote greater resources to the design, sourcing, distribution, marketing and sale of their products, or generate greater national brand recognition than us. An inability to overcome these potential competitive disadvantages or effectively market our products relative to our competitors could have an adverse effect on our business and results of operations.

The success of our Retail segment depends on the performance of our "store within a store" business model; if Sears Roebuck sells or disposes of its retail stores or if its retail business does not attract customers or does not adequately promote the Lands' End Shops at Sears, our business and results of operations could be adversely affected.

The success of our Retail segment, which accounted for approximately 18% of our revenues in 2012, depends on the success of the "store within a store" business model. We operated 276 Lands' End Shops at Sears

as of the end of 2012. These stores had revenues of approximately $252.1 million in 2012, representing 89% of our Retail sales and 16% of our overall sales for 2012. The aggregate leased space of Lands' End Shops at Sears is expected to decrease by approximately 5% on or prior to the distribution date as a result of real estate reallocation within Sears Holdings. The Lands' End Shops at Sears may also decrease or be eliminated entirely if Sears Roebuck sells, disposes of or transfers ownership or control of any or all of its retail stores. The success and appeal of Sears stores and foot traffic within Sears stores, therefore, have a major impact on the sales of our Retail segment.

In addition, we depend on subsidiaries of Sears Holdings for various retail services and employees to support the Lands' End Shops at Sears, including providing a dedicated, well-trained staff to directly engage with customers at the Lands' End Shops at Sears, maintaining dedicated sales areas for Lands' End branded products and shopping lounges where customers can search our offerings via the Internet and catalog, and providing signage and other marketing materials promoting the Lands' End brand. If Sears Holdings does not provide these services with the standard of care and quality provided while we were a part of Sears Holdings and in accordance with our commercial agreements with Sears Holdings (or its subsidiaries) going forward and does not deliver a rewarding shopping experience to our customers, our reputation could suffer and our business and results of operations could be adversely affected.

We conduct business in and rely on sources for merchandise located in foreign markets, and our business may therefore be adversely affected by legal, regulatory, economic and political risks associated with international trade and those markets.

Substantially all of our merchandise is imported from vendors in China and other emerging markets in Asia, South Asia and Central America, either directly by us or indirectly by distributors who, in turn, sell products to us. We also sell our products in Canada, Northern and Central Europe and Japan, and we plan to develop a sales presence in other areas of Europe (such as Switzerland, Russia and Scandinavia) and Asia (particularly China). Our reliance on vendors in and marketing of products to customers in foreign markets create risks inherent in doing business in foreign jurisdictions, including:

- the burdens of complying with a variety of foreign laws and regulations, including trade and labor restrictions;
- economic and political instability in the countries and regions where our customers or vendors are located;
- compliance with U.S. and other country laws relating to foreign operations, including the Foreign Corrupt Practices Act, which prohibits U.S. companies from making improper payments to foreign officials for the purpose of obtaining or retaining business, and the U.K. Bribery Act, which prohibits U.K. and related companies from any form of bribery;
- changes in U.S. and non-U.S. laws (or changes in the enforcement of those laws) affecting the importation and taxation of goods, including duties, tariffs and quotas, enhanced security measures at U.S. ports, or imposition of new legislation relating to import quotas;
- increases in shipping, labor, fuel, travel and other transportation costs;
- the imposition of anti-dumping or countervailing duty proceedings resulting in the potential assessment of special anti-dumping or countervailing duties;
- transportation delays and interruptions, including due to the failure of vendors or distributors to comply with import regulations;
- adverse fluctuations in currency exchange rates; and
- political instability and acts of terrorism.

Any increase in the cost of merchandise purchased from these vendors or restriction on the merchandise made available by these vendors could have an adverse effect on our business and results of operations.

Similarly, our inability to market and sell our products in foreign jurisdictions could have an adverse effect on our business and results of operations. Manufacturers in China have experienced increased costs in recent years due to shortages of labor and the fluctuation of the Chinese Yuan in relation to the U.S. dollar. If we are unable to successfully mitigate a significant portion of such product costs, our results of operations could be adversely affected.

New initiatives may be proposed in the United States that may have an impact on the trading status of certain countries and may include retaliatory duties or other trade sanctions that, if enacted, would increase the cost of products purchased from suppliers in countries that we do business with. Any inability on our part to rely on our foreign sources of production due to any of the factors listed above could have an adverse effect on our business, results of operations and financial condition.

If we are unable to protect or preserve the image of our brands and our intellectual property rights, our business may be adversely affected.

We regard our copyrights, service marks, trademarks, trade dress, trade secrets and similar intellectual property as critical to our success. As such, we rely on trademark and copyright law, trade secret protection and confidentiality agreements with our associates, consultants, vendors and others to protect our proprietary rights. Nevertheless, the steps we take to protect our proprietary rights may be inadequate and we may experience difficulty in effectively limiting unauthorized use of our trademarks and other intellectual property worldwide. Unauthorized use of our trademarks, copyrights, trade secrets or other proprietary rights may cause significant damage to our brands and our ability to effectively represent ourselves to agents, suppliers, vendors, licensees and/or customers. While we intend to enforce our trademark and other proprietary rights, there can be no assurance that we are adequately protected in all countries or that we will prevail when defending our trademark and proprietary rights. If we are unable to protect or preserve the value of our trademarks or other proprietary rights for any reason, or if we fail to maintain the image of our brands due to merchandise and service quality issues, actual or perceived, adverse publicity, governmental investigations or litigation, or other reasons, our brands and reputation could be damaged and our business may be adversely affected.

Third parties may sue us for alleged infringement of their proprietary rights. The party claiming infringement might have greater resources than we do to pursue its claims, and we could be forced to incur substantial costs and devote significant management resources to defend against such litigation. If the party claiming infringement were to prevail, we could be forced to discontinue the use of the related trademark or design and/or pay significant damages, or to enter into expensive royalty or licensing arrangements with the prevailing party, assuming these royalty or licensing arrangements are available at all on an economically feasible basis, which they may not be.

Increases in postage, paper and printing costs could adversely affect the costs of producing and distributing our catalog and promotional mailings, which could have an adverse effect on our business and results of operations.

Catalog mailings are a key aspect of our business and increases in costs relating to postage, paper and printing would increase the cost of our catalog mailings and could reduce our profitability to the extent that we are unable to offset such increases by raising prices, by implementing more efficient printing, mailing, delivery and order fulfillment systems or by using alternative direct-mail formats.

We currently use the U.S. Postal Service for distribution of substantially all of our catalogs and are therefore vulnerable to postal rate increases. The current economic and legislative environments may lead to further rate increases or a discontinuation of the discounts for bulk mailings and sorting by zip code and carrier routes which Lands' End currently leverages for cost savings.

Paper for catalogs and promotional mailings is a vital resource in the success of our business. The market price for paper has fluctuated significantly in the past and may continue to fluctuate in the future. We do not have

multi-year fixed-price contracts for the supply of paper and are not guaranteed access to, or reasonable prices for, the amounts required for the operation of our business over the long term.

We also depend upon external vendors to print and mail our catalogs. The limited number of printers capable of handling such needs subjects us to risks if any printer fails to perform under our agreement. Most of our catalog-related costs are incurred prior to mailing, and we are not able to adjust the costs of a particular catalog mailing to reflect the actual subsequent performance of the catalog.

We rely on third parties to provide us with services in connection with certain aspects of our business, and any failure by these third parties to perform their obligations could have an adverse effect on our business and results of operations.

We have entered into agreements with third parties for logistics services, information technology systems (including hosting some of our e-commerce websites), onshore and offshore software development and support, catalog production, distribution and packaging and employee benefits. Services provided by any of our third-party suppliers could be interrupted as a result of many factors, such as acts of God or contract disputes. Any failure by a third party to provide us with contracted-for services on a timely basis or within service level expectations and performance standards could result in a disruption of our business and have an adverse effect on our business and results of operations.

If we fail to timely and effectively obtain shipments of products from our vendors and deliver merchandise to our customers, our business and operating results could be adversely affected.

We do not own or operate any manufacturing facilities and therefore depend upon independent third-party vendors for the manufacture of our merchandise. We cannot control all of the various factors that might affect timely and effective procurement of supplies of product from our vendors and delivery of merchandise to our customers. A majority of the products that we purchase must be shipped to our distribution centers in Dodgeville, Reedsburg and Stevens Point, Wisconsin; Oakham, England; and Fujieda, Japan. While our reliance on a limited number of distribution centers provides certain efficiencies, it also makes us more vulnerable to natural disasters, weather-related disruptions, accidents, system failures or other unforeseen causes that could delay or impair our ability to fulfill customer orders and/or ship merchandise to our stores, which could adversely affect sales. Our utilization of imports also makes us vulnerable to risks associated with products manufactured abroad, including, among other things, risks of damage, destruction or confiscation of products while in transit to a distribution center, organized labor strikes and work stoppages, transportation and other delays in shipments, including as a result of heightened security screening and inspection processes or other port-of-entry limitations or restrictions in the United States, the United Kingdom and Japan, unexpected or significant port congestion, lack of freight availability and freight cost increases. In addition, if we experience a shortage of a popular item, we may be required to arrange for additional quantities of the item, if available, to be delivered through airfreight, which is significantly more expensive than standard shipping by sea. We may not be able to obtain sufficient freight capacity on a timely basis or at favorable shipping rates and, therefore, may not be able to timely receive merchandise from vendors or deliver products to customers.

We rely upon proprietary and third-party land-based and air freight carriers for merchandise shipments from our distribution centers to customers. Accordingly, we are subject to the risks, including labor disputes, union organizing activity, inclement weather and increased transportation costs, associated with such carriers' ability to provide delivery services to meet outbound shipping needs. In addition, if the cost of fuel continues to rise or remains at current levels, the cost to deliver merchandise from distribution centers to customers may rise, and, although some of these costs are paid by our customers, such costs could have an adverse impact on our profitability. Failure to procure and deliver merchandise to customers in a timely, effective and economically viable manner could damage our reputation and adversely affect our business. In addition, any increase in distribution costs and expenses could adversely affect our future financial performance.

Reliance on promotions and markdowns to encourage consumer purchases could adversely affect our gross margins and results of operations.

The apparel industry is dominated by large brands and national/mass retailers, where price competition, promotion, and branded product assortment drive differentiation between competitors in the industry. In order to be competitive, we must offer customers compelling products at attractive prices, including through promotions and markdowns. Heavy reliance on promotions and markdowns to encourage customers to purchase our merchandise could have a negative impact on our brand equity, gross margins and results of operations.

If we do not efficiently manage inventory levels, our results of operations could be adversely affected.

We must maintain sufficient inventory levels to operate our business successfully, but we must also avoid accumulating excess inventory, which increases working capital needs and lowers gross margins. We obtain substantially all of our inventory from vendors located outside the United States. Some of these vendors often require lengthy advance notice of order requirements in order to be able to supply products in the quantities requested. This usually requires us to order merchandise, and enter into commitments for the purchase of such merchandise, well in advance of the time these products will be offered for sale. As a result, it may be difficult to respond to changes in the apparel, footwear, accessories or home products markets. If we do not accurately anticipate the future demand for a particular product or the time it will take to obtain new inventory, inventory levels will not be appropriate and our results of operations could be adversely affected.

Unseasonal or severe weather conditions may adversely affect our merchandise sales.

Our business is adversely affected by unseasonal weather conditions. Sales of certain seasonal apparel items, specifically outerwear and swimwear, are dependent in part on the weather and may decline in years in which weather conditions do not favor the use of these products. Sales of our spring and summer products, which traditionally consist of lighter clothing and swimwear, are adversely affected by cool or wet weather. Similarly, sales of our fall and winter products, which are traditionally weighted toward outerwear, are adversely affected by mild, dry or warm weather. In addition, severe weather events typically lead to temporarily reduced traffic at the Sears locations in which Lands' Ends Shops at Sears are located and at our other retail locations which could lead to reduced sales of our merchandise. Severe weather events may impact our ability to supply our stores, deliver orders to customers on schedule and staff our stores and fulfillment centers, which could have an adverse effect on our business and results of operations.

Our business is seasonal in nature, and any decrease in our sales or margins could have an adverse effect on our business and results of operations.

The apparel industry is highly seasonal, with the highest levels of sales occurring during the fourth quarter of our fiscal year. Our sales and margins during the fourth quarter may fluctuate based upon factors such as the timing of holiday seasons and promotions, the amount of net sales contributed by new and existing stores, the timing and level of markdowns, competitive factors, weather and general economic conditions. Any decrease in sales or margins, whether as a result of increased promotional activity or because of economic conditions, poor weather or other factors, could have an adverse effect on our business and results of operations. In addition, seasonal fluctuations also affect our inventory levels, since we usually order merchandise in advance of peak selling periods and sometimes before new fashion trends are confirmed by customer purchases. We generally carry a significant amount of inventory, especially before the fourth quarter peak selling periods. If we are not successful in selling inventory during these periods, we may have to sell the inventory at significantly reduced prices, which could adversely affect our business and results of operations.

If our independent vendors do not use ethical business practices or comply with applicable laws and regulations, our reputation could be materially harmed and have an adverse effect on our business and results of operations.

Our reputation and customers' willingness to purchase our products depend in part on our vendors' compliance with ethical employment practices, such as with respect to child labor, wages and benefits, forced labor, discrimination, freedom of association, unlawful inducements, safe and healthy working conditions, and with all legal requirements relating to the conduct of their business. While we operate compliance and monitoring programs to promote ethical and lawful business practices, we do not exercise ultimate control over our independent vendors or their business practices and cannot guarantee their compliance with ethical and lawful business practices. Violation of labor or other laws by vendors, or the divergence of a vendor's labor practices from those generally accepted as ethical in the United States could materially hurt our reputation, which could have an adverse effect on our business and results of operations.

We may be subject to assessments for additional state taxes, which could adversely affect our business.

In accordance with current law, we pay, collect and/or remit taxes in those states where we or our subsidiaries, as applicable, maintain a physical presence. While we believe that we have appropriately remitted all taxes based on our interpretation of applicable law, tax laws are complex and their application differs from state to state. It is possible that some taxing jurisdictions may attempt to assess additional taxes and penalties on us or assert either an error in our calculation, a change in the application of law, or an interpretation of the law that differs from our own, which may, if successful, adversely affect our business and results of operations.

We may be subject to periodic litigation and other regulatory proceedings, including with respect to product liability claims. These proceedings may be affected by changes in laws and government regulations or changes in their enforcement.

From time to time, we may be involved in lawsuits and regulatory actions relating to our business or products we sell or have sold. These proceedings may be in jurisdictions with reputations for aggressive application of laws and procedures against corporate defendants. We are impacted by trends in litigation, including class-action allegations brought under various consumer protection and employment laws, including wage and hour laws and laws relating to electronic commerce. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have an adverse effect on our business and results of operations. Regardless of the outcome of any litigation or regulatory proceedings, any such proceeding could result in substantial costs and may require that we devote substantial resources to defend the proceeding, which could affect the future premiums we would be required to pay on our insurance policies. Changes in governmental regulations could also have adverse effects on our business and subject us to additional regulatory actions.

Some of the products we sell may expose us to product liability claims relating to personal injury, death or property damage allegedly caused by these products, and could require us to take corrective actions, including product recalls. Although we maintain liability insurance, there is no guarantee that our current or future coverage will be adequate for liabilities actually incurred, or that insurance will continue to be available on economically reasonable terms, or at all. Product liability claims can be expensive to defend and can divert the attention of management and other personnel for significant periods, regardless of the ultimate outcome. Claims of this nature, as well as product recalls, could also have an adverse effect on customer confidence in the products we sell and on our reputation, business and results of operations.

We could incur charges due to impairment of goodwill, other intangible assets and long-lived assets.

As of November 1, 2013, we had intangible asset balances of $642.0 million, most of which are subject to testing for impairment annually or more frequently if events or changes in circumstances indicate that the asset

might be impaired. Our intangible assets consist of $528.3 million of trade names, $3.7 million of finite-lived intangible assets and our goodwill balance was $110.0 million. Any event that impacts our reputation could result in impairment charges for our trade names. Long-lived assets, primarily property and equipment, are also subject to testing for impairment. A significant amount of judgment is involved in our impairment assessment. If actual results are not consistent with our estimates and assumptions used in estimating future cash flows and asset fair values, we could incur impairment charges for intangible assets, goodwill or long-lived assets, which could have an adverse effect on our results of operations.

Our failure to retain our executive management team and to attract qualified new personnel could adversely affect our business and results of operations.

We depend on the talents and continued efforts of our executive management team, which is composed of the individuals named under "Management." The loss of one or more of the members of our executive management may disrupt our business and adversely affect our results of operations. Furthermore, our ability to manage further expansion will require us to continue to train, motivate and manage employees and to attract, motivate and retain additional qualified personnel. We believe that having personnel who are passionate about our brand and have industry experience and a strong customer service ethic has been an important factor in our historical success, and we believe it will continue to be important to growing our business. Competition for these types of personnel is intense, and we may not be successful in attracting, assimilating and retaining the personnel required to grow and operate our business profitably. With the seasonal nature of the retail business, nearly 2,000 flexible part-time employees join us each year to support our varying peak seasons, including the fourth quarter holiday shopping season. An inability to attract qualified seasonal personnel could interrupt our sales during this period.

Our plans to expand internationally may not be successful.

Our current strategies include international expansion in a number of countries around the world through a number of channels and brands, including in Asia and Europe. We have limited experience operating in many of these locations, and face major, established competitors and barriers to entry. In addition, in many of these locations, the real estate, employment and labor, transportation and logistics, regulatory and other operating requirements differ dramatically from those in the places where we have experience. Foreign currency exchange rate fluctuations may also adversely affect our international operations and sales, including by increasing the cost of business in certain locations. Moreover, consumer tastes and trends may differ in many of these locations from those in our existing locations, and as a result, the sales of our products may not be successful or profitable. If our international expansion plans are unsuccessful or do not deliver an appropriate return on our investments, our business could be adversely affected.

Our business is affected by worldwide economic and market conditions; a failure of the economy to sustain its recovery, a renewed decline in consumer-spending levels and other adverse developments, including rising inflation, could lead to reduced revenues and gross margins and adversely affect our business, results of operations and liquidity.

Many economic and other factors are outside of our control, including general economic and market conditions, consumer and commercial credit availability, inflation, unemployment, consumer debt levels and other challenges currently affecting the global economy. Continued high rates of unemployment, depressed home prices, reduced access to credit and the domestic and international political situation may adversely affect consumer confidence and disposable income levels. Low consumer confidence and disposable incomes could lead to reduced consumer spending and lower demand for our products, which are discretionary items the purchase of which can be reduced before customers adjust their budgets for necessities. These factors could have a negative impact on our sales and cause us to increase inventory markdowns and promotional expenses, thereby reducing our gross margins and operating results.

In addition, our liquidity needs are funded by operating cash flows and, to the extent necessary, may be funded by borrowings under the ABL Facility that we expect to enter into in connection with the spin-off. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." The availability of financing depends on numerous factors that are outside of our control, including general economic and market conditions, the health of financial institutions, our credit ratings and lenders' assessments of our prospects and the prospects of the retail industry in general. The lenders under any credit facilities or loan agreements we may enter into may not be able to meet their commitments if they experience shortages of capital and liquidity. There can be no assurance that our ability to otherwise access the credit markets will not be adversely affected by changes in the financial markets and the global economy. If we are not able to fulfill our liquidity needs through operating cash flows and/or borrowings under credit facilities or otherwise in the capital markets, our business and financial condition could be adversely affected.

Other factors may have an adverse effect on our business, results of operations and financial condition.

Many other factors may affect our profitability and financial condition, including:

- changes in or interpretations of laws and regulations, including changes in accounting standards, taxation requirements, product marketing application standards and environmental laws;
- differences between the fair value measurement of assets and liabilities and their actual value, particularly for intangibles and goodwill; and for contingent liabilities such as litigation, the absence of a recorded amount, or an amount recorded at the minimum, compared to the actual amount;
- changes in the rate of inflation, interest rates and the performance of investments held by us;
- changes in the creditworthiness of counterparties that transact business with or provide services to us; and
- changes in business, economic and political conditions, including war, political instability, terrorist attacks, the threat of future terrorist activity and related military action; natural disasters; the cost and availability of insurance due to any of the foregoing events; labor disputes, strikes, slow-downs or other forms of labor or union activity; and pressure from third-party interest groups.

Risks Related to the Spin-Off

Our historical financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

Although we were an independent company prior to our acquisition by Sears Roebuck in June 2002, the more recent historical information about us in this information statement refers to the Lands' End's business as operated by and integrated with Sears Holdings. Accordingly, the historical financial information included in this information statement does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the factors described below:

- Prior to the separation, Sears Holdings or one of its affiliates performed various corporate functions for us. Following the spin-off, Sears Holdings or its subsidiaries will provide some of these functions to us, as described in "Certain Relationships and Related Person Transactions—Our Relationship with Sears Holdings Following the Spin-Off." Our historical financial results reflect allocations of corporate expenses from Sears Holdings for these functions and are likely to be less than the expenses we would have incurred had we operated as a separate publicly traded company. Following the spin-off, we may not be able to perform these functions as efficiently or at comparable costs, and our profitability may decline as a result;
- Currently, we are able to use Sears Holdings' size and purchasing power in procuring various goods and services and have shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. Although we will enter into a transition services agreement and other

commercial agreements with Sears Holdings or its subsidiaries in connection with the spin-off, these arrangements may not fully capture the benefits we have enjoyed as a result of being integrated with Sears Holdings and may result in us paying higher charges than in the past for these services. As a separate, publicly traded company, we may be unable to obtain goods and services at the prices and terms obtained prior to the spin-off, which could decrease our overall profitability. This could have an adverse effect on our business and results of operations following the completion of the spin-off;

- Generally, our working capital requirements and capital for our general corporate purposes have historically been satisfied as part of the corporate-wide cash management policies of Sears Holdings. Following the spin-off, we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements; and
- Our historical financial information does not reflect any debt we may incur in connection with the spin-off.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a company separate from Sears Holdings. For additional information about the past financial performance of our business and the basis of presentation of the historical combined financial statements of our business, see "Selected Historical Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical combined financial statements and accompanying notes included elsewhere in this information statement.

Sears Holdings or its subsidiaries may fail to perform under various transaction agreements that will be executed in connection with the spin-off or we may fail to have necessary systems and services in place when certain of the transaction agreements expire.

We rely on Sears Holdings to provide logistics, point-of-sale and related store systems to the Lands' End Shops at Sears. In connection with the spin-off, we will enter into various agreements, including a separation and distribution agreement, a transition services agreement and a tax sharing agreement, to effect the separation and provide a framework for our relationship with Sears Holdings after the spin-off. In addition, we will enter into commercial agreements with Sears Holdings or its subsidiaries, including a master lease agreement, a master sublease agreement, a financial services agreement, a retail operations agreement for the Lands' End Shops at Sears and a Shop Your Way retail establishment agreement. We previously entered into a co-location and services agreement with a subsidiary of Sears Holdings that will be amended in connection with the spin-off. These agreements are discussed in greater detail in the section titled "Certain Relationships and Related Person Transactions—Our Relationship with Sears Holdings Following the Spin-Off." Certain of these agreements will provide for the performance of services by each company for the benefit of the other for up to 12 months after the spin-off or, in the case of the commercial agreements we will enter into with Sears Holdings, for the period of time otherwise specified in the applicable agreement. We will rely on Sears Holdings and its subsidiaries to satisfy their performance and payment obligations under these agreements. If Sears Holdings or its subsidiaries are unable to satisfy their obligations under these agreements, including their indemnification obligations, we could incur operational difficulties or losses. These arrangements could lead to disputes between Sears Holdings or its subsidiaries and us over the use of and charges for facilities and the allocation of revenues and expenses for our sales from the Lands' End Shops at Sears and from our gift card programs.

If we do not have in place our own systems and services, or if we do not have agreements with other providers of these services when the transaction or commercial agreements terminate, we may not be able to operate our business effectively and our profitability may decline. We are in the process of creating our own, or engaging third parties to provide, systems and services to replace many of the systems and services Sears Holdings and its subsidiaries currently provide to us. We may not be successful in effectively or efficiently implementing these systems and services or in transitioning data from Sears Holdings' systems to ours. These systems and services may also be more expensive or less efficient than the systems and services Sears Holdings and its subsidiaries are expected to provide during the transition period.

We may have received better terms from unaffiliated third parties than the terms we will receive in our agreements with Sears Holdings or its subsidiaries.

The agreements we will enter into with Sears Holdings or its subsidiaries in connection with the spin-off, including the transition services agreement, tax sharing agreement, master lease agreement, master sublease agreement, financial services agreement, Lands' End Shops at Sears retail operations agreement and Shop Your Way retail establishment agreement, were prepared in the context of the spin-off while we were still a wholly owned indirect subsidiary of Sears Holdings. Accordingly, during the period in which the terms of these agreements and amendments were prepared, we did not have an independent board of directors or a management team that was independent of Sears Holdings. As a result, the terms of these agreements are of fixed duration and may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. Arm's-length negotiations between Sears Holdings and an unaffiliated third party in another form of transaction, such as with a buyer in a sale of a business, may have resulted in more favorable terms to the unaffiliated third party. See "Certain Relationships and Related Person Transactions—Our Relationship with Sears Holdings Following the Spin-Off."

Potential indemnification liabilities to Sears Holdings pursuant to the separation and distribution agreement could adversely affect us.

The separation and distribution agreement with Sears Holdings will provide, among other things, the principal corporate transactions required to effect the spin-off, certain conditions to the spin-off and provisions governing the relationship between us and Sears Holdings with respect to and resulting from the spin-off. For a description of the separation and distribution agreement, see "Certain Relationships and Related Person Transactions—The Separation and Distribution Agreement." Among other things, the separation and distribution agreement provides for indemnification obligations designed to make us financially responsible for substantially all liabilities that may exist relating to our business activities, whether incurred prior to or after the spin-off, as well as any obligations of Sears Holdings that we may assume pursuant to the separation and distribution agreement. If we are required to indemnify Sears Holdings under the separation and distribution agreement, we may be subject to substantial liabilities.

If the spin-off is determined to be taxable for U.S. federal income tax purposes, our stockholders could incur significant U.S. federal income tax liabilities.

A condition to the spin-off is Sears Holdings' receipt of an opinion from the law firm of Simpson Thacher & Bartlett LLP substantially to the effect that the spin-off and its associated transactions (including the Internal Transactions (as defined in the separation and distribution agreement)) will qualify as tax-free under Sections 355, 368 and related provisions of the Code, except to the extent of any cash received in lieu of fractional shares of our common stock. An opinion of counsel is not binding on the Internal Revenue Service ("IRS"). Accordingly, the IRS may reach conclusions with respect to the spin-off that are different from the conclusions reached in the opinion. The opinion will rely on certain facts, assumptions, representations and undertakings from Sears Holdings and us regarding the past and future conduct of the companies' respective businesses and other matters, which, if incomplete, incorrect or not satisfied, could alter counsel's conclusions.

If the spin-off ultimately is determined to be taxable, the spin-off could be treated as a taxable dividend to you for U.S. federal income tax purposes, and you could incur significant U.S. federal income tax liabilities. In addition, Sears Holdings would recognize a taxable gain to the extent that the fair market value of our common stock exceeds Sears Holdings' tax basis in such stock on the date of the spin-off. Sears Holdings would not expect tax on such gain, if any, to be substantial. For a description of the sharing of such liabilities between Sears Holdings and us, see "Certain Relationships and Related Person Transactions—Tax Sharing Agreement."

We may not be able to engage in certain corporate transactions after the spin-off.

Our ability to engage in significant equity transactions will be limited or restricted after the spin-off in order to preserve for U.S. federal income tax purposes the tax-free nature of the spin-off by Sears Holdings. Even if the

spin-off otherwise qualifies for tax-free treatment under Section 355 of the Code, it may be taxable to Sears Holdings if 50% or more, by vote or value, of shares of our common stock or Sears Holdings' common stock are acquired or issued as part of a plan or series of related transactions that includes the spin-off. For this purpose, any acquisitions or issuances of Sears Holdings' common stock within two years before the spin-off, and any acquisitions or issuances of our common stock or Sears Holdings' common stock within two years after the spin-off, generally are presumed to be part of such a plan, although we or Sears Holdings may be able to rebut that presumption. If an acquisition or issuance of shares of our common stock or Sears Holdings' common stock triggers the application of Section 355(e) of the Code, Sears Holdings would recognize a taxable gain to the extent the fair market value of our common stock exceeds Sears Holdings' tax basis in common stock. If the spin-off was subject to Section 355(e) of the Code, we would not expect tax on such gain, if any, to be substantial.

Under the tax sharing agreement, there will be restrictions on our ability to take actions that could cause the spin-off to fail to qualify for favorable treatment under the Code. These restrictions may prevent us from entering into transactions which might be advantageous to us or our stockholders. For a description of the tax sharing agreement, see "Certain Relationships and Related Person Transactions—Tax Sharing Agreement."

Edward S. Lampert and ESL, whose interests may be different from your interests, are expected to be able to exert substantial influence over us following the spin-off and may have interests different than yours.

Immediately following the spin-off, ESL, which beneficially owns approximately 48.4% of Sears Holdings common stock as of the date hereof, is expected to beneficially own approximately 48.4% of the outstanding shares of our common stock. ESL may also increase its percentage beneficial ownership of us through open market purchases of our common stock or otherwise. ESL and its affiliates are controlled, directly or indirectly, by Mr. Lampert. Accordingly, ESL, and thus Mr. Lampert, may have the ability to exert substantial influence over certain matters on which holders of our common stock vote, including, among other things, the election of directors, approving mergers or other business combinations and effecting certain amendments to our certificate of incorporation. The interests of ESL, which has investments in companies other than us (including Sears Holdings) who are counterparties to key agreements with us, may from time to time diverge from the interests of our other stockholders. See "Security Ownership of Certain Beneficial Owners and Management" for a more detailed description of the expected beneficial ownership of our capital stock by ESL following the spin-off.

There may be a significant degree of difficulty in operating as a separate entity and managing that process effectively could require a significant amount of senior management's time.

The spin-off from Sears Holdings could cause an interruption of, or loss of momentum in, the operation of our business. Members of our senior management may be required to devote considerable amounts of time to the spin-off, which could decrease the time they will have to manage their ordinary responsibilities. If our senior management is not able to manage the spin-off effectively, or if any significant business activities are interrupted as a result of the spin-off, our business and operating results could suffer.

We may not achieve some or all of the expected benefits of the spin-off, and the spin-off may adversely affect our business.

We may not be able to achieve the full strategic and financial benefits expected to result from the spin-off, or these benefits may be delayed or not occur at all. The spin-off is expected to provide the following benefits, among others: (1) simplified focus and operational flexibility that will enable each of Lands' End and Sears Holdings to be better able to dedicate resources to pursue unique growth opportunities and execute strategic plans best suited to their respective businesses, (2) a business-appropriate capital structure for each of Sears Holdings and Lands' End, (3) focused management and more effective equity-based compensation arrangements and (4) increasing investors' understanding of Lands' End and its market position within its industry, while also allowing for a more natural and interested investor base. The spin-off may also potentially enhance Lands' End's

financial flexibility, such as allowing direct access by Lands' End to the capital markets. In contrast to a sale of the entire business, the spin-off will enable current Sears Holdings stockholders to directly participate in any future value creation by Lands' End, while also allowing investors the flexibility to consider Sears Holdings and Lands' End as independent investment decisions based on Lands' End's and Sears Holdings' different business models and strategies.

We may not achieve these and other anticipated benefits and may be subject to unanticipated costs in connection with the spin-off for a variety of reasons, including, among others: (a) the spin-off will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business; (b) following the spin-off, we may be more susceptible to market fluctuations and other adverse events than if we were still a part of Sears Holdings; (c) following the spin-off, our business will be less diversified than Sears Holdings' business prior to the spin-off; and (d) the other actions required to separate Sears Holdings' and Lands' End's respective businesses could disrupt our operations. If we fail to achieve some or all of the benefits expected to result from the spin-off, or if these benefits are delayed, our business and results of operations could be adversely affected.

Potential liabilities may arise under fraudulent conveyance and transfer laws and legal capital requirements, which could have an adverse effect on our financial condition and our results of operations.

In the event that any entity involved in the spin-off (including certain internal restructuring and financing transactions contemplated to be consummated in connection with the spin-off) subsequently fails to pay its creditors or enters insolvency proceedings, these transactions may be challenged under U.S. federal, U.S. state and foreign fraudulent conveyance and transfer laws, as well as legal capital requirements governing distributions and similar transactions. If a court were to determine under these laws that, (a) at the time of the spin-off, the entity in question: (1) was insolvent; (2) was rendered insolvent by reason of the spin-off; (3) had remaining assets constituting unreasonably small capital; (4) intended to incur, or believed it would incur, debts beyond its ability to pay these debts as they matured; or (b) the transaction in question failed to satisfy applicable legal capital requirements, the court could determine that the spin-off was voidable, in whole or in part. Subject to various defenses, the court could then require Sears Holdings or us, or other recipients of value in connection with the spin-off (potentially including our stockholders as recipients of shares of our common stock in connection with the spin-off), as the case may be, to turn over value to other entities involved in the spin-off and contemplated transactions for the benefit of unpaid creditors. The measure of insolvency and applicable legal capital requirements will vary depending upon the jurisdiction whose law is being applied.

Risks Related to Our Indebtedness

Our leverage may place us at a competitive disadvantage in our industry. We expect that the agreements governing our debt will contain various covenants that impose restrictions on us that may affect our ability to operate our business.

We will have substantial leverage following the spin-off and, accordingly, will have significant debt service obligations. Our debt and debt service requirements could adversely affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities. Our expected level of debt presents the following risks, among others:

- we could be required to use a substantial portion of our cash flow from operations to pay principal (including amortization) and interest on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, strategic acquisitions and other general corporate requirements or causing us to make non-strategic divestitures;
- our interest expense could increase if prevailing interest rates increase, because we expect a substantial portion of our debt to bear interest at variable rates;

- our substantial leverage could increase our vulnerability to economic downturns and adverse competitive and industry conditions and could place us at a competitive disadvantage compared to those of our competitors that are less leveraged;
- our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our business, our industry and changing market conditions and could limit our ability to pursue other business opportunities, borrow more money for operations or capital in the future and implement our business strategies;
- our level of debt may restrict us from raising additional financing on satisfactory terms to fund working capital, capital expenditures, strategic acquisitions and other general corporate requirements;
- we expect that the agreements governing our debt will contain covenants that will limit our ability to pay dividends or make other restricted payments and investments;
- we expect that the agreements governing our debt will contain operating covenants that could limit our and our operating subsidiaries' ability to engage in activities that may be in our best interests in the long term, including, without limitation, by restricting our and our subsidiaries' ability to incur debt, create liens, enter into transactions with affiliates or prepay certain kinds of indebtedness. However, we expect that the credit agreements governing our debt will not contain any financial covenants unless we fall below a minimum level of borrowing availability under the ABL Facility; and
- the failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of the applicable debt, and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In the event our creditors accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that debt.

We may need additional financing in the future for our general corporate purposes, and such financing may not be available on favorable terms, or at all, and may be dilutive to existing stockholders.

We may need to seek additional financing for our general corporate purposes, such as to finance our international expansion and the growth of our Retail segment. We may be unable to obtain any desired additional financing on terms favorable to us, or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our expansion, successfully develop or enhance our products, or respond to competitive pressures, any of which could negatively affect our business. If we raise additional funds through the issuance of equity securities, our stockholders could experience dilution of their ownership interest. If we raise additional funds by issuing debt, we may be subject to limitations on our operations due to restrictive covenants.

Risks Related to Our Common Stock

We cannot be certain that an active trading market for our common stock will develop or be sustained after the spin-off, and following the spin-off, our stock price may fluctuate significantly.

A public market for our common stock does not currently exist. We anticipate that on or prior to the record date for the distribution, trading of shares of our common stock will begin on a "when-issued" basis and will continue through the distribution date, although we cannot guarantee that such trading will occur. We also cannot guarantee that an active trading market will develop or be sustained for our common stock after the spin-off, nor can we predict the prices at which shares of our common stock may trade after the spin-off. Similarly, we cannot predict the effect of the spin-off on the trading prices of our common stock or whether the combined market value of the shares of our common stock and the shares of Sears Holdings common stock after the spin-off will be less than, equal to or greater than the market value of shares of Sears Holdings common stock prior to the spin-off.

The market price of our common stock may fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our operating results;
- changes in earnings estimated by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of comparable companies;
- changes to the regulatory and legal environment under which we operate;
- domestic and worldwide economic conditions; and
- sales by investors of some or all of the shares of our common stock that they receive in the spin-off.

Further, when the market price of a company's common stock drops significantly, stockholders often initiate securities class action lawsuits against the company. A lawsuit against Lands' End could cause us to incur substantial costs and could divert the time and attention of our senior management and other resources.

A number of our shares of common stock are or will be eligible for future sale, which may cause our stock price to decline.

Any sales of substantial amounts of our common stock in the public market or the perception that such sales might occur, in connection with the spin-off or otherwise, may cause the market price of our common stock to decline. Upon completion of the spin-off, we expect that we will have an aggregate of approximately 32 million shares of our common stock issued and outstanding on the distribution date. These shares will be freely tradable without restriction or further registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), unless the shares are owned by one of our "affiliates," as that term is defined in Rule 405 under the Securities Act.

We are unable to predict whether large amounts of our common stock will be sold in the open market following the spin-off. We are also unable to predict whether a sufficient number of buyers would be in the market at that time. A portion of Sears Holdings' common stock is held by index funds tied to certain stock indices. If we are not included in these indices at the time of the spin-off, these index funds will be required to sell our stock.

We expect that, immediately following the spin-off, ESL, which beneficially owns approximately 48.4% of Sears Holdings common stock as of the date of this information statement, will beneficially own approximately 48.4% of our outstanding common stock. ESL will, in its sole discretion, determine the timing and terms of any transactions with respect to its shares of Lands' End common stock, taking into account business and market conditions and other factors that it deems relevant. ESL is not subject to any contractual obligation to maintain its ownership position in us. Consequently, we cannot assure you that ESL will maintain its ownership interest in us. Any sale by ESL of our common stock or any announcement by ESL that it has decided to sell shares of our common stock, or the perception by the investment community that ESL has sold or decided to sell shares of our common stock, could have an adverse impact on the price of our common stock. For further description of transfer restrictions that may apply to our capital stock, see "The Spin-Off—Transferability of Shares You Receive."

The combined post-spin-off value of our common stock and Sears Holdings common stock may not equal or exceed the pre-spin-off value of Sears Holdings common stock.

We cannot assure you that the combined trading prices of Sears Holdings common stock and our common stock after the spin-off, as adjusted for any changes in the combined capitalization of the two companies, will be equal to or greater than the trading price of Sears Holdings common stock prior to the spin-off. Until the market has fully evaluated the business of Sears Holdings without the Lands' End business, the price at which shares of Sears Holdings common stock trade may fluctuate. Similarly, until the market has fully evaluated the Lands' End business, the price at which shares of our common stock trade may fluctuate.

We do not expect to pay dividends for the foreseeable future.

We do not currently expect to declare or pay dividends on our common stock for the foreseeable future following the spin-off. Instead, we intend to retain earnings to finance the growth and development of our business and for working capital and general corporate purposes. Any payment of dividends will be at the discretion of our board of directors and will depend upon various factors then existing, including earnings, financial condition, results of operations, capital requirements, level of indebtedness, any contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions and other factors that our board of directors may deem relevant. As a result, you may not receive any return on an investment in our capital stock in the form of dividends.

Your percentage ownership in Lands' End may be diluted in the future.

In the future, your percentage ownership in Lands' End may be diluted because of equity issuances for acquisitions, strategic investments, capital market transactions or otherwise, including equity awards that we may grant to our directors, officers and employees. Our compensation committee may grant additional stock options or other stock-based awards to our employees after the spin-off. These awards would have a dilutive effect on our earnings per share, which could adversely affect the market price of our common stock. From time to time, we may issue additional options or other stock-based awards to our employees under our employee benefits plans.

Becoming a public company will increase our expenses and administrative burden, in particular to bring us into compliance with certain provisions of the Sarbanes-Oxley Act of 2002 to which we are not currently subject.

As a public company, we will incur certain legal, accounting and other expenses that we did not incur as a subsidiary of Sears Holdings. These increased costs and expenses may arise from various factors, including financial reporting, costs associated with complying with federal securities laws (including compliance with the Sarbanes-Oxley Act of 2002), tax administration, and legal and human-resources related functions. Although we expect that a number of these functions will continue to be performed by subsidiaries of Sears Holdings following the spin-off, we will be required to, among other things, create or revise the roles and duties of board committees, adopt additional internal controls and disclosure controls and procedures, retain a transfer agent and adopt an insider trading policy in compliance with our obligations under the securities laws.

We also expect that being a public company subject to additional laws, rules and regulations will require the investment of additional resources to ensure ongoing compliance with these laws, rules and regulations. In addition, these laws, rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified executive officers and qualified persons to serve on our board of directors, and in particular to serve on our audit committee.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This information statement and other materials that we have filed or will file with the SEC contain, or will contain, certain forward-looking statements regarding business strategies, market potential, future financial performance and other matters. Forward-looking statements are subject to risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements include information concerning our future financial performance, business strategy, plans, goals and objectives.

Statements preceded or followed by, or that otherwise include, the words "believes," "expects," "anticipates," "intends," "project," "estimates," "plans," "forecast," "is likely to" and similar expressions or future or conditional verbs such as "will," "may," "would," "should" and "could" are generally forward-looking in nature and not historical facts. In particular, information included under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Certain Relationships and Related Person Transactions" and "The Spin-Off" contains forward-looking statements. Where, in any forward-looking statement or elsewhere in this information statement, an expectation or belief as to future results or events is expressed, such expectation or belief is based on the current plans and expectations of our management and is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished.

The following factors, among others, could cause our actual results, performance or achievements to differ from those set forth in the forward-looking statements:

- our ability to offer merchandise and services that customers want to purchase;
- changes in customer preference for our branded merchandise;
- customers' use of our digital platform, including our e-commerce websites, and response to direct mail catalogs and digital marketing;
- the success of our overall marketing strategies, including our maintenance of a robust customer list;
- our dependence on information technology and a failure of information technology systems, including with respect to our e-commerce operations, or an inability to upgrade or adapt our systems;
- fluctuations and increases in the costs of raw materials;
- impairment of our relationships with our vendors;
- our failure to maintain the security of customer, employee or company information;
- our failure to compete effectively in the apparel industry;
- the performance of our "store within a store" business model;
- if Sears Roebuck sells or disposes of its retail stores or if its retail business does not attract customers or does not adequately promote the Lands' End Shops at Sears;
- legal, regulatory, economic and political risks associated with international trade and those markets in which we conduct business and source our merchandise;
- our failure to protect or preserve the image of our brands and our intellectual property rights;
- increases in postage, paper and printing costs;
- failure by third parties who provide us with services in connection with certain aspects of our business to perform their obligations;
- our failure to timely and effectively obtain shipments of products from our vendors and deliver merchandise to our customers;

- reliance on promotions and markdowns to encourage consumer purchases;
- our failure to efficiently manage inventory levels;
- unseasonal or severe weather conditions;
- the seasonal nature of our business;
- the adverse effect on our reputation if our independent vendors do not use ethical business practices or comply with applicable laws and regulations;
- assessments for additional state taxes;
- our exposure to periodic litigation and other regulatory proceedings, including with respect to product liability claims;
- incurrence of charges due to impairment of goodwill, other intangible assets and long-lived assets;
- our failure to retain our executive management team and to attract qualified new personnel;
- the impact on our business of adverse worldwide economic and market conditions, including economic factors that negatively impact consumer spending on discretionary items;
- the inability of our past performance generally, as reflected on our historical financial statements, to be indicative of our future performance;
- the impact of increased costs due to a decrease in our purchasing power following the separation and other losses of benefits associated with being a subsidiary of Sears Holdings;
- the failure of Sears Holdings or its subsidiaries to perform under various transaction agreements that will be executed in connection with the spin-off or our failure to have necessary systems and services in place when certain of the transaction agreements expire;
- our agreements related to the spin-off and our continuing relationship with Sears Holdings were negotiated while we were a subsidiary of Sears Holdings and we may have received better terms from an unaffiliated third party;
- potential indemnification liabilities to Sears Holdings pursuant to the separation and distribution agreement;
- our inability to engage in certain corporate transactions after the spin-off;
- the ability of our principal shareholders to exert substantial influence over us;
- our difficulty in operating as a separate entity following the spin-off;
- our failure to achieve some or all of the expected benefits of the spin-off, and adverse effects of the spin-off on our business;
- potential liabilities under fraudulent conveyance and transfer laws and legal capital requirements;
- uncertainty relating to the development and continuation of an active trading market for our common stock;
- declines in our stock price due to the eligibility of a number of our shares of common stock for future sale;
- our inability to pay dividends; and
- increases in our expenses and administrative burden in relation to becoming a public company, in particular to bring us into compliance with certain provisions of the Sarbanes-Oxley Act of 2002 to which we are not currently subject.

Certain of these and other factors are discussed in more detail in the sections of this information statement entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this information statement. While we believe that our forecasts and assumptions are reasonable, we caution that actual results may differ materially. If one or more of these or other factors materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from our expectations. Consequently, actual events and results may vary significantly from those included in or contemplated or implied by our forward-looking statements. The forward-looking statements included in this information statement are made only as of the date of this information statement, and we undertake no obligation, and expressly disclaim any obligation, to publicly update or review any forward-looking statement made by us or on our behalf, whether as a result of new information, future developments, subsequent events or circumstances or otherwise.

DIVIDEND POLICY

We do not currently expect to declare or pay dividends on our common stock for the foreseeable future following the spin-off. Instead, we intend to retain earnings to finance the growth and development of our business and for working capital and general corporate purposes. Any payment of dividends will be at the discretion of our board of directors and will depend upon various factors then existing, including earnings, financial condition, results of operations, capital requirements, level of indebtedness, any contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions and other factors that our board of directors may deem relevant. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of November 1, 2013 on (i) an actual unaudited historical basis and (ii) an unaudited pro forma basis as adjusted to give effect to the separation and the transactions related to the separation.

The historical information below does not necessarily reflect what our capitalization would have been had we operated as a separate, publicly traded company for the period presented and is not necessarily indicative of our future capitalization. This table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and accompanying notes included elsewhere in this information statement.

(in thousands)	Actual	Pro Forma
Cash and Cash Equivalents(1)	$ 16,331	$ 16,331
Long-term debt(2)		
Term-loan facility	$ —	$ 515,000
Total Debt	—	515,000
Equity		
Common stock(3)	—	320
Additional paid-in capital(3)	—	361,721
Accumulated other comprehensive loss	(3,057)	(3,057)
Net parent company investment(3)	862,041	—
Total equity(3)	858,984	358,984
Total capitalization	$858,984	$ 873,984

(1) Lands' End includes deposits in transit from banks for payments related to third-party credit card and debit card transactions within cash. Lands' End's domestic cash is transferred to or funded from Sears Holdings on a daily basis. These cash receipts and disbursements adjust Net parent company investment on the combined balance sheets.

(2) In connection with the spin-off, we are pursuing an asset-based senior secured revolving credit facility (the "ABL Facility"), which would provide for maximum borrowings of approximately $175 million with a letter of credit sub-limit and a senior secured term loan facility (the "Term Loan Facility" and, together with the ABL Facility, the "Facilities") of approximately $515 million. We expect that the proceeds of the Term Loan Facility will be used to pay a $500 million dividend to a subsidiary of Sears Holdings immediately prior to consummation of the spin-off and to pay fees and expenses associated with the Facilities of $15 million.

(3) In connection with our recapitalization, we intend to pay a cash dividend to a subsidiary of Sears Holdings of $500 million, eliminate the parent company investment of $862 million and establish our capital structure ($0.3 million of common stock and $361.7 million of additional paid-in capital). For purposes of these pro forma financial statements, we have used $0.01 per share par value and 31,956,521 shares of Sears Holdings common stock, calculated using a 1 to 0.300795 distribution ratio based on the number of shares of Sears Holdings common stock outstanding as of March 14, 2014.

SELECTED HISTORICAL FINANCIAL DATA

The combined statements of comprehensive operations data set forth below for the fiscal years ended February 1, 2013, January 27, 2012 and January 28, 2011 and the combined balance sheet data as of February 1, 2013 and January 27, 2012 are derived from the audited combined financial statements included elsewhere in this information statement. The combined statements of comprehensive operations data for the fiscal years ended January 29, 2010 and January 30, 2009 and the combined balance sheet data as of January 28, 2011, January 29, 2010 and January 30, 2009 are derived from the unaudited combined financial statements that are not included in this information statement. The condensed combined statements of comprehensive operations data set forth below for the 39 weeks ended November 1, 2013 and October 26, 2012 and the condensed combined balance sheet data as of November 1, 2013 and October 26, 2012 are derived from the unaudited condensed combined financial statements included elsewhere in this information statement. All such historical financial and other data reflects the Lands' End business of Sears Holdings and is referred to herein as "our" historical financial and other data.

The selected historical combined financial and other financial data presented below should be read in conjunction with our combined financial statements and accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this information statement. Our combined financial information may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a publicly traded company independent from Sears Holdings during the periods presented, including changes that will occur in our operations and capitalization as a result of the separation from Sears Holdings.

	Fiscal Year					39 Weeks Ended	
(in thousands, except per share data and number of stores)	2012	2011	2010	2009	2008	November 1, 2013	October 26, 2012
Combined Statement of Comprehensive Operations Data(1)							
Merchandise sales and services, net	$1,585,927	$1,725,627	$1,655,574	$1,656,408	$1,655,778	$1,032,447	$1,040,421
Net income	$ 49,827	$ 76,234	$ 121,264	$ 128,343	$ 134,949	$ 32,904	$ 24,091
Pro forma data (unaudited)							
Pro forma earnings per share, basic and diluted(2)	$ 1.02					$ 0.62	
Combined Balance Sheet Data							
Total assets	$1,217,722	$1,238,923	$1,186,585	$1,192,741	$1,227,002	$1,301,616	$1,349,935
Long-term debt(3)							
Other Financial and Operating Data							
Adjusted EBITDA(4)	$ 107,673	$ 144,996	$ 206,498	$ 225,355	$ 235,729	$ 69,930	$ 58,338
Number of retail stores at period end	293	306	309	310	239	291	296

(1) Our fiscal year end is on the Friday preceding the Saturday closest to January 31 each year. Our fiscal third quarter end is on the Friday preceding the Saturday closest to October 31 each year. Fiscal year 2012 consisted of 53 weeks. All other fiscal years consisted of 52 weeks.

(2) Pro forma earnings per share for the year ended February 1, 2013 and the 39 weeks ended November 1, 2013, are provided to show the pro forma effect of 31,956,521 shares of our common stock that will be

outstanding as of March 17, 2014, and will be outstanding following the spin-off, and the impact of the reduction to net income on a pro forma basis for interest expense (net of tax) of $13.2 million and $17.4 million for the 39 weeks ended November 1, 2013 and the year ended February 1, 2013, respectively, pursuant to our expected Facilities. A 1/8% change in the interest rate would impact interest expense by $0.6 million annually.

(3) The unaudited pro forma condensed combined balance sheet data as of November 1, 2013, included elsewhere in this information statement reflects the expected borrowing of $515 million pursuant to our expected Term Loan Facility to fund a $500 million dividend to a subsidiary of Sears Holdings immediately prior to consummation of the spin-off and to pay fees and expenses associated with the Facilities.

(4) *Adjusted EBITDA*—In addition to our net income determined in accordance with GAAP, for purposes of evaluating operating performance, we use Adjusted EBITDA, which is adjusted to exclude certain significant items as set forth below. Our management uses Adjusted EBITDA to evaluate the operating performance of our business, as well as executive compensation metrics, for comparable periods. Adjusted EBITDA should not be used by investors or other third parties as the sole basis for formulating investment decisions as it excludes a number of important cash and non-cash recurring items. Adjusted EBITDA should not be considered as a substitute for GAAP measurements.

While Adjusted EBITDA is a non-GAAP measurement, management believes that it is an important indicator of operating performance, and useful to investors, because:

- EBITDA excludes the effects of financing and investing activities by eliminating the effects of interest and depreciation costs; and
- Other significant items, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of results. We have adjusted our results for these items to make our statements more comparable and therefore more useful to investors as the items are not representative of our ongoing operations. These adjustments are shown below:
  - Restructuring costs—costs associated with a call center and administrative reorganization in 2012. Management considers these costs to be infrequent and affecting comparability of results between reporting periods.
  - Gain on a litigation settlement—income from a favorable litigation settlement in 2010 related to a breach of contract and trade secret matter. Management considers this income to be infrequent and affecting comparability of results between reporting periods.
  - Gain or loss on the sale of property and equipment—management considers the gains or losses on sale of assets to result from investing decisions rather than ongoing operations.

The following table presents a reconciliation of Adjusted EBITDA to net income, the most comparable GAAP measure for each of the periods indicated:

	Fiscal Year					39 Weeks Ended	
(in thousands)	2012	2011	2010	2009	2008	November 1, 2013	October 26, 2012
Net income	$ 49,827	$ 76,234	$121,264	$128,343	$134,949	$ 32,904	$ 24,091
Income tax expense	32,243	45,669	72,365	76,245	81,421	20,747	15,679
Other (income) loss, net	(67)	(95)	(45)	486	(945)	(33)	(66)
Depreciation and amortization	23,121	22,686	21,963	20,281	20,304	16,253	16,618
Restructuring costs	2,479	—	—	—	—	—	1,951
Gain on litigation settlement	—	—	(9,051)	—	—	—	—
Loss on sale of property and equipment	70	502	2	—	—	59	65
Adjusted EBITDA	$107,673	$144,996	$206,498	$225,355	$235,729	$ 69,930	$ 58,338

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the audited combined financial statements and accompanying notes and the unaudited combined financial statements and accompanying notes included elsewhere in this information statement. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. The matters discussed in these forward-looking statements are subject to risk, uncertainties, and other factors that could cause actual results to differ materially from those made, projected or implied in the forward-looking statements. See "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

Introduction

Management's discussion and analysis of financial condition and results of operations accompanies our combined financial statements and provides additional information about our business, financial condition, liquidity and capital resources, cash flows and results of operations. We have organized the information as follows:

- *Executive overview*. This section provides a brief description of the spin-off, our business, accounting basis of presentation and a brief summary of our results of operations.
- *Discussion and analysis*. This section highlights items affecting the comparability of our financial results and provides an analysis of our combined and segment results of operations for the 39 weeks ended November 1, 2013 and October 26, 2012, and the three fiscal years ended February 1, 2013, January 27, 2012 and January 28, 2011.
- *Liquidity and capital resources*. This section provides an overview of our historical and anticipated cash and financing activities in connection with the spin-off. We also review our historical sources and uses of cash in our operating, investing and financing activities.
- *Quantitative and qualitative disclosures about market risk*. This section discusses how we monitor and manage market risk related to changing currency rates. We also provide an analysis of how adverse changes in market conditions could impact our results based on certain assumptions we have provided.
- *Critical accounting policies and estimates*. This section summarizes the accounting policies that we consider important to our financial condition and results of operations and which require significant judgment or estimates to be made in their application.

Executive Overview

Spin-Off

Following the spin-off, we will operate as a separate, publicly traded company. The spin-off is subject to a number of conditions. See "The Spin-Off—Conditions to the Spin-Off" for more detail. We expect to complete the spin-off on April 4, 2014; however, we cannot assure you that the spin-off will be completed on the anticipated timeline, or at all, or that the terms of the spin-off will not change.

Description of the Company

Lands' End is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products. We offer products through catalogs, online at *www.landsend.com* and affiliated specialty and international websites, and through retail locations, primarily at Lands' End Shops at Sears and standalone Lands' End Inlet stores. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and we seek to deliver timeless style for men, women, kids and the home. Lands' End was

founded 50 years ago in Chicago by Gary Comer and his partners to sell sailboat hardware and equipment by catalog. While our product focus has shifted significantly over the years, we have continued to adhere to our founder's motto as one of our guiding principles: "Take care of the customer, take care of the employee and the rest will take care of itself." We conduct our operations in two reportable business segments: Direct (sold through e-commerce websites and direct-mail catalogs) and Retail (sold through stores), and offer a product mix that includes outerwear, swimwear, specialty apparel, kids clothing, accessories, footwear and home products. The nature of operations conducted within each of these segments is discussed in Note 12—Segment Reporting of the combined financial statements.

Basis of Presentation

Our historical combined financial statements have been prepared on a standalone basis and have been derived from the consolidated financial statements of Sears Holdings and accounting records of Sears Holdings. The combined financial statements include Lands' End, Inc. and subsidiaries and certain other items related to the Lands' End business which are currently held by Sears Holdings, primarily the Lands' End Shops at Sears. These items will be contributed by Sears Holdings to Lands' End, Inc. prior to the separation. These historical combined financial statements reflect our financial position, results of operations and cash flows in conformity with GAAP.

Impacts from Our Spin-Off from Sears Holdings

Our business currently consists of the Lands' End business. Sears Holdings has determined to separate Lands' End from Sears Holdings by distributing 100% of the shares of our common stock to the stockholders of Sears Holdings. Immediately following completion of the distribution, Sears Holdings stockholders will own 100% of the outstanding shares of our common stock. We expect that ESL will beneficially own approximately 48.4% of our outstanding common stock following completion of the distribution. After completion of the distribution, we will operate as a publicly traded company independent from Sears Holdings, which will have a range of impacts on our operations:

General administrative and separation costs. Historically, we have used the corporate functions of Sears Holdings for a variety of shared services. We were allocated (1) $0.8 million in 2012; (2) $0.5 million in 2011; and (3) $0.1 million in 2010 of shared services costs incurred by Sears Holdings. We were also allocated $0.1 million of shared services costs incurred by Sears Holdings in each of the first, second and third quarters of 2013. We will continue to pay to Sears Holdings a fee for a variety of shared services (approximately $0.4 million in 2014) following the completion of the spin-off. We believe that the assumptions and methodologies underlying the allocation of these expenses from Sears Holdings are reasonable. However, such expenses may not be indicative of the actual level of expense that would have been or will be incurred by us when we operate as a publicly traded company independent from Sears Holdings. We expect to enter into agreements with Sears Holdings or its subsidiaries for the continuation of certain of these services on a transitional basis. We believe that the existing arrangements, as reflected in the historical financial statements contained herein, are not materially different from the arrangements that will be entered into as part of the spin-off.

Standalone Costs. We will also incur increased costs as a result of becoming a publicly traded company independent from Sears Holdings. As a standalone company, we expect to incur incremental annual operating costs estimated to be approximately $8.0 million to $10.0 million to support our businesses, including management personnel, legal, finance, and human resources as well as certain costs associated with being a public company. We believe cash flows from operations will be sufficient to fund these additional operating charges, the majority of which will be realized as selling and administrative expenses.

In addition, we estimate one-time information technology costs related to the spin-off to be approximately $2 million to $3 million. These one-time costs include costs to support our business and certain costs associated with being a standalone company. A portion of these expenditures may be capitalized and amortized over their useful lives and others will be expensed as incurred, depending on their nature.

Sears Holdings Agreements. Following the spin-off, Lands' End and Sears Holdings will operate separately, each as an independent public company. Prior to the spin-off, we intend to enter into certain agreements with Sears Holdings or its subsidiaries that will effect the spin-off, provide a framework for our relationship with Sears Holdings after the spin-off and provide for the allocation between us and Sears Holdings of Sears Holdings' assets, employees, liabilities and obligations (including its investments, property and tax-related assets and liabilities) attributable to periods prior to, at and after the spin-off. See "Certain Relationships and Related Person Transactions."

The aggregate historical costs of these related party transactions are summarized in Note 11 and Note 5 to our combined financial statements included elsewhere in this information statement, respectively, for the year ended February 1, 2013 and the 39 weeks ended November 1, 2013. The aggregate net costs (which approximate cash payments) were $85.9 million for 2012 and $60.6 million for the 39 weeks ended November 1, 2013. We expect that the existing arrangements, as reflected in the historical financial statements contained therein, are not materially different from the arrangements that will be entered into with Sears Holdings in connection with the spin-off, with the exception of the Shop Your Way program. Net annual costs associated with the Shop Your Way program are estimated to increase by approximately $11 to $13 million in 2014. The additional investment in the Shop Your Way program is anticipated to be offset by increased profits from incremental revenue and reductions in promotions and advertising expense, as we expect to reduce our dependency on other marketing efforts as member engagement through the program continues to grow.

Following completion of the spin-off, we do not believe that it will be necessary to employ a significant number of new employees to perform additional standalone or transition services. With respect to our retail operations, prior to the spin-off, Sears Holdings and its subsidiaries provided retail staff for the Lands' End Shops at Sears. Pursuant to a retail operations agreement, Sears Holdings or one of its subsidiaries will continue to provide such staff following the completion of the spin-off. See "Certain Relationships and Related Person Transactions—Other Agreements—Lands' End Shops at Sears Retail Operations Agreement." Following completion of the spin-off, we will continue to rely on our existing field management working in conjunction with retail staff provided by Sears Holdings or its subsidiaries to manage our Lands' End Shops at Sears.

Debt Service Costs. We will also incur increased costs as a result of interest charges on the expected borrowings under the ABL Facility to fund short-term working capital needs and on the Term Loan Facility of approximately $515 million. We anticipate the interest costs related to these Facilities to be approximately $23 to $27 million for 2014, and that the interest expense on a pro forma basis would have been approximately $20 to $24 million for the 39 weeks ended November 1, 2013 and $27 to $31 million in 2012. The interest costs include approximately $2 million as noncash expense in each of the periods above. Expected annual payments under the Facilities are expected to be the cash interest charges plus the Term Loan Facility seven year amortization at a rate equal to 1% per annum, or approximately $4 million in 2014 and approximately $5 million per year over the remaining term.

The aggregate of our standalone operating costs, the costs associated with our agreements with Sears Holdings and its subsidiaries, and the debt service costs that we expect to incur in connection with the spin-off are not expected to significantly impact our liquidity following the completion of the spin-off. We expect that our cash flows from operations and the expected borrowing capacity of $175 million under the ABL Facility, which is anticipated to be used for seasonal working capital needs as discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," will provide adequate resources to meet our capital requirements and operational needs for the next fiscal year. Beyond the next fiscal year, we believe that our cash flows from operations, along with prospective financing arrangements entered into in connection with the spin-off or otherwise, will be adequate to meet our capital requirements and operational needs.

Due to these and other changes we anticipate in connection with the spin-off, the historical financial information included in this information statement may not necessarily reflect our financial position, results of operations and cash flows in the future or what our financial position, results of operations and cash flows would have been had we been an independent, publicly traded company during the periods presented.

Results of Operations

Fiscal Year. Our fiscal year end is on the Friday preceding the Saturday closest to January 31 each year. Fiscal year 2012 consisted of 53 weeks. Fiscal years 2011 and 2010 consisted of 52 weeks. Unless the context otherwise requires, references to years in this information statement relate to fiscal years rather than calendar years. The following fiscal periods are presented herein:

Fiscal year ended	Ended	Weeks
2012	February 1, 2013	53
2011	January 27, 2012	52
2010	January 28, 2011	52

The following table sets forth items derived from our combined results of operations for 2012, 2011 and 2010 and the 39 weeks ended November 1, 2013 and October 26, 2012.

	Fiscal Year						39 Weeks Ended			
	2012		2011		2010		November 1, 2013		October 26, 2012	
(in thousands)	$'s	% of Net Sales	$'s	% of Net Sales	$'s	% of Net Sales	$'s	% of Net Sales	$'s	% of Net Sales
Merchandise sales and services, net	$1,585,927	100.0%	$1,725,627	100.0%	$1,655,574	100.0%	$1,032,447	100.0%	$1,040,421	100.0%
Cost of sales (excluding depreciation and amortization)	881,817	55.6%	959,611	55.6%	833,614	50.4%	553,735	53.6%	553,222	53.2%
Gross margin	704,110	44.4%	766,016	44.4%	821,960	49.6%	478,712	46.4%	487,199	46.8%
Selling and administrative	598,916	37.8%	621,020	36.0%	615,462	37.2%	408,782	39.6%	430,812	41.4%
Depreciation and amortization	23,121	1.5%	22,686	1.3%	21,963	1.3%	16,253	1.6%	16,618	1.6%
Other operating (income) expense, net	70	—	502	—	(9,049)	-0.5%	59	—	65	—
Operating income	82,003	5.2%	121,808	7.1%	193,584	11.7%	53,618	5.2%	39,704	3.8%
Other income, net	67	—	95	—	45	—	33	—	66	—
Income before income taxes	82,070	5.2%	121,903	7.1%	193,629	11.7%	53,651	5.2%	39,770	3.8%
Income tax expense	32,243	2.0%	45,669	2.6%	72,365	4.4%	20,747	2.0%	15,679	1.5%
Net income	$ 49,827	3.1%	$ 76,234	4.4%	$ 121,264	7.3%	$ 32,904	3.2%	$ 24,091	2.3%

Depreciation and amortization is not included in our cost of sales because we are a reseller of inventory and do not believe that including depreciation and amortization is meaningful. As a result, our gross margins may not be comparable to other entities that include depreciation and amortization related to the sale of their product in their gross margin measure.

Net Income and Adjusted EBITDA

We recorded net income of $49.8 million, $76.2 million, and $121.3 million for 2012, 2011 and 2010, respectively. For the 39 weeks ended November 1, 2013 and October 26, 2012, we recorded net income of $32.9 million and $24.1 million, respectively. In addition to our net income determined in accordance with GAAP, for purposes of evaluating operating performance, we use an Adjusted EBITDA measurement. Adjusted EBITDA is computed as net income appearing on the Combined Statements of Comprehensive Operations net of income tax

expense, interest expense, depreciation and amortization, and certain significant items set forth below. Our management uses Adjusted EBITDA to evaluate the operating performance of our businesses, as well as executive compensation metrics, for comparable periods. Adjusted EBITDA should not be used by investors or other third parties as the sole basis for formulating investment decisions as it excludes a number of important cash and non-cash recurring items.

While Adjusted EBITDA is a non-GAAP measurement, management believes that it is an important indicator of ongoing operating performance, and useful to investors, because:

- EBITDA excludes the effects of financings and investing activities by eliminating the effects of interest and depreciation costs.
- Other significant items, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of results. We have adjusted our results for these items to make our statements more comparable and therefore more useful to investors as the items are not representative of our ongoing operations. These adjustments are shown below:
  - Restructuring costs—costs associated with a call center and administrative reorganization in 2012. Management considers these costs to be infrequent and affecting comparability of results between reporting periods.
  - Gain on a litigation settlement—income from a favorable litigation settlement in 2010 related to a breach of contract and trade secret matter. Management considers this income to be infrequent and affecting comparability of results between reporting periods.
  - Gain or loss on the sale of property and equipment—management considers the gains or losses on sale of assets to result from investing decisions rather than ongoing operations.

	Fiscal Year						39 Weeks Ended			
	2012		2011		2010		November 1, 2013		October 26, 2012	
(in thousands)	$'s	% of Net Sales	$'s	% of Net Sales	$'s	% of Net Sales	$'s	% of Net Sales	$'s	% of Net Sales
Net income	$ 49,827	3.1%	$ 76,234	4.4%	$121,264	7.3%	$32,904	3.2%	$24,091	2.3%
Income tax expense	32,243	2.0%	45,669	2.6%	72,365	4.4%	20,747	2.0%	15,679	1.5%
Other (income), net	(67)	—	(95)	—	(45)	—	(33)	—	(66)	—
Operating income	82,003	5.2%	121,808	7.1%	193,584	11.7%	53,618	5.2%	39,704	3.8%
Depreciation and amortization	23,121	1.5%	22,686	1.3%	21,963	1.3%	16,253	1.6%	16,618	1.6%
Restructuring costs	2,479	0.2%	—	—	—		—	—	1,951	0.2%
Gain on litigation settlement	—	—	—	—	(9,051)	(0.5%)	—	—	—	—
Loss on sale of property and equipment	70	—	502	—	2	—	59	—	65	—
Adjusted EBITDA	$107,673	6.8%	$144,996	8.4%	$206,498	12.5%	$69,930	6.8%	$58,338	5.6%

39-Week Period Ended November 1, 2013 Compared to the 39-Week Period Ended October 26, 2012

In assessing the operational performance of our business, we consider a variety of financial measures. We operate in two reportable segments, Direct (sold through e-commerce websites and direct mail catalogs) and Retail (sold through stores). A key measure in the evaluation of our business is revenue performance by segment. We also consider gross margin and selling and administrative expenses in evaluating the performance of our business.

To evaluate revenue performance for the Direct segment we use total revenue of merchandise sales and services, net. For our Retail segment, we use same store sales as a key measure in evaluating performance. Same

store sales amounts within the following discussion include sales for all stores operating for a period of at least 12 full months where selling square footage has not changed by 15% or more within the past year. A store is included in same store sales calculations on the first day it has comparable prior year sales. Stores in which the selling square footage has changed by 15% or more as a result of a remodel, expansion or reduction are excluded from same store calculations until the first day they have comparable prior year sales. Online sales and sales generated through our in-store computer kiosks are considered revenue in our Direct segment and are excluded from same store sales.

Merchandise Sales and Services, Net

Total revenues for the 39 weeks ended November 1, 2013 were $1,032.4 million, compared to $1,040.4 million in the same period of the prior year, a decrease of $8.0 million, or 1%. The decrease was attributable to a decrease in our Retail segment revenue of $16.7 million partially offset by an increase in our Direct segment revenue of $8.7 million.

Direct segment revenues were $860.8 million for the 39 weeks ended November 1, 2013, an increase of $8.7 million, or 1% from the prior year. The increase in Direct segment revenues was driven by increases in our U.S. businesses of $22.9 million, partially offset by a decrease in our International business of $14.2 million.

Retail segment revenues were $171.6 million for the 39 weeks ended November 1, 2013, a decrease of $16.7 million, or 9% from the prior year. Same store sales decreased 8% compared to the prior year. Retail segment revenues decreased across apparel and home products.

Gross Margin

Total gross margin was $478.7 million, or 46.4% of total revenues, compared to $487.2 million, or 46.8% of total revenues, for the 39 weeks ended November 1, 2013 and October 26, 2012, respectively.

Direct segment gross margin was $405.0 million, or 47.0% of total Direct segment revenues, compared to $406.3 million, or 47.7% of total Direct segment revenues for the 39 weeks ended November 1, 2013 and October 26, 2012, respectively. The Direct segment gross margin rate decreased 70 basis points. The decrease was primarily due to increased markdowns in our International and U.S. consumer businesses in response to increased promotional activity in the marketplace as a result of an unseasonably cold spring, partially offset by improved customer response to our fall merchandise strategy changes.

Retail segment gross margin was $73.7 million, or 42.9% of total Retail segment revenues, compared to $80.8 million, or 42.9% of total Retail segment revenues for the 39 weeks ended November 1, 2013 and October 26, 2012, respectively. Retail segment gross margin rate remained flat for the 39 weeks ended November 1, 2013 and October 26, 2012.

Selling and Administrative Expenses

Selling and administrative expenses were $408.8 million for the 39 weeks ended November 1, 2013 compared to $430.8 million for the comparable period in the prior year. The decrease of $22.0 million in selling and administrative expense was primarily due to declines in payroll, third-party costs and the favorable impact in 2013 of restructuring costs incurred in 2012.

Selling and administrative expenses as a percentage of total revenues were 39.6% for the 39 weeks ended November 1, 2013 and 41.4% for the 39 weeks ended October 26, 2012. The decrease was primarily due to increased leverage as a result of the declines noted above and the impact of the restructuring activities.

Operating Income

We recorded operating income of $53.6 million in the 39 weeks ended November 1, 2013, compared to operating income of $39.7 million in the 39 weeks ended October 26, 2012. The increase in operating income of $13.9 million was primarily driven by lower selling and administrative expenses partially offset by the impact of lower revenues at a lower gross margin rate.

Adjusted EBITDA

Adjusted EBITDA was $69.9 million in the 39 weeks ended November 1, 2013, compared to Adjusted EBITDA of $58.3 million in the 39 weeks ended October 26, 2012. The increase was primarily driven by the increase in operating income of $13.9 million described above partially offset by the impact of the $2.0 million of restructuring costs in the 39 weeks ended October 26, 2012.

Income Tax Expense

Our effective tax rate was 38.7% and 39.4% for the 39 weeks ended November 1, 2013 and October 26, 2012, respectively. The decreased rate was primarily due to lower effective state tax rates for our Direct segment.

2012 Compared to 2011

Merchandise Sales and Services, Net

Total revenues for 2012 were $1.6 billion, compared to $1.7 billion in the prior year, a decrease of $139.7 million, or 8%. The Company recorded approximately $24.0 million in revenues during the 53rd week of 2012. The decrease was attributable to decreases in our Direct segment of $123.9 million and our Retail segment of $15.7 million.

Direct segment revenues were $1.3 billion in 2012, a decrease of $123.9 million, or 9%, compared to 2011. The decrease in Direct segment revenues was due to lower sales in our U.S. consumer and International businesses of $147.9 million, primarily due to lower revenue from of our fall/winter assortment resulting from changes in our merchandising strategy, partially offset by growth in our School Uniform and Lands' End Business Outfitters business of $24.0 million.

Retail segment revenues were $281.8 million in 2012, a decrease of $15.7 million, or 5%, compared to 2011. Same store sales decreased 3% compared to the prior year. Retail segment revenues declined primarily due to a decrease in same store sales and were also impacted by the closure of 13 Lands' End Shops at Sears, which accounted for approximately $7.2 million of the decline. Sales were affected in the second half of the year due to lower than expected sales of our fall/winter product assortment as a result of changes to our merchandising strategy.

Gross Margin

Gross margin for 2012 was $704.1 million, or 44.4% in 2012, compared to $766.0 million or 44.4% in the prior year.

Direct segment gross margin was $598.0 million, or 45.9% of total Direct segment revenues, compared to $645.6 million or 45.2% of total Direct segment revenues for 2012 and 2011, respectively. The Direct segment gross margin rate improved 70 basis points in 2012 primarily in our U.S. consumer business due to lower markdowns, partially offset by increased markdowns in our International business.

Retail segment gross margin was $106.0 million, or 37.6% of total Retail segment revenues, compared to $120.1 million or 40.4% of total Retail segment revenues for 2012 and 2011, respectively. The Retail segment gross margin rate decreased 280 basis points primarily due to increased markdowns as a result of a competitive marketplace.

Selling and Administrative Expenses

Selling and administrative expenses were $598.9 million for 2012 compared to $621.0 million for the prior year. The decrease of $22.1 million was primarily due to lower advertising expenses and decreases in variable expenses resulting from lower revenues, partially offset by higher information technology project expenses and the impact of corporate restructuring costs associated with a call center and administrative reorganization of approximately $2.5 million.

Selling and administrative expenses as a percentage of total revenues were 37.8% in 2012 and 36.0% in 2011. This increase was primarily driven by lower leverage of fixed costs due to the lower revenues noted above.

Operating Income

We recorded operating income of $82.0 million in 2012, compared to operating income of $121.8 million in 2011. The decline in operating income of $39.8 million was primarily driven by the overall lower revenues.

Adjusted EBITDA

Adjusted EBITDA was $107.7 million for 2012, compared to Adjusted EBITDA of $145.0 million for 2011. The decrease was primarily driven by the decrease in operating income of $39.8 million, partially offset by the exclusion of the corporate restructuring costs of approximately $2.5 million described above.

Income Tax Expense

Our effective tax rate was 39.3% in 2012 compared to 37.5% in 2011. The increased rate was primarily due to increased effective state tax rates for our Direct segment.

2011 Compared to 2010

Merchandise Sales and Services, Net

Total revenues were $1.73 billion for 2011, compared to $1.66 billion in the prior year, an increase of $70.0 million, or 4%. The increase was attributable to an increase in our Direct segment of $48.6 million as well as an increase in our Retail segment of $21.6 million.

Direct segment revenues were $1.4 billion in 2011, an increase of $48.6 million, or 4%, from the prior year. The increase in Direct segment revenues was primarily driven by higher sales in all of our businesses.

Retail segment revenues were $297.5 million in 2011, an increase of $21.6 million, or 8%, from the prior year. Same store sales increased 8%. Retail segment revenues increased primarily due to an expanded product assortment.

Gross Margin

Total gross margin for 2011 was $766.0 million compared to $822.0 million in the prior year. As a percentage of total revenues, gross margin declined to 44.4% of total revenues in 2011 compared to 49.6% in 2010.

Direct segment gross margin was $645.6 million, or 45.2% of total Direct segment revenues, compared to $704.3 million, or 51.1% of total Direct segment revenues, for 2011 and 2010, respectively. The Direct segment gross margin rate decreased 590 basis points in 2011, mainly due to higher commodity costs and increased markdowns primarily in our U.S. consumer and International businesses.

Retail segment gross margin was $120.1 million, or 40.4% of total Retail segment revenues, compared to $117.1 million or 42.5% of total Retail segment revenues for 2011 and 2010, respectively. The Retail segment gross margin rate decreased 210 basis points in 2011 primarily due to higher commodity costs and increased markdowns.

Selling and Administrative Expenses

Our selling and administrative expenses increased $5.6 million in 2011 to $621.0 million. This increase was predominately due to higher payroll-related expenses.

Selling and administrative expenses as a percentage of revenues were 36.0% for 2011 and 37.2% for 2010 and decreased as a result of improved leverage given the sales increase noted above.

Other Operating (Income) Expense, Net

Other operating (income) expense, net decreased $9.6 million to an expense of $0.5 million. This decrease reflects the impact of a favorable litigation settlement of $9.1 million in 2010 relating to a breach of contract and trade secret matter.

Operating Income

We recorded operating income of $121.8 million in 2011, compared to operating income of $193.6 million in 2010. The decline in operating income of $71.8 million was primarily the result of a decline in our gross margin rate and the impact of a gain on litigation in 2010, partially offset by higher sales volume in 2011.

Adjusted EBITDA

Adjusted EBITDA was $145.0 million for 2011, compared to Adjusted EBITDA of $206.5 million for 2010. The decrease was primarily driven by the decrease in operating income of $71.8 million, partially offset by the exclusion of the gain on litigation settlement of $9.1 million described above.

Income Taxes

Our effective tax rate for the year was 37.5% and 37.4% in 2011 and 2010, respectively.

Liquidity and Capital Resources

Our primary need for liquidity is to fund working capital requirements of our business, capital expenditures and for general corporate purposes. Our working capital needs have been met primarily through funds generated from operations, with additional funding from our parent company to meet short-term working capital needs, mainly for our seasonal inventory builds. Our parent company uses a centralized approach to its U.S. domestic cash management and financing of its operations. The majority of our cash is transferred to the parent company daily and the parent company has been our only source of funding for our operating and investing activities. The principal methods by which our parent company funds Lands' End is to cover corporate and other expenses and to fund our seasonal inventory builds. In 2012, contributions to fund our seasonal inventory build were approximately $45 million. These contributions were more than offset by distributions made by Lands' End to the parent company primarily from cash flows from our operations. Net distributions of funds were made to the parent company in the amounts of $68.8 million, $5.3 million and $117.3 million, in 2012, 2011, and 2010, respectively. Lands' End is in the process of pursuing an ABL Facility, which would serve as a source of liquidity, including for our short-term working capital needs, following the spin-off. We believe that our cash flow from operations and any other financing arrangements entered into in connection with the spin-off will provide adequate resources to meet our capital requirements and operational needs for the next fiscal year.

Beyond the next fiscal year, we believe that our cash flow from operations, along with prospective financing arrangements entered into in connection with the spin-off or otherwise, will be adequate to meet our capital requirements and operational needs. Cash generated from our net sales and profitability, and somewhat to a lesser extent our changes in working capital, are driven by the seasonality of our business, with a disproportionate amount of net merchandise sales and operating cash flows occurring in the fourth fiscal quarter of each year.

Description of Material Indebtedness

From and after the spin-off, each of Lands' End and Sears Holdings will generally, pursuant to a separation and distribution agreement and other agreements we will enter into with Sears Holdings or its subsidiaries, be responsible for the debts, liabilities and obligations related to the businesses it owns and operates following completion of the spin-off. See "Certain Relationships and Related Person Transactions—Our Relationship with Sears Holdings Following the Spin-Off."

ABL and Term Loan Facilities

In connection with the spin-off, we are pursuing the ABL Facility, which would provide for maximum borrowings of approximately $175 million for Lands' End, subject to a borrowing base, with a $30 million subfacility for a United Kingdom subsidiary borrower of Lands' End (the "UK Borrower"). We expect the ABL Facility to have a letter of credit sub-limit of approximately $70 million for domestic letters of credit and a letter of credit sub-limit of approximately $15 million for letters of credit for the UK Borrower. The ABL Facility will be available following the spin-off for working capital and other general corporate purposes, and is expected to be undrawn at closing, other than for letters of credit.

Lands' End is also pursuing a Term Loan Facility of approximately $515 million, the proceeds of which we expect will be used to pay a dividend of $500 million to a subsidiary of Sears Holdings immediately prior to the consummation of the spin-off and to pay fees and expenses associated with the Facilities. We do not expect the financing transactions we enter into in connection with the spin-off, including the payment of the dividend to a subsidiary of Sears Holdings and regular interest and debt service payments under the Term Loan, to significantly impact our cash flow requirements for 2014. We expect our operating free cash flows combined with cash on hand to be sufficient to meet our working capital needs, with anticipated borrowings under the ABL Facility only for seasonal inventory needs, which we expect to repay prior to the fiscal year-end.

The Facilities will be documented in credit agreements to be entered into substantially concurrently with the spin-off. Such credit agreements will be filed with the SEC as exhibits to a current or periodic report at the appropriate time. We have retained Bank of America, N.A. to assist us in arranging a syndicate of institutional lenders to provide the Facilities. Based on discussions with and feedback from Bank of America and potential syndicate members, we expect the Facilities to have the terms described below.

Maturity; Amortization and Prepayments

The ABL Facility is expected to mature on the five year anniversary of the closing date of the facility. The Term Loan Facility is expected to mature on the seven year anniversary of the closing date of the facility and it is expected to amortize at a rate equal to 1% per annum, and to be subject to mandatory prepayment in an amount equal to a percentage of the borrower's excess cash flows in each fiscal year, ranging from 0% to 50% depending on our secured leverage ratio, and with the proceeds of certain asset sales and casualty events.

Guarantees; Security

All domestic obligations under the Facilities will be unconditionally guaranteed by Lands' End and, subject to certain exceptions, each of its existing and future direct and indirect domestic subsidiaries. In addition, the obligations of the UK Borrower under the ABL Facility will be guaranteed by its existing and future direct and

indirect subsidiaries organized in the United Kingdom. The ABL Facility will be secured by a first priority security interest in certain working capital of the borrowers and guarantors consisting primarily of accounts receivable and inventory. The Term Loan Facility will be secured by a second priority security interest in the same collateral, with certain exceptions.

The Term Loan Facility also will be secured by a first priority security interest in certain property and assets of the borrowers and guarantors, including certain fixed assets and stock of subsidiaries. The ABL Facility will be secured by a second priority security interest in the same collateral.

Interest; Fees

The interest rates per annum applicable to the loans under the Facilities are expected to be based on a fluctuating rate of interest measured by reference to, at the borrowers' election, either (1) an adjusted London inter-bank offered rate (LIBOR) plus a borrowing margin, or (2) an alternative base rate plus a borrowing margin. The borrowing margin will be fixed for the Term Loan Facility and is expected to be between approximately 3.50% and 4.00% in the case of LIBOR loans and between approximately 2.50% and 3.00% in the case of base rate loans. The borrowing margin for the ABL Facility is expected to be subject to adjustment based on the average excess availability under the facility for the preceding fiscal quarter, and is expected to range from approximately 1.50% to 2.00% in the case of LIBOR borrowings and from 0.50% to 1.00% in the case of base rate borrowings.

Customary fees are expected to be payable in respect of both facilities. The ABL Facility fees will include (1) commitment fees, based on a percentage ranging from approximately 0.25% to 0.375% of the daily unused portions of the facility, and (2) customary letter of credit fees.

Representations and Warranties; Covenants

The Facilities will contain various representations and warranties and restrictive covenants that, among other things and subject to specified exceptions, restrict the ability of Lands' End and its subsidiaries to incur indebtedness (including guarantees), grant liens, make investments, make dividends or distributions with respect to capital stock, make prepayments on other indebtedness, engage in mergers or change the nature of their business. In addition, if excess availability under the ABL Facility falls below a certain level, expected to be a range from approximately $15 million to $20 million, we expect to be required to comply with a minimum fixed charge coverage ratio of approximately 1.0 to 1.0. The Facilities will not otherwise contain financial maintenance covenants.

Both Facilities are expected to contain certain affirmative covenants, including reporting requirements such as delivery of financial statements, certificates and notices of certain events, maintaining insurance, and providing additional guarantees and collateral in certain circumstances.

Events of Default

The Facilities are expected to include customary events of default including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties, cross default to certain other material indebtedness, bankruptcy and insolvency events, invalidity or impairment of guarantees or security interests, material judgments and change of control.

Cash Flows from Operating Activities

Net cash used in operating activities was $10.9 million and $32.9 million for the 39 weeks ended November 1, 2013 and October 26, 2012, respectively. The decrease in net cash used in operating activities was mainly a result of higher net income and lower working capital requirements for the 39 weeks ended November 1, 2013 compared to the prior year.

Operating activities generated net cash of $96.2 million, $14.5 million and $142.8 million in 2012, 2011 and 2010, respectively. Our primary source of operating cash flows is the sale of merchandise goods and services to customers, while the primary use of cash in operations is the purchase of merchandise inventories.

In 2012, net cash provided by operating activities increased $81.7 million compared to 2011 primarily due to decreases in net inventory levels as a result of improved inventory management coupled with increases in accounts payable due to timing and volume of payments partially offset by a decrease in net income.

In 2011, net cash provided by operating activities decreased $128.3 million compared to 2010 primarily due to increases in net inventory, decreases in net income and decreases in accounts payable partially offset by increases in other operating liabilities.

Cash Flows from Investing Activities

Net cash used in investing activities was $3.6 million for the 39 weeks ended November 1, 2013 and $8.8 million for the prior year. Cash used in investing activities was primarily for purchases of property and equipment and computer software.

Net cash used in investing activities was $14.9 million, $15.0 million and $19.1 million for 2012, 2011 and 2010, respectively. Cash used in investing activities in all three years was primarily used for purchases of property and equipment. In 2010, we expanded warehouse capabilities in the United Kingdom, as well as enhanced our distribution centers in the United States.

For 2013, we plan to invest a total of approximately $10.4 million in capital expenditures, investing primarily in information technology and distribution center infrastructure.

Cash Flows from Financing Activities

Net cash provided by financing activities was $2.7 million and $37.7 million for the 39 weeks ended November 1, 2013 and October 26, 2012, respectively. Financing activities represented intercompany activity with Sears Holdings.

Net cash used in financing activities was $68.8 million, $5.3 million and $117.3 million in 2012, 2011 and 2010, respectively. Financing activities in all three years represented intercompany activity with our parent company.

Contractual Obligations and Off-Balance-Sheet Arrangements

We have no material off-balance-sheet arrangements other than the guarantees and contractual obligations that are discussed below.

Information concerning our obligations and commitments to make future payments under contracts such as lease agreements, and under contingent commitments, as of February 1, 2013, is aggregated in the following table:

	Payments Due by Period				
(in thousands)	**Total**	**Less than 1 Year**	**1-3 Years**	**4-5 Years**	**After 5 Years**
Operating leases(1)	$169,506	$ 31,103	$56,285	$52,732	$29,386
Postretirement funding obligations	2,231	200	328	298	1,405
Purchase obligations(2)	217,209	217,209	—	—	—
Total contractual obligations	$388,946	$248,512	$56,613	$53,030	$30,791

(1) Operating lease obligations consist primarily of future minimum lease commitments related to store operating leases (refer to “Note 4—Leases” of our combined financial statements).
(2) Purchase obligations primarily represent open purchase orders to purchase inventory.

At the end of 2012, Lands' End had gross unrecognized tax benefits of $8.5 million, which are not reflected in the table above. Lands' End and Sears Holdings will enter into a tax sharing agreement prior to the separation which will govern the rights and obligations of the parties with respect to pre-separation and post-separation tax matters. Under the tax sharing agreement, Sears Holdings will be responsible for any U.S. federal or state income tax liability and Lands' End will be responsible for any foreign income tax liability relating to tax periods ending on or before the separation. For all periods after the separation, Lands' End will be responsible for any federal, state or foreign tax liability.

Financial Instruments with Off-Balance-Sheet Risk

On October 21, 2002, we entered into a letter of credit facility (the "LC Facility") with Bank of America ("BofA") pursuant to which BofA may, on a discretionary basis and with no commitment, agree to issue letters of credit upon our request in an aggregate amount not to exceed $5 million for inventory purchases. The terms for the letters of credit issued under the LC Facility are "at site" and are secured by a standby letter of credit, with an expiration date of less than one year, issued by Sears Roebuck Acceptance Corp. ("SRAC"), a wholly owned subsidiary of Sears Holdings, on our behalf for the benefit of BofA. BofA or Lands' End may terminate the LC Facility at any time. Outstanding letters of credit balances under the LC Facility were $2.9 million and $5.0 million as of November 1, 2013 and February 1, 2013, respectively. Upon completion of the separation, we anticipate that Sears Holdings will terminate its support of the LC Facility and that SRAC will no longer issue letters of credit to secure the LC Facility.

From time to time, at our request, Sears Holdings causes standby letters of credit to be issued for our benefit under Sears Holdings' revolving credit facility. There were $6.9 million and $2.4 million in standby letter of credit issuances as of November 1, 2013 and February 1, 2013, respectively. Upon completion of the separation, we anticipate that Sears Holdings will no longer cause letters of credit to be issued for our benefit. Lands' End is in the process of pursuing the ABL Facility, which would provide for the issuance of letters of credit and otherwise serve as a source of liquidity following the spin-off. See "—Liquidity and Capital Resources—Description of Material Indebtedness—ABL and Term Loan Facilities."

We participate in the Sears Private Label Letters of Credit program, which provides up to $50.0 million for vendor financing as an alternative to bank-issued letters of credit or standby letters of credit. There were no outstanding balances as of November 1, 2013 and February 1, 2013. We plan to terminate our participation in this program upon the completion of the spin-off.

In addition, Lands' End has a foreign subsidiary credit facility that is supported by a Lands' End, Inc. guarantee, which totals $2.9 million. This credit facility guarantees and allows for deferred payment of custom duties and fulfills short-term in-country borrowing needs. This credit facility was not utilized during the 39 weeks ended November 1, 2013 and during the fiscal years ended 2012, 2011, and 2010.

Quantitative and Qualitative Disclosures about Market Risk

The market risk inherent in our financial instruments represents the potential loss arising from adverse changes in currency rates. We have not been materially impacted by fluctuations in foreign currency exchange rates as a significant portion of our business is transacted in U.S. dollars, and is expected to continue to be transacted in U.S. dollars or U.S. dollar-based currencies. As of November 1, 2013, we had $11.9 million of cash denominated in foreign currencies, principally in Euros and British Pounds Sterling. We do not enter into financial instruments for trading purposes and have not used, and currently do not anticipate using, any derivative financial instruments. We do not consider our foreign earnings to be permanently reinvested.

Application of Critical Accounting Policies and Estimates

Our combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which requires management to make estimates and judgments that

affect amounts reported in the combined financial statements and accompanying notes. While our estimates and assumptions are based on our knowledge of current events and actions we may undertake in the future, actual results may ultimately differ from our estimates and assumptions. Our estimation processes contain uncertainties because they require management to make assumptions and apply judgment to make these estimates. Should actual results be different than our estimates, we could be exposed to gains or losses from differences that may be material.

For a summary of our significant accounting policies, please refer to "Note 2—Summary of Significant Accounting Policies" of our combined financial statements. We believe the accounting policies discussed below represent the accounting policies we apply that are the most critical to understanding our combined financial statements.

Inventory Valuation

Our inventories consist of merchandise purchased for resale and are recorded at the lower of cost or market. The nature of our business requires that we make a significant amount of our merchandising decisions and corresponding inventory purchase commitments with vendors several months in advance of the time in which a particular merchandise item is intended to be included in the merchandise offerings. These decisions and commitments are based upon, among other possible considerations, historical sales with identical or similar merchandise, our understanding of then-prevailing fashion trends and influences, and an assessment of likely economic conditions and various competitive factors. We continually make assessments as to whether the carrying cost of inventory exceeds its market value, and, if so, by what dollar amount. Excess inventories may be disposed of through our Direct segment and Retail segment. Based on historical results experienced through various methods of disposition, we write down the carrying value of inventories that are not expected to be sold at or above cost. The excess and obsolete reserve balances were $28.0 million and $28.2 million as of February 1, 2013 and January 27, 2012, respectively. For the inventory marked down to net realizable value, a one percentage point increase in our adjustment rate at February 1, 2013 would have had an immaterial impact on our combined financial statements.

Goodwill and Intangible Asset Impairment Assessments

Goodwill, trade names and other intangible assets are generally tested separately for impairment on an annual basis, or are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The majority of our goodwill and intangible assets relate to Kmart's acquisition of Sears Roebuck in March 2005. The calculation for an impairment loss compares the carrying value of the asset to that asset's estimated fair value, which may be based on estimated future discounted cash flows or quoted market prices. We recognize an impairment loss if the asset's carrying value exceeds its estimated fair value.

Frequently our impairment loss calculations contain multiple uncertainties because they require management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting cash flows under different scenarios. As required by accounting standards, we perform annual goodwill and indefinite-lived intangible asset impairment tests on the last day of our November accounting period each year and update the tests between annual tests if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit or indefinite-lived intangible asset below its carrying amount. However, if actual results are not consistent with our estimates and assumptions used in estimating future cash flows and asset fair values, we may be exposed to losses that could be material.

Goodwill impairment assessments. Our goodwill resides in the Direct reporting unit. The goodwill impairment test involves a two-step process. The first step is a comparison of the reporting unit's fair value to its carrying value. We estimate fair value using the best information available, using both a market approach, as well as a discounted cash flow model, commonly referred to as the income approach. The market approach determines

the value of the reporting unit by deriving market multiples for the reporting unit based on assumptions potential market participants would use in establishing a bid price for the reporting unit. This approach therefore assumes strategic initiatives will result in improvements in operational performance in the event of purchase, and includes the application of a discount rate based on market participant assumptions with respect to capital structure and access to capital markets. The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions appropriate to our reporting unit. The projection uses management's best estimates of economic and market conditions over the projected period, including growth rates in sales, costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. Our final estimate of the fair value of the reporting unit is developed by weighting the fair values determined through both the market participant and income approaches, where comparable market participant information is available.

If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of the reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. Specifically, we allocate the fair value to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that would calculate the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, we record an impairment charge for the difference.

During 2012, 2011 and 2010, the fair value of the reporting unit exceeded the carrying value and, as such, we did not record any goodwill impairment charges.

The use of different assumptions, estimates or judgments in the first step of the goodwill impairment testing process, such as the estimated future cash flows of our reporting units, the discount rate used to discount such cash flows, and the market multiples of comparable companies, could significantly increase or decrease the estimated fair value of a reporting unit. At the 2012 annual impairment test date, the conclusion that no indication of goodwill impairment existed for the reporting unit would not have changed had the test been conducted assuming: (1) a 100 basis point increase in the discount rate used to discount the aggregate estimated cash flows of our reporting units to their net present value in determining their estimated fair values and/or (2) a 100 basis point decrease in the estimated sales growth rate and/or terminal period growth rate.

Based on our sensitivity analysis, we do not believe that the goodwill balance is at risk of impairment because the fair value is substantially in excess of the carrying value and not at risk of failing step one. However, goodwill impairment charges may be recognized in future periods to the extent changes in factors or circumstances occur, including deterioration in the macroeconomic environment, retail industry or in the equity markets, deterioration in our performance or our future projections, or changes in our plans for one or more reporting units.

Indefinite-lived intangible asset impairment assessments. We review our indefinite-lived intangible asset, primarily the Lands' End trade name, for impairment by comparing the carrying amount of the asset to the sum of undiscounted cash flows expected to be generated by the asset. We consider the income approach when testing the intangible asset with indefinite life for impairment on an annual basis. We determined that the income approach, specifically the relief from royalty method, was most appropriate for analyzing our indefinite-lived asset. This method is based on the assumption that, in lieu of ownership, a firm would be willing to pay a royalty in order to exploit the related benefits of this asset class. The relief from royalty method involves two steps: (1) estimation of reasonable royalty rates for the assets and (2) the application of these royalty rates to a net sales stream and discounting the resulting cash flows to determine a value. We multiplied the selected royalty rate by the forecasted net sales stream to calculate the cost savings (relief from royalty payment) associated with the

asset. The cash flows are then discounted to present value by the selected discount rate and compared to the carrying value of the asset. We did not record any intangible asset impairment charges in 2012, 2011 or 2010.

The use of different assumptions, estimates or judgments in our intangible asset impairment testing process, such as the estimated future cash flows of assets and the discount rate used to discount such cash flows, could significantly increase or decrease the estimated fair value of the asset, and therefore, impact the related impairment charge. At the 2012 annual impairment test date, the above-noted conclusion that no indication of intangible asset impairment existed at the test date would not have changed had the test been conducted assuming: (1) a 100 basis point increase in the discount rate used to discount the aggregate estimated cash flows of our assets to their net present value in determining their estimated fair values (without any change in the aggregate estimated cash flows of our intangibles), (2) a 100 basis point decrease in the terminal period growth rate without a change in the discount rate of each intangible, or (3) a 10 basis point decrease in the royalty rate applied to the forecasted net sales stream of our assets.

Based on our sensitivity analysis, we do not believe that the indefinite-lived intangible asset balance is at risk of impairment at the end of the year because the fair values are substantially in excess of the carrying values. However, indefinite-lived intangible asset impairment charges may be recognized in future periods to the extent changes in factors or circumstances occur, including deterioration in the macroeconomic environment, retail industry, deterioration in our performance or our future projections, or changes in our plans for our indefinite-lived intangible asset.

Income Taxes

Deferred income tax assets and liabilities are based on the estimated future tax effects of differences between the financial and tax basis of assets and liabilities based on currently enacted tax laws. The tax balances and income tax expense recognized are based on management's interpretation of the tax laws of multiple jurisdictions. Income tax expense also reflects best estimates and assumptions regarding, among other things, the level of future taxable income and tax planning. Future changes in tax laws, changes in projected levels of taxable income, tax planning, and adoption and implementation of new accounting standards could impact the effective tax rate and tax balances recorded.

For purposes of these combined financial statements, the tax provision represents the tax attributable to these operations as if it were required to file a separate tax return. In cases where the actual cash taxes are paid by another subsidiary of Sears Holdings, the related taxes payable and tax payments are reflected directly in parent company equity.

Tax positions are recognized when they are more likely than not to be sustained upon examination. The amount recognized is measured as the largest amount of benefit that is more likely than not to be realized upon settlement. We are subject to periodic audits by the Internal Revenue Service and other state and local taxing authorities. These audits may challenge certain of our tax positions such as the timing and amount of income and deductions and the allocation of taxable income to various tax jurisdictions. Lands' End evaluates its tax positions and establishes liabilities in accordance with the applicable accounting guidance on uncertainty in income taxes. These tax uncertainties are reviewed as facts and circumstances change and are adjusted accordingly. This requires significant management judgment in estimating final outcomes. Interest and penalties are classified as income tax expense in the combined statements of comprehensive operations.

Lands' End and Sears Holdings will enter into a tax sharing agreement prior to the separation which will generally govern Sears Holdings' and Lands' End's respective rights, responsibilities and obligations after the separation with respect to liabilities for U.S. federal, state, local and foreign taxes attributable to the Lands' End business. In addition to the allocation of tax liabilities, the tax sharing agreement will address the preparation and filing of tax returns for such taxes and disputes with taxing authorities regarding such taxes. Generally, Sears Holdings will be liable for all pre-separation U.S. federal, state and local income taxes. Lands' End generally will be liable for all other income taxes attributable to its business, including all foreign taxes.

BUSINESS

Overview

Lands' End is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products. We offer products through catalogs, online at *www.landsend.com* and affiliated specialty and international websites, and through retail locations, primarily at Lands' End Shops at Sears and standalone Lands' End Inlet stores. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and we seek to deliver timeless style for men, women, kids and the home. Lands' End was founded 50 years ago in Chicago by Gary Comer and his partners to sell sailboat hardware and equipment by catalog. While our product focus has shifted significantly over the years, we have continued to adhere to our founder's motto as one of our guiding principles: "Take care of the customer, take care of the employee and the rest will take care of itself."

In 2012, we generated revenue of approximately $1.6 billion. Our revenues are generated worldwide through an international, multi-channel network in the United States, Canada, United Kingdom, Germany, France, Austria and Japan. This network reinforces and supports sales across the multiple channels in which we do business. In 2012, sales outside the United States totaled approximately $259.3 million, or 16.3% of revenue.

We operate in two reportable segments, Direct (sold through e-commerce websites and direct-mail catalogs, which in 2012 comprised approximately 82% of our revenue, or $1.3 billion) and Retail (sold through stores, which in 2012 comprised approximately 18% of our revenue, or $281.8 million), and we offer merchandise that includes men's, women's and kids' apparel, outerwear and swimwear; specialty apparel; accessories; footwear; and home products. Historically, catalogs have been our primary source of sales. Over time, we have expanded our Direct sales through the Internet and created a Retail segment to bring the Lands' End catalog to life. Online sales represented approximately 80% of our U.S. consumer revenue in 2012, up from approximately 20% in 2002. In addition, Lands' End Business Outfitters offers business casual apparel and an extensive variety of promotional products that can be embroidered to enhance a partner company's image. Lastly, the Lands' End School Uniform business provides high-quality school uniforms and school-appropriate clothing designed to meet dress-code requirements.

Lands' End was founded in Chicago by Gary Comer in 1963. Lands' End, Inc. was incorporated in Delaware in 1986 and in June 2002 was acquired by Sears Roebuck, a company that is now a wholly owned subsidiary of Sears Holdings. The address of our principal executive offices is 1 Lands' End Lane, Dodgeville, Wisconsin 53595. Our telephone number is (608) 935-9341.

We believe that Lands' End has a deeply rooted tradition of offering excellent quality, value and service along with the Lands' End guarantee, and we seek to reflect that tradition in all of our merchandise. Any item associated with our name falls under our unconditional return policy of Guaranteed. Period.® The Lands' End guarantee reads: "If you're not satisfied with any item, simply return it to us at any time for an exchange or refund of its purchase price."

Our Strengths

Gary Comer founded Lands' End on certain principles of doing business that are embodied in our promise to deliver great quality, exceptional value and uncompromising service to our customers. These core principles of quality, value and service are the foundation of the competitive advantages that we believe distinguish us from our competitors, including:

Large, loyal customer base. We believe that a principal factor in our success to date has been the development of our list of existing and prospective households, many of whom were identified by their responses to our advertising. We routinely update and refine our customer list prior to individual catalog and email mailings and monitor customer interest in our offerings as reflected by criteria such as the timing and frequency of

purchases and the dollar amount of and types of products purchased. We believe our customer list has desirable demographic characteristics for current performance and future growth and is well-suited to the range of products offered by us. We believe our customer base consists primarily of affluent, college-educated, professional and style-conscious women and men. In 2012, the average annual household income of our customers was approximately $104,000 and approximately 47% of our customers were within the 36–55 age group, according to an analysis of our customer file prepared by our third-party consumer information provider using its proprietary demographic, behavioral, lifestyle, financial and home attribute databases.

Innovative yet timeless products. We seek to develop new, innovative products for our customers by utilizing modern fabrics and quality construction to create timeless, affordable styles with consistently excellent fits. We also seek to present our products in an engaging and inspiring way. We believe that our typical customers value quality, seek good value for their money and are looking to add classics to their wardrobe while also placing an emphasis on being fashionable. From a design and merchandising perspective, we seek to balance our product offerings to provide the right combination of classic styles alongside modern touches that are consistent with current trends. We believe that we have had success adding relevant, timeless items into our product assortment, many of which have become customer favorites. We devote significant time and resources to quality assurance and product compliance. Our in-house team manages all product specifications and seeks to ensure brand integrity by providing our customers with the consistent, high-quality merchandise for which Lands' End is known. We are a vertically integrated retailer that manages all aspects of our design, marketing and distribution in-house, which provides us with maximum control over the promotion and sale of our products.

Excellent customer service. We are firmly committed to building on Lands' End's legacy of strong customer service. We believe that we have a strong track record of improving the customer service experience through innovation. We believe that we were the first apparel retailer to offer shoppers a toll-free number and the first apparel retailer to have an e-commerce-enabled website, which we launched in 1995. We believe that we have been at the forefront of many online innovations in our industry, such as online chat and personalization features. Today, Lands' End is focused on making the shopping experience as easy and personalized as possible, regardless of whether our customers shop online, by phone or in one of our Lands' End Shops at Sears. Our operations, including prompt order fulfillment, responsiveness to our customers' requests and our unconditional return policy of Guaranteed. Period.®, have contributed to our award-winning customer service, which we believe is one of our core strengths and a key point of differentiation from our competitors. Lands' End is often recognized in the industry for outstanding customer service; for example, beginning in 2006, the National Retail Federation recognized Lands' End as one of the top retailers for customer service for the six consecutive years in which the ranking was published.

Digital transformation. As one of the first apparel retailers to establish an online e-commerce presence, we believe that we have a strong track record as a leader of digital innovation in the apparel industry. One of our strategic goals is to optimize the digital shopping experience for our customers and develop new ways to engage consumers through our e-commerce platforms. To this end, we have launched our Paper to Digital initiative, which is dedicated to delivering the catalog experience through digital channels. Highlights of our Paper to Digital initiative include:

- *Responsive design*, a cross-platform experience that allows our customers to shop *www.landsend.com* across a variety of devices, including laptops and tablets. Responsive design for smart phones is currently scheduled to launch in 2014.
- *An enhanced site merchandising and search capabilities tool*, which seeks to provide a more thoughtful and productive shopping experience via *www.landsend.com*, allowing us to better engage with our customers by providing seamless navigation to find merchandise by product attributes, as well as specific sizes. We continue to improve this tool and intend to enhance our "fit solutions" to deliver the optimal shopping experience.
- *Outfitting*, the expansion of outfitting options for our customers. Select merchandise categories are accompanied by a compilation of "favorite looks" or "one item three ways" to show our customers how

different pieces can be incorporated into a wardrobe. These looks are featured on our website and in our emails. Additionally, customers receive product recommendations on our website and via email based on past purchase and browsing history.

- *Digital catalogs*, which allow prospective and existing customers to view and download digital versions of our print catalogs via desktop and tablet. Our catalogs can be viewed at *www.landsend.com.* Additionally, our catalogs are featured on various third-party digital catalog sites through our affiliate program.
- *Social media*, the opportunity to engage with our customers on social sharing platforms. With over one million Facebook "fans," the Lands' End Facebook page is a place for our fans to receive exclusive fan-only offers, behind-the-scenes information and a first look at our newest styles. Lands' End customers are also engaged via Shop Your Way, a social shopping and networking platform that allows members to receive personalized coupons, participate in sweepstakes, build custom catalogs and share with friends.
- *Apostrophe*, Lands' End digital customer publication, was launched in fall 2013. Published quarterly on *www.landsend.com*, *Apostrophe* features fashion and lifestyle articles and highlights the people behind our brand via employee profiles. Our goal is to use *Apostrophe* to promote our products and attract new customers to our brand.

Worldwide distribution infrastructure and opportunity for continued geographic penetration and expansion. We have been operating our business internationally since the mid-1980s. We currently conduct business in seven countries and ship our products to approximately 157 countries around the world. We believe that we have established extensive direct sales, distribution and customer service capabilities with our in-country offices in the United Kingdom (established 1993), Japan (established 1994) and Germany (established 1996). In addition to our operations in the United Kingdom, Japan and Germany, we also have catalog and e-commerce channels in Austria, France and Canada.

In September 2013, Lands' End launched a global extension of our core e-commerce platform, allowing international customers to view pricing and place orders in 60 local currencies at *www.landsend.com.*

We believe that continued penetration in our existing markets and our intended international expansion will drive growth in our business worldwide. We are focused on creating a digital presence for Lands' End in new markets while also leveraging third-party retailer relationships worldwide.

Retail partnership with Sears Holdings. Beginning in fall 2002, Sears Roebuck rolled out Lands' End apparel and footwear in its stores. In 2005, Lands' End developed and opened the first Lands' End Shop at Sears. Today, there are Lands' End Shops at Sears located in select Sears stores across the United States. Each Lands' End Shop at Sears features an assortment of products optimized for its location, with most stores offering a variety of men's, women's and kids' apparel and accessories, personalized service, enhanced visual displays and a shopping lounge where customers can search all of our Lands' End offerings via the Internet and our catalog. Our customers receive free shipping on any orders placed from these stores. Through this integration of our retail and digital presences, we seek to deliver a world-class, multi-channel shopping experience. In 2012, the Lands' End Shops at Sears accounted for 16% of our total revenues.

Partnership with Shop Your Way. As a Shop Your Way business partner, we are able to leverage Shop Your Way, an innovative social shopping and networking platform, to strengthen our relationships with our customers that are Shop Your Way members. Currently, approximately 75% of all retail purchases at Lands' End Shops at Sears are made by Shop Your Way members. Members can earn reward points when they purchase program-eligible merchandise through both our Direct and Retail segments. Members can also redeem points as a form of payment for merchandise sold through both our Direct and Retail segments. Members can engage with us on the Shop Your Way social shopping platform at *www.shopyourway.com* or via the Shop Your Way mobile app. Through this platform, members gain access to personalized coupons, participate in sweepstakes, build custom catalogs and share with friends.

Experienced management team. Our current management team will continue to manage Lands' End following the spin-off. Our executive management team, which is composed of the individuals named under "Management," has an average of nearly 25 years of experience in the retail, direct-to-consumer and consumer product industries in the United States and abroad. Our management team is well positioned to pursue our objective of increasing profitability and stimulating growth. See "Management."

Sustainable practices. We have made sustainability a key initiative in our business. We have worked towards conserving resources for nearly 50 years and are committed to finding sustainable approaches to doing business. We established a corporate-wide GoGreen Committee in 2009 that focuses on sustainable initiatives. See "—Environmental Matters" below.

- Lands' End utilizes paper from sustainably managed forests. Our catalog covers contain 10% post-consumer waste. The remainder of our catalog paper contains 100% chain-of-custody-certified fiber. This paper is third-party certified through programs such as the Programme for the Endorsement of Forest Certification, the Sustainable Forestry Initiative and the Forest Stewardship Council.
- In 2012, we reused or recycled 88% of waste generated at our corporate headquarters.
- Lands' End has formed a strategic partnership with the National Forest Foundation and funded the planting of trees in the national forests in northern Wisconsin and Michigan's Upper Peninsula.

Our Strategies

We continue to develop Lands' End into a more global lifestyle brand through five avenues of growth:

Continue our digital transformation. Our continued digital transformation is intended to allow us to accelerate our acquisition of new customers by improving our ability to communicate digitally with prospective customers while reducing operating expenses related to paper, printing and postage. Approximately 80% of our U.S. Direct business is already conducted online and our goal is to continue this transition by emphasizing the benefits of our online experience.

Increase our product offerings. We plan to improve and expand several product lines that we believe are currently under-represented in our product mix. We intend to expand these categories of our business by developing a larger and more diverse selection of footwear, handbags, small leather goods and fashion accessories so that these product lines represent a larger percentage of our total consumer business.

Expand our international business. Outside the United States, we currently operate our business in Canada, Northern and Central Europe and Japan. We plan to increase our sales in our existing international markets and develop a presence in other areas of Europe (such as Switzerland, Russia and Scandinavia) and Asia (particularly China).

Optimize and develop our retail business. We intend to focus on increasing sales productivity in our existing Lands' End Shops at Sears in the United States and to explore additional retail opportunities.

Grow Lands' End Business Outfitters and School Uniforms. Over the last 20 years, Lands' End Business Outfitters has grown to become a trusted brand partner for companies of all sizes by offering quality apparel, uniforms and related business gift and promotional products. With an expansive, state-of-the-art embroidery operation, we service tens of thousands of clients, including major airlines, financial institutions and the hospitality industry, offering branded tailored and business casual apparel for office wear, trade shows, company events and more.

In addition to apparel, Lands' End Business Outfitters offers an extensive variety of business gift and promotional products to enhance a partner company's image and message. The Lands' End Business Outfitters model enables us to introduce quality Lands' End products to new audiences and acquire new customers through business channels ranging from single entrepreneurs to members of the Fortune 500®.

As part of Lands' End Business Outfitters, our School Uniform business provides high-quality school uniforms and school-appropriate clothing designed to meet dress-code requirements. As more schools adopt uniform and dress-code policies, we seek to grow the Lands' End School Uniform business by developing new relationships with schools in the United States and Canada while also seeking additional international opportunities.

Business Units

Lands' End Direct

Our Direct business sells our products through our U.S. and international e-commerce websites and via direct mail catalogs. While we market our products through catalogs and email communications, our customers can choose from several ordering methods—Internet, phone, mail, or in-store computer kiosks. We are rated as one of the top seven digital apparel retailers by the NPD Group, a market research and advisory firm. The Lands' End Facebook page has garnered more than one million likes from our customers. We strive to create a one-on-one relationship with each customer; in many instances, we tailor our interactions with our customers by sending them catalogs or emails that we think are relevant to them based on their past order history or other information. We also offer customers specialty services such as monogramming, embroidery and hemming pants to length. Moreover, with the exception of orders requiring specialty services, we promptly fill each customer's order, usually shipping it out the next business day. We also operate three call centers out of Dodgeville, Reedsburg and Stevens Point, Wisconsin. Our call centers are open 24 hours a day, seven days a week and 364 days a year. We believe that our well-trained, U.S.-based call center representatives are a significant competitive advantage because they allow us to provide real-time individualized attention to our customers across more than six million telephonic interactions each year.

Apparel and home sales constituted substantially all of the net sales of our Direct business during 2012. Our apparel sales include men's, women's and kids' apparel, footwear and accessories. We offer a diverse portfolio of styles and fits aimed at making our products accessible to all potential customers. For example, we offer a full range of fits—from Petites to Plus for women, Slim to Husky for kids and Big and Tall for men—on many of our products, all of which are designed to offer fit and fabric options consistent with the quality and value of the Lands' End brand. Similarly, while our classic styles remain at the core of our brand, we have also launched the Lands' End Canvas collection, which focuses on updating the Lands' End heritage pieces with tailored fits, innovative designs and premium fabrics throughout the line. Through our Lands' End Business Outfitters and School Uniform businesses, we offer tailored and business casual apparel for office wear, trade shows and company events and uniforms and school-appropriate clothing designed to meet dress-code requirements.

Lands' End Retail

Our Retail business sells products and services through standalone Lands' End Inlet stores and dedicated Lands' End Shops at Sears across the United States. Each Lands' End Shop at Sears features Lands' End products, personalized service, enhanced visuals and a shopping lounge where customers can search all of our offerings via the Internet and our catalog. Our Lands' End Shops at Sears offer a selection of products for men, women and kids and select stores offer footwear and products for the home.

Suppliers

Product Vendors

Our apparel and non-apparel products are produced globally by independent manufacturers who are selected, monitored and coordinated by the Lands' End Global Sourcing team based in Dodgeville, Wisconsin and by Sears Holdings' Global Sourcing office in Asia. Our products are manufactured in approximately 35 countries and substantially all are imported from Asia, South Asia and Central America. Our top 10 vendors account for a significant portion of our merchandise purchases. In 2012, we worked with approximately 100

vendors that manufactured substantially all of our product receipts. We generally do not enter into long-term merchandise supply contracts. We continue to take advantage of opportunities to more efficiently source our products worldwide consistent with our high standards of quality and value.

Non-Product Suppliers

Lands' End's procurement staff develops multi-year strategies, leads negotiations, and then assists with implementation of strategic supplier alliances with a focus on best practices and innovative supply chain solutions. We contract with third parties for various services, including product shipping, package delivery, catalog delivery, ocean freight, paper, printing, retail logistics and support services, operations and employee services and benefits. It is anticipated that certain services following our separation will be provided by Sears Holdings Corporation on a transitional basis as otherwise described herein.

Sales, Marketing and Distribution Capabilities

Customers

Large, loyal customer base. We believe that a principal factor in our success to date has been the development of our list of existing and prospective households, many of whom were identified by their responses to our advertising. We routinely update and refine our customer list prior to individual catalog and email mailings and monitor customer interest in our offerings as reflected by criteria such as the timing and frequency of purchases and the dollar amount of and types of products purchased. We believe our customer list has desirable demographic characteristics for current performance and future growth and is well-suited to the range of products offered by us. We believe our customer base consists primarily of affluent, college-educated, professional and style-conscious women and men. In 2012, the average annual household income of our customers was approximately $104,000 and approximately 47% of our customers were within the 36–55 age group, according to an analysis of our customer file prepared by our third-party consumer information provider using its proprietary demographic, behavioral, lifestyle, financial and home attribute databases.

Customer Acquisition and Retention

We acquire customers through a number of different sources: catalog mailings to outside list rentals or list exchanges, paid search and other forms of traditional and digital advertising, email marketing, via *www.landsend.com*, and through the Shop Your Way program and our retail stores. Once identified, we communicate with prospective customers via printed catalogs, inbound and outbound phone calls, and via digital communications, including at *www.landsend.com*, by email, via search engine marketing, through affiliate partnerships, comparison shopping engines and marketplaces, digital catalogs, social media and display advertising. Our advertising and catalog expenses during 2012 were approximately $204.1 million.

Distribution

We own and operate three distribution centers in Wisconsin to support our U.S. Direct and Retail businesses and a portion of our international business. Our Dodgeville facility is approximately 1.15 million square feet and is a full-service distribution center, including hemming and monogramming departments. Our Reedsburg location is approximately 500,000 square feet and offers all order fulfillment services except hemming. Our Stevens Point distribution center is approximately 215,000 square feet and primarily focuses on supporting Lands' End Business Outfitters with embroidery services. Customer orders are shipped via UPS or the U.S Postal Service.

We own and operate a distribution center in the United Kingdom based in Oakham, a rural community located approximately two hours north of London by road. Order fulfillment and specialty services for our European businesses are performed at this facility, which originally opened in 1998 and totals approximately 175,000 square feet. We also lease a 60,000 square foot distribution center in Fujieda, Japan.

Information Technology

Our information technology systems provide comprehensive support for the design, merchandising, importing, marketing, distribution, sales, order processing and fulfillment of our Lands' End products. We believe our merchandising and financial systems, coupled with our e-commerce platforms and point-of-sale systems, allow for effective merchandise planning and sales accounting.

We have a dedicated information technology team that provides strategic direction, application development, infrastructure services and systems support for the functions and processes of our business. The information technology team contracts with third-party consulting firms to provide cost-effective staff augmentation services and partners with leading hardware and software technology firms to provide the infrastructure necessary to run and operate our systems. Our core software applications are comprised of a combination of internally developed and packaged third-party systems. The e-commerce solutions powering *www.landsend.com*, the Lands' End Business Outfitters websites, and our international Lands' End websites are operated out of our own internal data centers as well as through hosting relationships with third parties.

We are in the process of implementing new information technology systems as part of a multi-year plan to expand and upgrade our information technology platforms and infrastructure. In 2011 and 2012, we introduced new order capturing and fulfillment systems for Lands' End Business Outfitters, new human resources and payroll solutions, and new digital capabilities including search, navigation and mobile device optimization. In 2013 and 2014, we are continuing these efforts by implementing a new e-commerce platform for Lands' End Business Outfitters, a new global order management system and additional digital capabilities including more personalized e-mail, online, mobile and social interactions for our customers.

Sources and Availability of Raw Materials

We purchase, in the ordinary course of business, raw materials and supplies essential to our operations from numerous suppliers around the world, including in the United States. There have been no recent significant availability problems or supply shortages.

Orders

Orders are generally filled on a current basis, and order backlog is not material to our business.

Facilities and Store Locations

We own or lease domestic properties and international offices, customer sales/service centers, distribution centers and retail stores. Most of our stores are located inside of existing Sears stores. In such cases, we expect to enter into a lease or sublease with Sears Roebuck for the portion of the space in which our store will operate and pay rent directly to Sears Roebuck or one of its affiliates on the terms negotiated in connection with the spin-off. We believe that our existing facilities are well maintained and are sufficient to meet our current needs. We review all leases set to expire in the short term to determine the appropriate action to take with respect to them, including moving or closing stores, entering into new leases or purchasing property.

Domestic Headquarters, Customer Service and Distribution Properties

The headquarters for our business is located on an approximately 200 acre campus in Dodgeville, Wisconsin. The Dodgeville campus includes approximately 1.7 million square feet of building space between eight different buildings that are all owned by Lands' End. The primary functions of these buildings are customer sales/service, distribution center and corporate headquarters. We also own customer sales/service and distribution centers in Reedsburg and Stevens Point, Wisconsin.

International Office, Customer Service and Distribution Properties

We own a distribution center and customer sales/service center in Oakham, England that supports our northern European business. We lease two buildings in Mettlach, Germany for customer sales/service center supporting our central European business. We also lease office space in Shinyokohama, Japan for a customer sales/service center as well as general administrative offices and a distribution center in Fujieda, Japan.

Lands' End Retail Properties

As of November 1, 2013, our retail properties consisted of 275 Lands' End Shops at Sears, which averaged approximately 7,400 square feet, and 16 Lands' End Inlet stores, which averaged approximately 8,000 square feet. With respect to our Lands' End Shops at Sears, following the spin-off, we expect to lease the premises of such stores from Sears Roebuck. With respect to our Lands' End Inlet stores, as of November 1, 2013, 15 were leased and one was owned, with 13 located in the United States, two in the United Kingdom and one in Germany. For a description of the master lease and sublease agreements we expect to enter into with Sears Roebuck, see "Certain Relationships and Related Person Transactions—Other Agreements."

Environmental Matters

Environment. We have implemented a multi-year initiative to reduce paper consumption by sending smaller catalogs to better-defined customer segments based on those customers' preferences. These efforts have significantly reduced our overall U.S. catalog paper consumption and we continue to seek to improve our use of technology to achieve even greater gains in this area.

In 2009, we collaborated with Sears Holdings to update and release a revised Sustainable Paper Procurement Policy. The Sustainable Paper Procurement Policy is a commitment to phase out fiber from unwanted sources, and procure paper sourced from credibly certified forest sources with verified chain-of-custody and/or recycled sources with a preference for post-consumer recycled. The policy also outlines supplier requirements and a preferred sustainable supplier program.

Additionally, we believe that we also demonstrate marketplace leadership by participating in industry educational workshops and initiatives. We select recycled paper for use in our catalog materials based on ecological values, quality, availability and cost. Our catalog covers contain 10% post-consumer waste. The remainder of our catalog paper contains 100% chain-of-custody-certified fiber. This paper is third-party certified through programs such as the Programme for the Endorsement of Forest Certification, the Sustainable Forestry Initiative and the Forest Stewardship Council. In 2012, we reused or recycled 88% of waste generated at our corporate headquarters. Moreover, we are improving how products are shipped to customers. Between 2003 and 2012, use of corrugated cardboard packaging was reduced by 25% year over year. In addition, the corrugated cardboard we use now contains 65% recycled fiber.

Reduction, Recycling and Waste Management. We have a focus on raising awareness and educating associates on reducing our internal use of consumables and natural resources. In addition, we have a broad range of recycling and waste management initiatives at our corporate office to address our use of paper products, aluminum cans, glass and plastic as well as maintenance operations, disposal of non-recyclables and water management. We consistently monitor our efforts in each of these areas and constantly look for improvements.

Purchasing recycled products is a significant component of the larger recycling picture. We continue to maintain an assertive program to buy non-catalog paper products made from recycled materials. Other materials purchased with recycled content include recharged laser printer cartridges, file folders, paper towels, toilet paper, trash cans, pencils, letter holder trays and brown manila envelopes. Lands' End has formed a strategic partnership with the National Forest Foundation and funded the planting of trees in the national forests in northern Wisconsin and Michigan's Upper Peninsula.

Vendors. We prioritize the selection of partners who follow ethical employment practices, comply with all legal requirements, agree to our global compliance requirements and who we believe meet our product quality standards. Our business partners are required to provide full access to their facilities and to relevant records relating to their employment practices, such as but not limited to child labor, wages and benefits, forced labor, discrimination, freedom of association, unlawful inducements, safe and healthy working conditions and other business practices so that we may monitor their compliance with ethical and legal requirements relating to the conduct of their business.

Competition

We operate primarily in the apparel industry. The apparel industry is highly competitive. We compete with a diverse group of direct-to-consumer companies and retailers, including national department store chains, men's and women's specialty apparel chains, outdoor specialty stores, apparel catalog businesses, sportswear marketers and online apparel businesses that sell similar lines of merchandise. We compete principally on the basis of merchandise value (quality and price), our established customer list and customer service, including reliable order fulfillment, our unconditional guarantee and services and information provided at our user-friendly websites.

Seasonality

We experience seasonal fluctuations in our net sales and operating results and historically have realized a significant portion of our net sales and earnings for the year during our fourth fiscal quarter. We generated 33.9% and 34.4% of our net sales in the fourth fiscal quarter of 2011 and 2012, respectively. Thus, lower than expected fourth quarter net sales could have an adverse impact on our annual operating results.

Working capital requirements typically increase during the second and third quarters of the fiscal year as inventory builds to support peak shipping/selling periods and, accordingly, typically decrease during the fourth quarter of the fiscal year as inventory is shipped/sold. Cash provided by operating activities is typically higher in the third and fourth quarters of the fiscal year due to reduced working capital requirements during that period.

Intellectual Property

Lands' End owns or has rights to use certain trademarks, service marks and trade names that are registered or exist under common law in the United States and other jurisdictions. The Lands' End® trade name and trademark is used both in the United States and internationally, and is material to our business. Trademarks that are important in identifying and distinguishing our products and services are Lands' End Canvas®, Guaranteed. Period.®, Square Rigger®, Squall®, Super-T™, Drifter™ and Beach Living®, all of which are owned by us, as well as the licensed marks Polartec® and Supima®. Other recognized trademarks owned by Lands' End include SwimMates™, Starfish™, Iron Knees®, Willis & Geiger® and ThermaCheck®. Lands' End's rights to some of these trademarks may be limited to select markets.

Employees

We employ 5,800 employees throughout our operations: approximately 4,600 employees in the United States and approximately 1,200 employees outside the United States. With the seasonal nature of the retail business, nearly 2,000 flexible part-time employees join us each year to support our varying peak seasons, including the fourth quarter holiday shopping season. The non-peak workforce is comprised of approximately 16% salaried exempt employees, 42% regular hourly employees and 42% year-round flexible part-time employees.

Legal Proceedings

We are involved in various claims, legal proceedings and investigations, including those described below. While it is not feasible to predict the outcome of such pending claims, proceedings and investigations with certainty, management is of the opinion that their ultimate resolution should not have a material adverse effect on our results of operations, cash flows or financial position, except where noted below.

Lands' End's legal proceedings include commercial, intellectual property, employment, regulatory, and product liability claims. Some of these actions involve complex factual and legal issues and are subject to uncertainties. There are no material legal proceedings presently pending, except for routine litigation incidental to the business to which the Company is a party or of which any of its property is the subject, and the matters described below. We do not believe that the outcome of any current legal proceeding would have a material adverse effect on results of operations, cash flows or financial position taken as a whole.

Beginning in 2005, we initiated the first of several claims in Iowa County Circuit Court against the City of Dodgeville to recover overpaid taxes resulting from the city's excessive assessment of the Company's headquarters campus. As of December 1, 2013, the courts reviewing these claims have ordered the city to return, and the city has refunded, over $3.2 million in excessive taxes and interest to Lands' End, including approximately $1.6 million for the case involving the 2005 and 2006 tax years, that was recognized in fiscal 2009, and a partial recovery of approximately $1.6 million for the consolidated cases, involving the 2007, 2009 and 2010 tax years, recognized in fiscal 2013 and for which we have appealed seeking the remainder of our claim of $1.2 million plus additional interest. In September 2013, the Wisconsin Court of Appeals awarded us $725,000 in tax reimbursement plus an as-yet uncalculated amount of interest on our claim relating to the 2008 tax year, which the City of Dodgeville has not yet paid and has appealed. Excluding the claim relating to the 2005 and 2006 tax years for which all appeals have been exhausted, we believe our outstanding claims covering the still-disputed tax years from 2007 through 2012 may yield a potential aggregate recovery from the City of Dodgeville of up to $4.6 million, none of which has been recorded in the combined financial statements.

Pledged Assets

As of the date of this information statement, Sears Holdings' domestic credit facility and senior secured notes are (1) secured, in part, by a first lien on certain of Lands' End's assets consisting primarily of the inventory and credit card receivables directly or indirectly owned by Lands' End and one of its subsidiaries; and (2) guaranteed by Lands' End and such subsidiary. The asset balances were $391.6 million, $416.5 million and $297.5 million as of November 1, 2013, October 26, 2012 and February 1, 2013, respectively. We expect that this lien and these guarantee obligations will be released prior to the completion of the spin-off.

History and Relationship with Sears Holdings

We were founded in 1963, incorporated in Delaware in 1986 and our common stock was listed on the New York Stock Exchange from 1986 to 2002. On June 17, 2002, we became a wholly owned subsidiary of Sears Roebuck. Prior to the spin-off, we operated as a business unit of Sears Holdings. Following the spin-off, (1) we will be a publicly traded company independent from Sears Holdings, (2) Sears Holdings will not retain any ownership interest in us and (3) we expect that ESL, which beneficially owns approximately 48.4% of Sears Holdings common stock as of the date hereof, will beneficially own approximately 48.4% of our outstanding common stock.

In connection with the spin-off, we have entered into or will enter into various agreements with Sears Holdings or its subsidiaries which, among other things, govern the principal transactions relating to the spin-off and certain aspects of our relationship with Sears Holdings following the spin-off and establish terms under which subsidiaries of Sears Holdings will provide us with services following the spin-off. These agreements were made or will be made in the context of a parent-subsidiary relationship and were or will be negotiated in the overall context of our spin-off from Sears Holdings. Accordingly, the terms of these agreements may be more or less favorable than those we could have negotiated with unaffiliated third parties. See "Certain Relationships and Related Person Transactions—Our Relationship with Sears Holdings Following the Spin-Off."

Corporate Information

Our principal executive offices are located at 1 Lands' End Lane, Dodgeville, Wisconsin 53595. Our telephone number is (608) 935-9341.

MANAGEMENT

Executive Officers Following the Spin-Off

The following table sets forth information regarding individuals who are expected to serve as our executive officers, including their positions after the spin-off. All of the individuals below are currently officers and employees of Lands' End.

Name	Age	Position
Edgar O. Huber	51	President and Chief Executive Officer
Michael P. Rosera	50	Executive Vice President, Chief Operating Officer/Chief Financial Officer and Treasurer
Michele Donnan Martin	50	Executive Vice President, Chief Merchandising and Design Officer
Karl A. Dahlen	52	Senior Vice President, General Counsel and Corporate Secretary
Kelly Ritchie	50	Senior Vice President, Employee and Customer Services

Edgar O. Huber was named President and Chief Executive Officer of Lands' End in August 2011, when he also joined our board of directors. From February 2011 to July 2011, he served as Executive Vice President, International of Liz Claiborne, Inc., a designer and marketer of apparel and accessories. From September 2008 until January 2011, he served as President and Chief Executive Officer of Juicy Couture, a subsidiary of Liz Claiborne, Inc. that offers women and children's apparel and accessories. Prior to September 2008, Mr. Huber served for 15 years in a number of increasingly senior roles at L'Oreal S.A., a manufacturer of cosmetics, perfumes and related products. Mr. Huber started his career as Brand Manager at Mars, Inc. and brings extensive knowledge of international brands, merchant and retail leadership and familiarity with all aspects of our business.

Michael P. Rosera was named Executive Vice President, Chief Operating Officer/Chief Financial Officer and Treasurer of Lands' End in July 2012. From April 2010 to July 2012, he served as Executive Vice President, International Franchising for Claire's, Inc., a specialty retailer of jewelry and accessories for younger women. From July 2009 to April 2010, he served as Executive Vice President—Phat Fashions of Kellwood Company, a designer and marketer of apparel. From March 2006 to September 2008, Mr. Rosera served as Senior Vice President—Finance and Operations of Abercrombie & Fitch Co., a specialty retailer of apparel and accessories.

Michele Donnan Martin was named Executive Vice President, Chief Merchandising and Design Officer of Lands' End in September 2013. From 2012 to 2013, she served as Senior Vice President and General Merchandise Manager of Coldwater Creek Inc., a designer and marketer of women's apparel. From 2008 to 2011, she served as Brand President, Retail & Direct of Delia's Inc., a multi-channel retail company primarily marketing to teenage girls. From 2005 to 2007, Ms. Donnan Martin served as Chief Design Officer, Women's, Martin & OSA for American Eagle Outfitters, a clothing and accessories retailer.

Karl A. Dahlen joined Lands' End in 1998 as Assistant General Counsel and has served as our General Counsel and Corporate Secretary since 2002. He was promoted to Senior Vice President from Vice President in January 2014. He served as Senior Legal Officer and Assistant Secretary from 1999 to 2002.

Kelly Ritchie joined Lands' End in 1985 and has served as Senior Vice President, Employee and Customer Services since 2003. She has served as Senior Vice President, Employee Services since 1999 and assumed responsibility for our distribution centers in 2005. She served as Vice President of Employee Services from 1995 to 1999 and in various other Customer Service and Employee Services roles from 1985 to 1995.

Board of Directors Following the Spin-Off

The following table sets forth information regarding the individuals who are expected to serve on our board of directors following the spin-off:

Name	Age	Title
Edgar O. Huber	51	Director
Elizabeth Darst Leykum	35	Director
Josephine Linden	62	Director
Jignesh M. Patel	43	Director
Tracy Gardner	50	Director

Elizabeth Darst Leykum has agreed to serve as a member of our board of directors effective upon the spin-off. From October 2013 she has served as a founding principal of HEG Capital LLC, a CT-registered investment advisory firm that provides services to ESL. Prior to joining HEG Capital LLC, Ms. Leykum was, from June 2012 to September 2013, a Vice President at Rand Group, an investment management services firm that provided services to ESL. Until June 2012, she was a Vice President of ESL Investments, Inc., which she joined in July 2004. From 2000 to 2002, Ms. Leykum worked in the Principal Investment Area at Goldman, Sachs & Co. She has served as a director of Sears Hometown and Outlet Stores Inc. since October 2012 and is currently a trustee of Greenwich Academy, a college preparatory school, where she is a member of its Finance and Investment committees. Through her work in investment management, she brings to the Board a strong ability to analyze, assess, and oversee corporate and financial performance.

Josephine Linden has agreed to serve as a member of our board of directors effective upon the spin-off. She founded and has been the managing member and principal of Linden Global Strategies LLC, a New York-based SEC registered investment management firm working with sophisticated U.S. and international clients, since September 2011. From September 2010 to July 2011, she held an Adjunct Professor position in the Finance department of Columbia Business School. In November 2008, Mrs. Linden retired from Goldman, Sachs & Co. as a Partner and Managing Director after having been with the firm for more than 25 years, where she held a variety of roles, including Managing Director and Regional Manager of the New York office for Private Wealth Management, head of Global Equities Compliance, and an Advisor to GSJBWere, Australia. She served as a trustee, and as Treasurer, chairing the Finance, Audit and Nominating Committees and is presently Chair of the Financing Committee, of Collegiate School in New York, New York. She acts as financial advisor to The Prince of Wales Foundation. Mrs. Linden brings extensive knowledge of capital markets and other financial matters to the Board from her 25-year career with Goldman Sachs. She has served as a director of Bally Technologies, Inc. since April 2011 and as a director of Sears Hometown and Outlet Stores Inc since October 2012.

Jignesh M. Patel has agreed to serve as a member of our board of directors effective upon the spin-off. He is a professor in the Computer Science Department at the University of Wisconsin-Madison, where he has served on the faculty since September 2008. He is the co-founder of Locomatix, which developed a platform to power mobile data-driven services and applications, and served as its Chief Technology Officer from May 2007 to May 2010 and Chairman of its board and Chief Executive Officer from May 2007 and June 2010, respectively, until August 2013 when the company became part of Twitter. Mr. Patel is currently the sole proprietor of JMP Consulting LLC, which provides consulting services on data analytics to American Family Insurance, Johnson Controls, Samsung and Twitter. Mr. Patel brings extensive knowledge of database management and other computer science matters from his academic and professional activities.

Tracy Gardner has agreed to serve as a member of our board of directors effective upon the spin-off. Ms. Gardner has served as the Chief Executive Officer of dELiA*s, Inc. since June 2013 and from May 2013 to June 2013 served as its Chief Creative Officer. She has served as a director of dELiA*s, Inc. since May 2013. From July 2010 to April 2013, Ms. Gardner worked in various consulting capacities, most recently serving as Creative Advisor to The Gap, Inc. from January 2012 to April 2013. From 2007 to 2010, Ms. Gardner served as President—Retail and Direct of J.Crew Group Inc. and from 2004 to 2007 she served as Executive Vice President, Merchandising, Planning & Production of J.Crew. Prior to joining J.Crew, Ms. Gardner held various positions at The Gap, Inc., including Senior Vice President of Adult Merchandising for the Gap brand from 2002 to 2004, Vice President of Women's Merchandising for the Banana Republic division from 2001 to 2002, Vice President of Men's Merchandising for the Banana Republic division from 1999 to 2001 and Divisional Merchandising Manager of Men's Wovens for the Banana Republic division from 1998 to 1999. Ms. Gardner brings over 25 years of experience in developing and growing brands with multi-channel platforms to our board of directors as well as extensive merchandising experience as a result of her years serving in high-level merchandising positions at J.Crew and The Gap, Inc.

All of our directors will stand for election at each annual meeting of our stockholders.

Committees of the Board of Directors

We expect that, immediately following the distribution, the standing committees of our board of directors will consist of an audit committee, a compensation committee and a nominating and corporate governance committee.

Audit Committee

The duties and responsibilities of the audit committee will include the following:

- to oversee the quality and integrity of our financial statements and our accounting and financial reporting processes;
- to prepare the audit committee report required by the SEC in our annual proxy statements;
- to review and discuss with management and the independent registered public accounting firm our annual and quarterly financial statements;
- to review and discuss with management and the independent registered public accounting firm our earnings press releases;
- to appoint, compensate and oversee our independent registered public accounting firm, and pre-approve all auditing services and non-audit services to be provided to us by our independent registered public accounting firm;
- to review the qualifications, performance and independence of our independent registered public accounting firm; and
- to establish procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters.

At the time of listing on NASDAQ, at least one member of the audit committee will be "independent," as defined under and required by the rules and regulations of the SEC and NASDAQ, including Rule 10A-3(b)(1) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and we expect that at least one member will be an "audit committee financial expert" as defined under and required by the rules and regulations of the SEC and NASDAQ. A majority of the members of the committee will be "independent" within 90 days of listing on NASDAQ and all members will be independent within one year of listing on NASDAQ.

Our board of directors will adopt a written charter for the audit committee effective as of the date of our spin-off from Sears Holdings, which will be available on our website.

Nominating and Corporate Governance Committee

The duties and responsibilities of the nominating and corporate governance committee will include the following:

- to recommend to our board of directors proposed nominees for election to the board of directors by the stockholders at annual meetings, including an annual review as to the renominations of incumbents and proposed nominees for election by the board of directors to fill vacancies that occur between stockholder meetings;
- to make recommendations to the board of directors regarding corporate governance matters and practices; and
- to recommend members for each committee of the board of directors.

Our board of directors will adopt a written charter for the nominating and corporate governance committee effective as of the date of our spin-off from Sears Holdings, which will be available on our website.

Compensation Committee

The duties and responsibilities of the compensation committee will include the following:

- to determine, or recommend for determination by our board of directors, the compensation of our chief executive officer and other executive officers;
- to establish, review and consider employee compensation policies and procedures;
- to review and approve, or recommend to our board of directors for approval, any employment contracts or similar arrangement between Lands' End and any executive officer of Lands' End;
- to review and discuss with management Lands' End's compensation policies and practices and management's assessment of whether any risks arising from such policies and practices are reasonably likely to have a material adverse effect on Lands' End; and
- to review, monitor, and make recommendations concerning incentive compensation plans, including the use of stock options and other equity-based plans; and
- to retain or obtain the advice of any compensation consultants, legal counsel and other compensation advisors, including responsibility for the appointment, compensation and oversight of the work of those advisors.

Our board of directors will adopt a written charter for the compensation committee effective as of the date of our spin-off from Sears Holdings, which will be available on our website. The members of the compensation committee will meet the independence requirements set forth in the applicable listing standards of the SEC and NASDAQ and the requirements set forth in the compensation committee charter.

Compensation Committee Interlocks and Insider Participation

No member of our compensation committee will serve as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Code of Ethics

Our board of directors will adopt a code of ethics applicable to our directors, officers and employees, including our chief executive officer, chief financial officer and other senior officers effective as of the time of our listing on NASDAQ, in accordance with applicable rules and regulations of the SEC and NASDAQ. Our code of ethics will be available on our website as of the time of our listing on NASDAQ.

Corporate Governance Guidelines

Our board of directors will adopt a set of corporate governance guidelines that sets forth our policies and procedures relating to corporate governance effective as of the date of our spin-off from Sears Holdings. Our corporate governance guidelines will be available on our website as of the time of our listing on NASDAQ.

Policy and Procedures Governing Related Party Transactions

Following the completion of the distribution, we expect that our board of directors will adopt policies and procedures for the review, approval or ratification of transactions with related parties. We do not currently have such a policy in place.

COMPENSATION OF DIRECTORS

Mr. Huber, Ms. Leykum, Ms. Gardner, Mr. Patel and Mrs. Linden have not received, and will not receive, any compensation for their service on our board of directors prior to the completion of the spin-off.

After the completion of the spin-off, the policy of our board of directors will be to compensate non-employee directors with cash compensation. Director compensation will be reviewed by the board of directors annually and from time to time to ensure that compensation levels are fair and appropriate, with any changes generally becoming effective commencing after the annual meeting of stockholders. All directors will be entitled to reimbursement by Lands' End for reasonable travel to and from meetings of the board of directors, and reasonable food and lodging expenses incurred in connection therewith.

After the completion of the spin-off, non-employee directors will be compensated according to our Director Compensation Policy in the following manner:

	Cash Compensation (1)
Annual Retainer:	
Board Member	$ 100,000
Audit Committee Chair (additional)	10,000

(1) Assumes service for a full year; directors who serve for less than the full year, other than those directors who serve from the date of or are appointed to our board within one month of the spin-off and serve until our first annual meeting of stockholders, are entitled to receive a pro-rated portion of the applicable payment. Generally, those directors who serve from the date of or are appointed to our board within one month of the spin-off and serve until our first annual meeting of stockholders will receive the full annual retainer without pro-ration. Each "year," for purposes of the Director Compensation Policy, begins on the date of our annual meeting of stockholders.

EXECUTIVE COMPENSATION

Introduction

This section presents information concerning compensation arrangements for our executive officers. We present historical information concerning the compensation of those executive officers, each of whom was an officer of Lands' End prior to the spin-off. We have presented information under "—Lands' End Employment Arrangements" below concerning the anticipated compensation that our executive officers will receive from Lands' End following the spin-off. In addition, each of Edgar O. Huber and Michael P. Rosera holds equity and/or cash-based incentive awards that were granted by Sears Holdings. Treatment of these awards in connection with the spin-off is described under "Time-Based Equity Compensation" below.

Compensation Discussion and Analysis

Summary

This Compensation Discussion and Analysis provides information relevant to understanding the 2013 compensation of the executive officers identified in the Summary Compensation Table below, whom we refer to as our named executive officers. Our named executive officers are:

- Edgar O. Huber, President and Chief Executive Officer
- Michael P. Rosera, Executive Vice President, Chief Operating Officer/Chief Financial Officer and Treasurer
- Michele Donnan Martin, Executive Vice President, Chief Merchandising and Design Officer
- Karl A. Dahlen, Senior Vice President, General Counsel and Corporate Secretary
- Kelly Ritchie, Senior Vice President, Employee and Customer Services

Prior to our separation from Sears Holdings, each of our named executive officers has been employed by Lands' End. In connection with the spin-off, the board of directors (or a committee designated by the board of directors) of Lands' End will determine the appropriate executive compensation practices and policies for the senior officers of Lands' End, including our named executive officers, as described in "—Lands' End Employment Arrangements" below.

Overall compensation philosophy and structure for Sears Holdings is determined by the Compensation Committee of Sears Holdings' board of directors, or the "Sears Holdings Compensation Committee." The compensation that Mr. Huber received prior to the spin-off was determined by the Sears Holdings Compensation Committee. The compensation that our other named executive officers received prior to the spin-off was determined in part by the Sears Holdings Compensation Committee and in part by the members of senior management of Sears Holdings and/or Lands' End. The compensation philosophies and practices used by Sears Holdings in setting compensation for our named executive officers during 2013 are described below.

Sears Holdings Executive Compensation Philosophy and Objectives

Sears Holdings believes that its long-term success is directly related to its ability to attract, motivate and retain highly talented associates who are committed to Sears Holdings' mission, key results and cultural beliefs. The Sears Holdings Compensation Committee has developed a compensation philosophy for Sears Holdings' senior officers designed to pay for performance. Total annual compensation paid to Sears Holdings' senior officers generally depends on Sears Holdings' financial performance, the level of job responsibility and individual performance, as well as the need to attract top executive talent or motivate key executives. The total compensation package provided to Sears Holdings' senior officers generally includes both annual and long-term incentive programs that are linked with performance or are otherwise "at risk" due to market fluctuations and risk of forfeiture. Sears Holdings' compensation packages are thus designed to motivate and encourage employees to drive performance and achieve superior results for Sears Holdings and its stockholders. The Sears Holdings

Compensation Committee also believes that compensation should reflect the value of the job in the marketplace. While the Sears Holdings Compensation Committee's objective is to approve compensation and benefits packages that reflect the pay-for-performance compensation philosophy, it recognizes that Sears Holdings must sometimes provide additional inducements to recruit, motivate and retain top-qualified executives. The Sears Holdings Compensation Committee also noted the approval of executive compensation by Sears Holdings' stockholders by a large majority in the advisory vote on this subject held at its 2013 annual meeting of stockholders and believes that this affirms Sears Holdings' stockholders' support for Sears Holdings' approach to executive compensation.

Sears Holdings' Competitive Pay Practices

Sears Holdings' experience demonstrates that in order to attract qualified external candidates and motivate valuable senior officers, Sears Holdings' must offer executive compensation packages that are competitive with the packages offered by companies with which Sears Holdings competes for talent. In making compensation recommendations for its senior officers Sears Holdings analyzes internal compensation and external market data. Sears Holdings gathers market data with a focus, where appropriate, on retail-specific and online-specific organizations. Sears Holdings does not benchmark against a set list of competitors or a peer group as Sears Holdings believes that its competitive pay analyses provide a reference point in validating proposed or recommended compensation, thereby assuring that executives are offered competitive pay packages.

Sears Holdings Executive Compensation Program: Key Elements

The key elements of Sears Holdings' compensation program for its executives include base salary and incentive opportunities. Incentive opportunities include annual and long-term performance-based programs designed to drive long-term performance through effective decision making while also incenting appropriate short-term decision making. In addition, time-based cash and/or time-based equity awards (i.e., equity that vests with the passage of time and thus is "at risk") are made to provide additional motivation and encourage retention.

Annual Compensation

- *Base Salary*—Base salary is the fixed element of each executive's cash compensation.
- *Annual Incentive Plan*—Sears Holdings' annual incentive program is designed to provide for annual cash awards to eligible employees based on achievement of financial performance goals relating to a specific fiscal year. The purpose of this annual incentive program is to motivate participants, including its participating executives, to achieve financial performance goals by making their cash incentive award variable and dependent upon Sears Holdings' or the respective Sears Holdings business unit's annual financial performance.

Long-Term Compensation

- *Time-Based Cash and Equity Compensation*—Awards of time-based cash and equity are "at risk" and encourage executive officers to adopt longer-term approaches to Sears Holdings' business and, with respect to time-based equity compensation, provide alignment with Sears Holdings' stockholders as value received will be consistent with return to Sears Holdings' stockholders, with vesting schedules that generally range from two to four years.
- *Long-Term Performance-Based Programs*—Sears Holdings' long-term incentive programs include programs that are designed to motivate its executives to focus on long-term company performance through awards generally based on three-year performance periods and reinforce accountability by linking executive compensation to aggressive performance goals. Sears Holdings believes that these programs are an important instrument in aligning the goals of its executives with Sears Holdings' strategic direction and initiatives, which Sears Holdings believes will result in increased returns to its stockholders.

- *Long-Term Time-Based Programs*—Sears Holdings' long-term incentive programs include time-based programs that are designed to retain and motivate our executive officers. Sears Holdings believes that these programs also are an important instrument in motivating the participating named executive officers, which our company believes will result in increased returns to our stockholders.

When making individual compensation decisions for its executives, Sears Holdings takes many factors into account, including the individual's performance and experience; the performance of Sears Holdings overall; retention risk; the responsibilities, impact and importance of the position within Sears Holdings; the individual's expected future contributions to Sears Holdings; the individual's historical compensation; and internal pay equity. There is no pre-established policy or target for the allocation between annual and long-term incentive compensation. Instead, Sears Holdings takes a holistic approach to executive compensation and balances the compensation elements for each executive individually.

How Elements Are Used to Achieve Sears Holdings' Compensation Objectives

In 2013, the Sears Holdings Compensation Committee sought to achieve the objectives of Sears Holdings' compensation program through the grant of annual or long-term incentive awards, or both, to certain executives. The 2013 annual incentive awards offer participating executives an opportunity for cash compensation based upon Sears Holdings EBITDA (earnings before interest, taxes, depreciation and amortization) or a combination of Sears Holdings EBITDA and business unit operating profit ("BOP") performance during the fiscal year, and, therefore, reward participating executives for achieving short-term financial performance goals. The Sears Holdings Compensation Committee also granted long-term performance-based awards to certain of its executives that become payable following the three-year performance cycle upon achievement of EBITDA or a combination of EBITDA and BOP targets in any year during the three-year performance period. The Sears Holdings Compensation Committee also granted long-term time-based awards to certain of its named executive officers that become payable following the three-year service period, provided that the participating named executive officer is actively employed by vesting date. The 2013 long-term incentive awards are designed to retain and motivate Sears Holdings' participating executives to focus on the long-term financial performance of Sears Holdings.

The Sears Holdings Compensation Committee also believes that the most fair and effective way to motivate Sears Holdings' executives to produce the best results for its stockholders is to increase the proportion of an executive's total compensation that is performance-based or otherwise "at risk," including time-based cash and equity compensation, as the executive's ability to affect those results increases. Additionally, the Sears Holdings Compensation Committee believes that the value of incentive compensation should depend upon the performance of Sears Holdings and/or its business units in a given performance period or over the applicable vesting period. Under Sears Holdings' incentive compensation structure, the highest amount of compensation can be achieved through consistent superior performance over sustained periods of time. This approach is designed to provide an incentive to manage Sears Holdings for the long term, while minimizing excessive risk taking in the short term.

The targets established for our named executive officers in 2013 under the Sears Holdings Annual Incentive Plan ("SHC AIP") were calculated based on a multiple of base salary. The multiple, which was 0.40 for Mr. Dahlen, 0.50 for Ms. Ritchie, 0.65 for Mr. Rosera and 1.0 for Mr. Huber, is based upon the participating executive's relative level of responsibility and potential to affect Sears Holdings' overall performance. SHC AIP opportunities for the participating executives are generally established when the Sears Holdings Compensation Committee approves a new annual incentive plan or at the time a compensation package for a participating executive is otherwise approved. The performance-based long-term awards and time-based long-term awards granted to Sears Holdings' participating executives under the long-term incentive programs in 2013 were also calculated based on a multiple of base salary. The combined multiple, which ranged from 0.5 to 1.5, is based upon the participating executive's relative level of responsibility and potential to affect Sears Holdings' overall performance. Due to the fact that the participating executive's base salary is determined, in part, on his or her past performance, an award that is based on a multiple of that base salary also reflects, in part, his or her past performance.

The Sears Holdings Compensation Committee determines whether the applicable financial performance targets have been attained under its applicable annual and long-term performance-based incentive programs. The Sears Holdings Compensation Committee has not exercised its discretion to adjust performance targets or payout amounts for any of Sears Holdings' participating executives. While the Sears Holdings Compensation Committee historically has considered the requirements of Section 162(m) of the Code ("Section 162(m)"), the Sears Holdings Compensation Committee retains the ability to exercise both positive and negative discretion in relation to the annual and long-term performance-based incentive awards granted to Sears Holdings' executives. The impact of Section 162(m) on compensation awarded to Sears Holdings' executives is described in "—Certain Tax Consequences" below.

2013 Compensation Decisions

The Sears Holdings Compensation Committee, working with members of the Sears Holdings management team, approved all elements of compensation for Mr. Huber. The compensation approval decisions for Mr. Rosera, Ms. Donnan Martin, Mr. Dahlen and Ms. Ritchie were made in part by the Sears Holdings Compensation Committee and in part by Mr. Huber and members of Sears Holdings senior management. For Mr. Huber, management presented recommendations to the Sears Holdings Compensation Committee regarding compensation elements for review. As appropriate, Sears Holdings' Chairman and Chief Executive Officer generally played an advisory role to the Sears Holdings Compensation Committee.

2013 Base Salaries

Base salaries are set to reflect our named executive officer's performance and experience; the individual's expected future contributions to Sears Holdings and Lands' End; the responsibilities, impact and importance of the position within Sears Holdings and Lands' End; internal pay equity; and competitive pay research. The timing and amount of base salary increases depend on the named executive officer's past performance, promotion or other change in responsibilities, expected future contributions to Sears Holdings and Lands' End and current market competitiveness.

The annual base salary of Mr. Huber for 2013 is $800,000, which remains unchanged from the base salary set forth in his offer letter dated July 18, 2011. On June 1, 2013, the annual base salaries of Mr. Rosera, Mr. Dahlen and Ms. Ritchie were increased from $500,000 to $520,000, from $235,000 to $245,000 and from $346,800 to $350,000, respectively, in recognition of their responsibilities and the impact and importance of their positions with Lands' End. The base salary of Ms. Donnan Martin $600,000, was set prior to her joining the Company on November 4, 2013 and remains unchanged.

2013 Annual Incentive Plan Opportunity

The SHC AIP is a cash-based program that is intended to reward participants for their contributions to the achievement of certain Sears Holdings EBITDA, business unit or sub-business unit (if applicable) performance goals, or "BOP," or a combination of these goals. The Sears Holdings Compensation Committee approved 2013 performance measures under the SHC AIP for 2013. A BOP goal for Lands' End, or "Lands' End BOP," accounted for 100% of the annual incentive opportunity for each of Mr. Huber, Mr. Rosera, Ms. Donnan Martin, Mr. Dahlen and Ms. Ritchie.

Lands' End BOP is defined as Lands' End's earnings before interest, taxes, and depreciation, as reported in Sears Holdings' domestic internal operating statements. In addition, Lands' End BOP is adjusted to exclude:

- significant litigation or claim judgments or settlements (defined as matters which are $1 million or more) including the costs related thereto;
- the effect of purchase accounting and changes in accounting methods;
- gains, losses and costs associated with acquisitions, divestitures and store closings;

- impairment charges;
- domestic pension expense;
- costs related to restructuring activities; and
- effect on any items classified as "extraordinary items" in the Company's financial statements.

Sears Holdings believes that BOP performance goals support its financial goals by reinforcing responsibility and accountability at the business unit level.

In establishing financial business goals for the fiscal year to be approved by the Sears Holdings Compensation Committee, factors such as Sears Holdings' prior fiscal year financial business results, the competitive situation, evaluation of market trends, as well as the general state of the economy and the business all were considered. For 2013, threshold and target performance goals were established for Sears Holdings EBITDA and the BOP components. The threshold level of performance under the SHC AIP for 2013 for each participant was approximately 84% of target. The threshold level of the performance for the Lands' End BOP component of the SHC AIP generates payouts at 20% of target incentive opportunity. The target level performance for the Lands' End BOP component was $238,977,143, which, if achieved, would have generated payouts of 100% of incentive opportunity. The maximum award payable to senior officers under the SHC AIP for 2013 is 200% of their target incentive award. The incentive payout percentage between threshold and maximum payout is based on a series of straight-line (linear) interpolations. In addition, any Lands' End performance measure payout that would be greater than 100% of the target incentive award, based upon the interpolated payout curves mentioned above, was subject to reduction to 100% if Sears Holdings EBITDA performance were below its threshold level. Further, any Lands' End performance measure payout that is between 50% and 100% of the target incentive award, based upon the interpolated payout curves mentioned above, was subject to reduction if Sears Holdings EBITDA performance were below its threshold level. The target award percentage (which is a percentage of the rate of base salary during the performance period) under the SHC AIP for 2013 is 100% for Mr. Huber, 65% each of for Mr. Rosera and Ms. Donnan Martin, 50% for Ms. Ritchie and 40% for Mr. Dahlen. Mr. Dahlen's annual incentive plan target award percentage was increased to 50% in recognition of his responsibilities and the impact and importance of his position with Lands' End, while the target award percentages for the other named executive officers remain unchanged. The amount of the annual cash incentive award ultimately received depends on the achievement of the applicable performance goals. The "Grants of Plan-Based Awards" table below shows the range of possible payments to each of our participating named executive officers under the SHC AIP for 2013.

The SHC AIP also provides that Sears Holdings will seek reimbursement from participating executives if Sears Holdings' financial statements or approved financial measures are subject to restatement due to error or misconduct, to the extent permitted by law.

Long-Term Incentive Opportunities

The Grants of Plan-Based Awards table below contains information regarding the long-term compensation opportunities for 2013. These opportunities consist of awards under (1) the 2013 Long-Term Incentive Structure (the "2013 LTIS"), which consists of a long-term incentive program (the "2013 LTIP") and a cash long-term incentive plan (the "2013 Cash LTI"); (2) the 2012 Long-Term Incentive Program (the "2012 LTIP"); and (3) the 2011 Long-Term Incentive Program (the "2011 LTIP"). The 2013 LTIP is intended to be a performance-based incentive program dependent upon the achievement of Sears Holdings financial goals during 2013 through 2015 and the 2013 Cash LTI is intended to be a time-based incentive program based on a service period from 2013 through 2015. The 2012 LTIP is intended to be a performance-based cash program dependent upon the achievement of Sears Holdings financial goals during 2012 through 2014. The 2011 LTIP is intended to be a performance-based cash program dependent upon the achievement of Sears Holdings financial goals during 2011 through 2013.

In making compensation decisions, no formal weighting formula is used in determining award amounts under Sears Holdings' long-term incentive programs. Instead, the Sears Holdings Compensation Committee considers the participating named executive officer's relative level of responsibility and potential to affect Sears Holdings' overall performance when it awards long-term performance-based compensation.

Each of Sears Holdings' performance-based long-term incentive programs contains a different EBITDA performance goal. LTIP EBITDA is defined as earnings of Sears Holdings before interest, taxes, depreciation and amortization for the performance period computed as operating income on Sears Holdings' statement of operations for the applicable reporting period, other than Sears Canada Inc., adjusted for depreciation and amortization and gains/(losses) on the sales of assets. In addition, it is adjusted to exclude:

- significant litigation or claim judgments or settlements (defined as matters which are $1 million or more) including the costs related thereto;
- the effect of purchase accounting and changes in accounting methods;
- gains, losses and costs associated with acquisitions, divestitures and store closings;
- impairment charges;
- domestic pension expense;
- costs related to restructuring activities; and
- effect of any items classified as "extraordinary items" in the Company's financial statements.

The EBITDA incentive target contemplates that the domestic company remains approximately the same size over the performance period. If after the beginning of the performance period, the domestic company divests itself of assets or an entity equal or greater than $100,000,000, target EBITDA for the performance period will be decreased by actual EBITDA of such assets or entity for the portion of the last full fiscal year prior to the divestiture corresponding to the portion of the performance period (in which the divestiture occurs) remaining after the divestiture occurs.

Sears Holdings continues to use EBITDA as a performance goal because it is a key metric used by management to measure business performance. Sears Holdings also believes that it accurately reflects Sears Holdings' compensation philosophy of encouraging growth and creating increased stockholder value through the efficient use of corporate assets. Sears Holdings has not achieved the threshold LTIP EBITDA performance target under any of its long-term incentive programs. Under the 2013 LTIP, 25% of the award is based on achievement of LTIP EBITDA goal and 75% on achievement of specific BOP goal or goals. Lands' End BOP is defined substantially the same for LTIP purposes as defined above with respect to the SHC AIP.

The 2011 LTIP, 2012 LTIP and 2013 LTIS are described below.

2011 LTIP

The 2011 LTIP provides the opportunity for salaried employees of Sears Holdings who hold a position of divisional vice president or higher to receive a long-term incentive award equal to either a percentage of his or her base salary or a dollar amount subject to the attainment of performance goals for a three-year period (2011 through 2013). Awards under the 2011 LTIP represent the right to receive cash or, at the discretion of the Sears Holdings Compensation Committee, shares of Sears Holdings common stock in lieu of cash or a combination of cash and shares of common stock of Sears Holdings upon the achievement of certain performance goals. The issuance of common stock under the 2011 LTIP is contingent on the availability of shares of stock under a stockholder approved plan of Sears Holdings providing for the issuance of shares in satisfaction of awards granted under the Long-Term Incentive Program document.

Mr. Huber, Mr. Dahlen and Ms. Ritchie are the named executive officers who participate in the 2011 LTIP.

The 2011 LTIP includes five different performance plans. The Sears Holdings Compensation Committee determined the level of financial performance for each performance plan, the performance plan to apply to each business, and which performance plan applies to each Sears Holdings participating senior officer. For each participant, achievement of a Sears Holdings LTIP EBITDA performance goal accounts for 50% of his or her 2011 LTIP opportunity and achievement of a Lands' End BOP performance goal accounts for 50% of his or her 2011 LTIP opportunity.

The 2011 LTIP provides that the Company will seek reimbursement of any payouts from executive officers if the Company's financial statements or approved financial measures are subject to restatement due to error or misconduct, to the extent permitted by law.

The threshold level of performance for the LTIP EBITDA component of each participant's 2011 LTIP assignment is 70% of target LTIP EBITDA in any year of the three-year performance period. The threshold level of performance for the BOP portion of each participant's 2011 LTIP assignment is 70% of the three-year cumulative BOP target for the performance period. For each component of each participant's 2011 LTIP assignment, a threshold level of performance will generate a payout at 25% of the 2011 LTIP target opportunity and a target level of performance will generate a payout at 100% of the 2011 LTIP target opportunity. Also for each component, for a performance level from threshold to 83% of the applicable target, each participant will receive a 1.2% increase in his or her award for every 1% of additional performance above threshold. For a performance level from 83% of the applicable target to such target, each participant will receive a 3.5% increase in his or her award for every 1% of additional performance. If the applicable target performance level is exceeded, for each 1% it exceeds the target, the participant will receive a 2% increase in his award. Awards payable under either the LTIP EBITDA component or BOP component for performance above applicable targets will be subject to an earnings-to-incentive ratio such that for every $7 in earnings above the target amount, a minimum of $6 in earnings is retained by Sears Holdings for every $1 in incentive paid to participants. The maximum award payable to each participant under the 2011 LTIP is 200% of his or her target incentive award. The target award percentage under the 2011 LTIP for each of Mr. Huber, Mr. Dahlen and Ms. Ritchie is 150%, 25% and 50%, respectively.

In the event of a 2011 LTIP participant's death or disability before the payment date for his or her award, a payment will be made with respect to that participant in an amount equal to his or her prorated target cash incentive opportunity, but only if (1) the applicable performance measure(s) for the period of the performance period through the month preceding the participant's termination of employment is equal to or greater than the target for such measure(s), pro-rated through the date of termination, (2) the applicable performance measure(s) is equal to or greater than the target for the applicable performance measure(s) for the performance period and (3) the participant has been employed by Sears Holdings for at least 12 months of the performance period. In the event of voluntary termination or termination with cause (as defined in the 2011 LTIP) before the payment date for his or her award, the participant will forfeit all of his or her LTIP award. Except as noted above, to be eligible to receive payment of an award, a participant must be actively employed as of the payment date following completion of the performance period.

The Sears Holdings Compensation Committee believes that at the time the performance goals for the 2011 LTIP were set, achievement of those levels of performance would require a high level of performance that would be difficult to attain. The applicable performance levels have not been met and no payments have been made to our named executive officers under the 2011 LTIP, and any benefits arising out of the 2011 LTIP will be forfeited by the participants who are named executive officers of Lands' End on the distribution date.

2012 LTIP

The 2012 LTIP provides the opportunity for salaried employees of Sears Holdings who hold a position of divisional vice president or higher to receive a long-term incentive award equal to either a percentage of his or her base salary or a dollar amount subject to the attainment of performance goals for a three-year period (2012 through 2014).

Awards under the 2012 LTIP represent the right to receive cash or, at the discretion of the Sears Holdings Compensation Committee, shares of Sears Holdings common stock in lieu of cash or a combination of cash and shares of Sears Holdings common stock upon the achievement of certain performance goals. The issuance of common stock under the 2012 LTIP is contingent on the availability of shares of stock under a stockholder approved plan of Sears Holdings providing for the issuance of shares in satisfaction of awards granted under the Long-Term Incentive Program document.

Messrs. Huber, Rosera and Dahlen and Ms. Ritchie are the named executive officers who participate in the 2012 LTIP.

The 2012 LTIP contains two different components: Sears Holdings LTIP EBITDA and a BOP-based measure calculated for each Sears Holdings business unit, including Lands' End. The Sears Holdings Compensation Committee determined the level of financial performance for each performance measure, the performance measure or measures to apply to each business, and which performance measure or measures applies to each participating senior officer. For each participant, achievement of the LTIP EBITDA performance goal accounts for 25% of his or her 2012 LTIP opportunity and achievement of a Lands' End BOP performance goal accounts for 75% of his or her 2012 LTIP opportunity.

The 2012 LTIP also provides that Sears Holdings will seek reimbursement from participating executives if Sears Holdings' financial statements or approved financial measures are subject to restatement due to error or misconduct, to the extent permitted by law.

The threshold level of performance for the LTIP EBITDA measure is approximately 80% of the LTIP EBITDA target in any year of the three-year performance period. A threshold level of performance will generate a payout at 25% of the 2012 LTIP target opportunity and a target level of performance will generate a payout at 100% of the 2012 LTIP target opportunity. With respect to BOP threshold levels of performance, the payout, if any, under the 2012 LTIP for each participant will be reduced by 25% for each year in the three-year period that Lands' End does not achieve at least 90% of its target under the SHC AIP. The payout, if any, under the 2012 LTIP has been reduced by 50%. In addition, payouts based on achievement of BOP goals will be limited to 100% of target levels of performance unless LTIP EBITDA meets or exceeds the threshold level of payment under the 2012 LTIP. The maximum incentive opportunity under the 2012 LTIP is 200% of the participant's target award amount (which is reached at 150% of target performance). The target award percentages under the 2012 LTIP for each of Mr. Huber, Mr. Rosera, Mr. Dahlen and Ms. Ritchie is 150%, 50%, 25% and 50%, respectively.

In the event of a participant's death or disability before the payment date for his or her award, a payment will be made with respect to that participant in an amount equal to his or her prorated target cash incentive opportunity, but only if (1) the applicable performance measure(s) for the period of the performance period through the month preceding the participant's termination of employment is equal to or greater than the target for such measure(s), pro-rated through the date of termination, (2) the applicable performance measure(s) is equal to or greater than the target for the applicable performance measure(s) for the performance period and (3) the participant has been employed by Sears Holdings for at least 12 months of the performance period. In the event of voluntary termination or termination with cause (as defined in the 2012 LTIP) before the payment date for his or her award, the participant will forfeit all of his or her LTIP award. Except as noted above, to be eligible to receive payment of an award, a participant must be actively employed as of the payment date following completion of the performance period.

The Sears Holdings Compensation Committee believes that at the time the performance goals for the 2012 LTIP were set, achievement of those levels of performance would require a high level of performance that would be difficult to attain. The applicable performance levels have not been met and no payments have been made to our named executive officers under the 2012 LTIP, and any benefits arising out of the 2012 LTIP will be forfeited by the participants who are named executive officers of Lands' End on the distribution date. At the distribution date, these named executive officers will be eligible to participate in the 2012 LE LTIP, as more fully described in "—Lands' End Employment Arrangements" below.

2013 LTIS

The 2013 LTIS consists of a long-term incentive program (the "2013 LTIP") and a cash long-term incentive plan (the "2013 Cash LTI"). The 2013 LTIP continues to be intended as a performance-based incentive program and the 2013 Cash LTI is intended to be a time-based incentive program.

The named executive officers who participate in the 2013 LTIP and the 2013 Cash LTI are Mr. Huber, Mr. Rosera, Ms. Donnan Martin, Mr. Dahlen and Ms. Ritchie.

2013 LTIP

The 2013 LTIP provides the opportunity for salaried employees who hold a position of divisional vice president or higher to receive a long-term incentive award equal to a percentage of his or her base salary or a dollar amount subject to the attainment of performance goals for a three-year period (2013 through 2015). Awards under the 2013 LTIP represent the right to receive cash or, at the discretion of the Sears Holdings Compensation Committee, shares of Sears Holdings common stock in lieu of cash or a combination of cash and shares upon the achievement of certain performance goals. The issuance of common stock under the 2013 LTIP is contingent on the availability of shares of stock under a stockholder approved plan of Sears Holdings providing for the issuance of shares in satisfaction of awards granted under the Long-Term Incentive Program document.

The 2013 LTIP contains two different performance measures: SHC LTIP EBITDA and a BOP-based measure calculated for each business unit. Opportunities for participants under the 2013 LTIP consist of either 100% SHC LTIP EBITDA or a combination of SHC LTIP EBITDA and BOP-based measures for one or more business units. The Sears Holdings Compensation Committee determined the level of financial performance for each performance measure, the performance measure or measures to apply to each business, and which performance measure or measures applies to each participating senior officer. For our named executive officers participating in the 2013 LTIP, achievement of a Sears Holdings LTIP EBITDA performance goal accounts for 25% of their 2013 LTIP opportunity and achievement of a Lands' End BOP performance goal accounts for 75% of their 2013 LTIP opportunity. Threshold, target and maximum goals have been established for all performance measures under the 2013 LTIP.

The 2013 LTIP also provides that the Company will seek reimbursement from executive officers if the Company's financial statements or approved financial measures are subject to restatement due to error or misconduct, to the extent permitted by law.

Under the 2013 LTIP, the threshold level of performance for the LTIP EBITDA measure is 70% of the cumulative three-year LTIP EBITDA target during the performance period. A threshold level of performance will generate a payout at 25% of the 2013 LTIP target opportunity and a target level of performance will generate a payout at 100% of the 2013 LTIP target opportunity. The maximum incentive opportunity under the 2013 LTIP is 200% of the participant's target award amount. The target award percentages under the 2013 LTIP for each of Mr. Huber, Mr. Rosera, Ms. Donnan Martin, Mr. Dahlen and Ms. Ritchie is 150%, 100%, 100%, 50% and 100%, respectively.

Sears Holdings will pay awards earned under the 2013 LTIP to participants no later than the date that is the 15th day of the third month following 2015, provided that the participant is actively employed by Sears Holdings on the payment date (unless otherwise prohibited by law). In addition, the 2013 LTIP provides that Sears Holdings will seek reimbursement from participating executives if Sears Holdings' financial statements or approved financial measures are subject to restatement due to error or misconduct, to the extent permitted by law.

In the event of a participant's death or disability before the payment date for his or her award, a payment will be made with respect to that participant in an amount equal to his or her pro-rated target cash incentive opportunity, but only if (1) the applicable performance measure(s) for the period of the performance period through the month preceding the participant's termination of employment is equal to or greater than the target for

such measure(s), pro-rated through the date of termination, (2) the applicable performance measure(s) is equal to or greater than the target for the applicable performance measure(s) for the performance period and (3) the participant has been employed by us for at least 12 months of the performance period. In the event of voluntary termination or termination with cause (as defined in the 2013 LTIP) before the payment date for his or her award, the participant will forfeit all of his or her LTIP award. Except as noted above, to be eligible to receive payment of an award, a participant must be actively employed as of the payment date following completion of the performance period.

The Sears Holdings Compensation Committee believes that at the time the performance goals for the 2013 LTIP were set, achievement of those levels of performance would require a high level of performance that would be difficult to attain. The applicable performance levels have not been met and no payments have been made to our named executive officers under the 2013 LTIP, and any benefits arising out of the 2013 LTIP will be forfeited by the participants who are named executive officers of Lands' End on the distribution date. At the distribution date, these named executive officers will be eligible to participate in the 2013 LE LTIP, as more fully described in "—Lands' End Employment Arrangements" below.

2013 Cash LTI

The second component of the 2013 LTIS is the 2013 Cash LTI. Awards under the 2013 Cash LTI are designed to constitute a percentage of a participant's overall long-term incentive opportunity. The 2013 Cash LTI provides the opportunity for participants to receive a long-term incentive payout, provided that the participant is actively employed by Sears Holdings on the vesting date, which is the April 1st following the end of a service period. Awards under the 2013 Cash LTI represent the right to receive cash as soon as administratively feasible after the vesting date but in no case later than the date that is the 15th day of the third month following the last day of the relevant service period. The service period for the 2013 Cash LTI is 2013 through 2015. In 2013, Mr. Huber, Mr. Rosera, Ms. Donnan Martin, Mr. Dahlen and Ms. Ritchie received awards of $300,000, $125,000, $112,365, $29,375 and $87,500, respectively, under the 2013 Cash LTI. Payment of such amounts is contingent upon their remaining actively employed by Sears Holdings through April 1, 2016.

In the event of a participant's death or disability before the payment date for his or her award, a payment will be made with respect to that participant in an amount equal to his or her pro-rated cash incentive opportunity, but only if the participant has been employed by us for at least 12 months of the service period. In the event of voluntary termination or involuntary termination (for any reason other than death) before the vesting date for his or her award, the participant will forfeit all of his or her Cash LTI award.

At the distribution date, any benefits arising out of the 2013 Cash LTI will be forfeited by the participants who are named executive officers of Lands' End on the distribution date, who will be eligible to participate in the 2013 Cash LTI, as more fully described in "—Lands' End Employment Arrangements" below.

LTIS Target Award Percentages and Certain Additional Conditions

The total long-term incentive target award percentage (which is a percentage of base salary) for Mr. Huber is 150%, with 75% awarded under the 2013 LTIP and 25% awarded under the 2013 Cash LTI. The total long-term incentive target award percentage for each of Mr. Rosera, Ms. Donnan Martin and Ms. Ritchie is 100%, with 75% awarded under the 2013 LTIP and 25% awarded under the 2013 Cash LTI. The total long-term incentive target award percentage for Mr. Dahlen is 50%, with 75% of each target award awarded under the 2013 LTIP and 25% awarded under the 2013 Cash LTI.

Other Long-Term Compensation Opportunities

Pursuant to his offer letter from Lands' End, Mr. Rosera was granted a special cash retention bonus award of $150,000 that vests in three equal installments on the first, second and third anniversary dates of his start date with Lands' End, provided that he is actively employed on the applicable payment date. Mr. Rosera was paid

$50,000 of this bonus in August 2013. Mr. Rosera received this special cash retention bonus to induce him to join Lands' End, to compensate him for other foregone opportunities and in recognition of his expected future contributions to Lands' End.

Pursuant to her offer letter from Lands' End, Ms. Donnan Martin was granted a special cash retention bonus award of $150,000 that vests in three equal installments on the first, second and third anniversary dates of her start date with Lands' End, provided that she is actively employed on the applicable payment date. Ms. Donnan Martin received this special cash retention bonus to induce her to join Lands' End, to compensate her for other foregone opportunities and in recognition of her expected future contributions to Lands' End.

Time-Based Cash and Equity Compensation

Time-based cash and equity compensation is granted from time to time to assist Sears Holdings to:

- attract and retain top executive talent; and
- with respect to equity, link executive and company long-term financial interests of Sears Holdings, including the growth in value of Sears Holdings' equity and enhancement of long-term stockholder return.

Time-based cash and equity compensation is intended to complement base salary, annual incentive awards and long-term incentive awards.

Time-based equity compensation is currently awarded in the form of restricted stock. Generally, Sears Holdings' practice is to determine the dollar amount of equity compensation and then grant a number of shares of restricted stock having a fair market value equal to that dollar amount on the date of grant. Sears Holdings determines the fair market value based upon the closing price of its stock on the grant date. Individual grant amounts are generally based on factors such as relative job scope, expected future contributions to Sears Holdings and internal pay equity. Additionally, restricted stock grants are an effective means of offsetting equity awards that executives may lose when they leave a former company to join Sears Holdings.

In 2013, no grants of restricted stock were made to our named executive officers.

The Sears Holdings Corporation 2006 Stock Plan, or "2006 Stock Plan," does not provide for the award of stock options. The Sears Holdings Corporation 2013 Stock Plan, approved by the stockholders of Sears Holdings at its 2013 annual meeting of stockholders, contains provisions that would allow Sears Holdings to grant stock options; however, no such stock options have been granted and it is not currently expected that any stock options will be granted prior to the spin-off.

In connection with the pro-rata distribution of Sears Holdings' interest in Orchard Supply Hardware Stores Corporation ("Orchard"), each person who held outstanding shares of unvested restricted stock of Sears Holdings as of December 16, 2011, the record date for the distribution, was granted a cash award in lieu of shares of Orchard common and preferred stock distributed in respect of such unvested restricted stock. The cash rights were granted in lieu of Orchard shares to preserve the benefit of the unvested restricted stock award with respect to the distribution (the "Orchard Make-Whole Awards"). The Orchard Make-Whole Awards are payable on the applicable vesting dates for such unvested restricted stock. The amounts of the Orchard Make-Whole Awards were calculated based on the volume-weighted average price per share of the Orchard common and preferred stock over the 10-trading day period beginning January 3, 2012. The Orchard Make-Whole Award granted to Mr. Huber totals $15,865. The amount that vested during 2013 for Mr. Huber was $3,966. No other named executive officer had a vesting in 2013 with respect to these cash awards.

In connection with Sears Holdings' pro-rata distribution of transferable subscription rights ("Rights") to purchase shares of common stock of Sears Hometown and Outlet Stores, Inc. ("Sears Hometown"), each person

who held outstanding shares of unvested restricted stock of Sears Holdings as of September 7, 2012, the record date for the distribution of Rights, was granted a cash award in lieu of Rights distributed in respect of such unvested restricted stock. The cash awards were granted in lieu of Rights to preserve the benefit of the unvested restricted stock award with respect to the distribution (the "Sears Hometown Make-Whole Awards"). The Sears Hometown Make-Whole Awards are payable on the applicable vesting dates for such unvested restricted stock. The amounts of the Sears Hometown Make-Whole Awards were calculated based on the volume-weighted average price per right of the Rights over the 10-trading day period beginning September 11, 2012. The Sears Hometown Make-Whole Award granted to Mr. Huber totals $26,903. The amount that vested during 2013 for Mr. Huber was $8,968. No other named executive officer had a vesting in 2013 with respect to these cash awards.

In connection with Sears Holdings' pro-rata distribution of common shares ("Sears Canada Shares") of Sears Canada Inc. ("Sears Canada"), each person who held outstanding shares of unvested restricted stock of Sears Holdings as of November 1, 2012, the record date for the distribution, was granted a cash award in lieu of Sears Canada Shares distributed in respect of such unvested restricted stock. The cash awards were granted in lieu of Sears Canada Shares to preserve the benefit of the unvested restricted stock award with respect to the distribution (the "Sears Canada Make-Whole Awards"). The Sears Canada Make-Whole Awards are payable on the applicable vesting date for such unvested restricted stock. The amounts of the Sears Canada Make-Whole Awards were calculated based on the volume-weighted average price per share of the Sears Canada Shares over the 10-trading day period beginning November 13, 2012. The Sears Canada Make-Whole Awards granted to Messrs. Huber and Rosera total $62,193 and $13,167, respectively. The amount that vested during 2013 for Mr. Huber was $20,731. No other named executive officer had a vesting in 2013 with respect to these cash awards.

Other Compensation Elements

Discretionary Bonuses

We have paid, and may in the future pay, sign-on, first year guaranteed and other bonuses where determined necessary or appropriate to attract top executive talent from other companies and motivate or retain key executives or both. Executives we recruit often have unrealized value in the form of unvested equity and other forgone compensation opportunities. Sign-on bonuses are an effective means of offsetting compensation opportunities executives may lose when they leave a former company to join Sears Holdings. For a discussion of bonuses granted prior to 2013 that had scheduled payouts in 2013, see "—Long-Term Incentive Opportunities—Other Long-Term Compensation Opportunities."

Perquisites and Other Benefits

Sears Holdings provides certain of its executives with perquisites and other personal benefits that the Sears Holdings Compensation Committee deems reasonable and consistent with Sears Holdings' overall compensation program. In 2013, pursuant to his offer letter, Mr. Rosera received $71,869 in relocation assistance and a tax gross-up on that relocation assistance of $14,883. If Mr. Rosera voluntarily leaves Lands' End prior to the second anniversary of his start date, he must repay 50% of those amounts to Lands' End. In 2013, pursuant to her offer letter, Ms. Donnan Martin received $4,954 in taxable housing and travel expenses.

Retirement Plans

The Lands' End, Inc. Retirement Plan allows participants to contribute towards retirement on a pre-tax (including catch-up contributions) basis. The plan allows pre-tax contributions of up to 75% of eligible compensation (or the limit determined by the Internal Revenue Service). Lands' End also makes matching contributions to the plan in an amount equal to 50% of the participant's contribution up to a maximum of 6% of the participant's earnings quarter start following one year of service by the participant.

Severance Benefits

Each of our named executive officers has entered into a severance agreement with Lands' End. The severance agreements contain non-disclosure, non-solicitation and non-competition restrictions. Additionally, the severance payments provide individuals a window of time to locate a new position in the marketplace. While the following description of the terms and conditions applies generally to our severance agreements with our named executive officers, severance agreements with certain of our executive officers contain different or additional terms and conditions that served as additional inducements for those named executive officers to join Lands' End and are more fully described under "—Potential Payments Upon Termination of Employment" below. Under the agreement, severance is provided for involuntary termination by Lands' End without cause (as defined in the agreement) or termination by the executive officer for "good reason" (as defined in the agreement). Named executive officers, except as described under the heading "Potential Payments Upon Termination of Employment," will receive severance payments equal to one year of annual base salary, subject to mitigation for salary or wages earned from another employer, including self-employment depending on the form of agreement.

If a named executive officer becomes entitled to benefits under the severance agreement, the named executive officer will be entitled to other company benefits such as continued participation in company medical and dental plans during the salary continuation period. The forms of executive severance agreements do not have specific change-in-control or similar provisions that would give rise to or impact the payment of severance benefits to the executive officers.

Awards under an annual or a long-term incentive program are payable in the event of a termination of employment as a result of death or disability during a performance period if certain conditions are met, as described under the applicable long-term incentive program. See "—2013 Annual Incentive Plan Opportunity" above, "—Long-Term Incentive Opportunities" above and "—Potential Payments Upon Termination of Employment" below for additional information.

A named executive officer's unvested restricted stock award under the 2006 Stock Plan will be forfeited upon termination of employment. In the event of a named executive officer's death, disability, retirement or involuntary termination, at the discretion of the Sears Holdings Compensation Committee, such officer's restricted stock awards may be accelerated.

Executive Compensation Recovery Provisions

Sears Holdings' annual and long-term incentive programs adopted in 2013 contained executive compensation recovery provisions. The relevant provisions provide that Sears Holdings will seek reimbursement from participating executives if Sears Holdings' financial statements or approved financial measures are subject to restatement due to error or misconduct, to the extent permitted by law.

2013 CEO Compensation

As set forth in Mr. Huber's offer letter, his 2013 annual base salary is $800,000. He also participated in the SHC AIP for 2013 with a target opportunity of 100% of his base salary and in the 2013 LTIS at 150% of his base salary. Mr. Huber received cash payouts pursuant to his Orchard Make-Whole Award, Sears Hometown Make-Whole Award and Sears Canada Make-Whole Award as described elsewhere in this section under the caption "—2013 Compensation Decisions—Time-Based Cash and Equity Compensation." Mr. Huber also received a matching contribution to the Lands' End, Inc. Retirement Plan as described elsewhere in this section under the caption "—Other Compensation Elements—Retirement Plans."

Certain Tax Consequences

In setting an executive's compensation package, the Sears Holdings Compensation Committee considers the requirements of Section 162(m) of the Code, which provides that compensation in excess of $1 million paid to certain executive officers is not deductible unless it is performance-based and paid under a program that meets

certain other legal requirements. Neither base salary nor time-based cash or equity awards that vest based solely on continued service qualify as performance-based compensation under Section 162(m). Although a significant portion of each executive officer's compensation is intended to satisfy the requirements for deductibility under Section 162(m), the Sears Holdings Compensation Committee retains the ability to evaluate the performance of its executives and to pay appropriate compensation, even if it may result in the non-deductibility of certain compensation under federal tax law.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid by Lands' End to each of our named executive officers. These amounts are based on the compensation received by these officers while employed by Lands' End for 2013; the amounts shown for 2012 reflect the inclusion of an additional week of compensation in that fiscal year (comprising 53 weeks) compared to fiscal years 2013 and 2011 (comprising 52 weeks).

Name and Principal Position	Year	Salary(a)	Bonus(b)	Stock Awards(c)	Non Equity Incentive Plan Compensation	All Other Compensation(d)	Total
Edgar O. Huber	**2013**	$800,000	$ —	$ —	$ —	$ 41,315	$ 841,315
President and Chief	**2012**	815,385	400,000	—	—	59,531	1,274,916
Executive Officer	**2011**	400,000	650,000	999,975	—	238,496	2,288,472
Michael P. Rosera	**2013**	$513,462	$ 50,000	$ —	$ —	$ 77,269	$ 640,730
Executive Vice President, Chief Operating Officer/Chief Financial Officer and Treasurer	**2012**	269,231	231,250	149,974	—	104,373	754,828
Michele Donnan Martin	**2013**	$150,000	$175,000	$ —	$ —	$ 4,954[1]	$ 329,954
Executive Vice President, Chief Merchandising and Design Officer							
Karl Dahlen	**2013**	$242,212	$ —	$ —	$ —	$ 7,111	$ 249,322
Senior Vice President, General Counsel	**2012**	236,143	15,500	—	—	7,084	258,727
and Corporate Secretary	**2011**	204,120	13,729	—	—	7,000	224,849
Kelly Ritchie	**2013**	$355,889	$ —	—	$ —	$ 7,650	$ 363,539
Senior Vice President, Employee and	**2012**	355,869	50,000	—	—	7,500	413,369
Customer Services	**2011**	344,054	—	—	—	7,350	351,404

(a) The amounts in this column are actual amounts earned in the fiscal year period stated. The amounts shown have been adjusted for the number of days in the fiscal year and are not necessarily the same as the annual rate for each named executive officer.

(b) The amount for Mr. Rosera represents a cash retention bonus payment for fiscal year 2013 made pursuant to the terms of his offer letter. The amount for Ms. Donnan Martin represents a sign-on bonus payment made pursuant to the terms of her offer letter.

(c) Amounts shown in this column represent the full grant date fair value of the restricted stock awards granted under the 2006 Stock Plan. Generally, the full grant date fair value is the amount that Sears Holdings would expense in its financial statements over the award's applicable vesting period. Restricted stock is common stock that cannot be sold or otherwise transferred by the executive until such restrictions lapse.

(d) For Mr. Huber, the amount consists of (1) $3,966 representing the amount vested and paid in fiscal year 2013 under his Orchard Make-Whole Award, which he received in respect of his previously-awarded unvested restricted stock in lieu of shares of Orchard distributed to the Company's stockholders, (2) $8,968 representing the amount vested and paid in fiscal year 2013 under his Sears Hometown Make-Whole Award, which he received in respect of previously-awarded unvested restricted stock in lieu of Rights to purchase shares of Sears Hometown distributed to the Company's stockholders, (3) $20,731 representing the amount vested and paid in fiscal year 2013 under his Sears Canada Make-Whole Award, which he received in respect of previously-awarded unvested restricted stock in lieu of Rights to purchase shares of Sears Canada distributed to the Company's stockholders and (4) $7,650 in matching contributions under the Lands' End, Inc. Retirement Plan.

For Mr. Rosera, the amount in fiscal 2013 includes (1) $71,869 in company-provided relocation expenses, including $14,883 in related tax gross-up payments and (2) $5,400 in matching contributions under the Lands' End, Inc. Retirement Plan.

For Ms. Donnan Martin, the amount includes $950.96 attributable to the aggregate incremental cost to the Company of round-trip fare for commercial air travel between Ms. Donnan Martin's primary residence in the greater metropolitan New York area and the greater metropolitan Madison area, $373.29 attributable to the aggregate incremental cost to the Company of ground transportation between her primary residence and the airport in the greater metropolitan New York area when commuting to Company headquarters in Dodgeville, Wisconsin and between Company headquarters and the airport in the greater metropolitan Madison area when commuting to her primary residence, and $3,630.00 attributable to the incremental cost to the Company for housing in the Madison, Wisconsin area pursuant to the terms of her offer letter.

For Mr. Dahlen, the amount reflects matching contributions under the Lands' End, Inc. Retirement Plan.

For Ms. Ritchie, the amount reflects matching contributions under the Lands' End, Inc. Retirement Plan.

Grants of Plan-Based Awards

The following tables set forth awards granted to our named executive officers under the incentive plans maintained by Sears Holdings.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(a)			Estimated Future Payouts Under Non-Equity Multi-Year Incentive Plan Awards(a)			All Other Stock Awards: Number of Shares of Stock	Grant Date Fair Value of Stock and Option Awards(b)
Name	Plan	Threshold	Target	Maximum	Threshold	Target	Maximum		
Edgar O. Huber	SHC AIP	$160,000	$800,000	$1,600,000	—	—	—	—	—
	2013 LTIP	—	—	—	$225,000	$900,000	$1,800,000	—	—
	2013 Cash LTI	—	—	—	$300,000	$300,000	$ 300,000	—	—
Michael P. Rosera	SHC AIP	$ 66,757	$333,786	$ 667,572	—	—	—	—	—
	2013 LTIP	—	—	—	$ 93,750	$375,000	$ 750,000	—	—
	2013 Cash LTI	—	—	—	$125,000	$125,000	$ 125,000	—	—
Michele Donnan Martin	SHC AIP	$ 19,286	$ 96,429	$ 192,858	—	—	—	—	—
	2013 LTIP	—	—	—	$ 84,274	$337,095	$ 674,190	—	—
	2013 Cash LTI	—	—	—	$112,365	$112,365	$ 112,365	—	—
Karl Dahlen	SHC AIP	$ 16,069	$ 80,347	$ 160,694	—	—	—	—	—
	2013 LTIP	—	—	—	$ 22,031	$ 88,125	$ 176,250	—	—
	2013 Cash LTI	—	—	—	$ 29,375	$ 29,375	$ 29,375	—	—
Kelly Ritchie	SHC AIP	$ 35,591	$177,957	$ 355,914	—	—	—	—	—
	2013 LTIP	—	—	—	$ 65,625	$262,500	$ 525,000	—	—
	2013 Cash LTI	—	—	—	$ 87,500	$ 87,500	$ 87,500	—	—

(a) The amounts in these columns include the threshold, target and maximum amounts for each named executive officer under the 2013 AIP and 2013 LTIP.

(b) This column reflects the full grant date fair value of restricted stock granted to certain named executive officers. Generally, the full grant date fair value is the amount that the Company would expense in its financial statements over the award's applicable vesting period. None of our named executive officers received grants of equity-based awards in fiscal year 2013.

Lands' End Employment Arrangements

Certain components of the compensation paid to our named executive officers reflected in the Summary Compensation Table and the Grants of Plan-Based Awards table are based on our named executive officers' offer letters that provide for their employment with Lands' End. These offer letters establish the minimum terms and conditions of each executive's employment, which are summarized below. For a discussion of the severance payments and other benefits provided in connection with a qualifying termination of employment under each named executive officer's severance agreement, see "—Potential Payments Upon Termination of Employment" below.

Offer Letter with Mr. Huber

Mr. Huber entered into an offer letter with Sears Holding dated July 18, 2011 that provides for his employment with Lands' End. Mr. Huber's annual base salary is $800,000. He received a one-time sign-on

bonus of $250,000, subject to certain repayment conditions in the event of termination, which conditions expired on August 1, 2013. He is eligible for an annual target award of 100% of his base salary under the SHC AIP. Mr. Huber was eligible to receive a special incentive award for 2011 equal to the greater of (1) the actual incentive earned and payable under the 2011 SHC AIP or (2) $400,000 (gross), which special incentive award was subject to reduction by any amount payable to him under the 2011 SHC AIP. Mr. Huber's offer letter provided for the payment of a special cash retention bonus of $400,000 following the end of 2012, subject to reduction by any amount payable to him under the 2012 SHC AIP. Mr. Huber's offer letter also provides for his participation in the 2011 LTIP, with a target award of 150% of his base salary, subject to pro-ration based on the portion of the LTIP performance period remaining after his start date. He also received a grant of Sears Holdings restricted stock valued at approximately $1,000,000 under the 2006 Stock Plan. He received relocation assistance consisting of a lump sum payment of $100,000 (net of income taxes), temporary housing (net of income taxes) and shipment of household goods. Mr. Huber's Executive Severance Agreement with Sears Holdings described under "Compensation Discussion and Analysis—Other Compensation Benefits—Severance Benefits" and "Potential Payments Upon Termination of Employment" will be assigned to, and assumed by, Lands' End effective as of the spin-off.

Offer Letter with Mr. Rosera

Mr. Rosera entered into an offer letter from Lands' End dated June 27, 2012 that provides for his employment with Lands' End. Mr. Rosera's offer letter provided for an annual base salary of $500,000, which was subsequently increased to $520,000. He received a one-time sign-on bonus of $150,000, subject to certain repayment conditions in the event of termination within 24 months of his start date. He is eligible for an annual target award of 65% of his base salary under the SHC AIP. Mr. Rosera was eligible to receive an incentive payment for 2012 equal to the greater of (1) the actual incentive earned and payable under the 2012 SHC AIP or (2) $81,250 (gross). Mr. Rosera's offer letter also provides for the payment of a special cash retention bonus award of $150,000 (gross) that vests in three equal installments on the first, second and third anniversaries of his start date, provided that he is actively employed with us on the applicable payment date. Mr. Rosera's offer letter provides for his participation in the Sears Holdings Long-Term Incentive Programs, starting with the 2012 LTIP. He also received a grant of Sears Holdings restricted stock valued at approximately $150,000 under the 2006 Stock Plan and relocation benefits under our standard relocation policy. The relocation benefits were subject to reimbursement in the amount of 100% of the benefit if he had voluntarily terminated his employment on or before the first anniversary of his start date, and are subject to reimbursement in the amount of 50% of the benefit if he voluntarily terminates his employment more than one year after and no more than two years after his start date. Mr. Rosera's Executive Severance Agreement with Sears Holdings described under "Compensation Discussion and Analysis—Other Compensation Benefits—Severance Benefits" and "Potential Payments Upon Termination of Employment" will be assigned to, and assumed by, Lands' End effective as of the spin-off.

Offer Letter with Ms. Donnan Martin

Ms. Donnan Martin entered into an offer letter from Lands' End dated September 19, 2013 that provides for her employment with Lands' End. Ms. Donnan Martin's offer letter provided for an annual base salary of $600,000. She received a one-time sign-on bonus of $175,000, subject to reimbursement in the amount of 100% of the benefit in the event of termination within 24 months of her start date. She is eligible for an annual target award of 65% of her base salary under the SHC AIP, which will be prorated from her start date of November 4, 2013 through February 1, 2014. Ms. Donnan Martin's offer letter also provides for the payment of (i) a special incentive award for 2014 payable on or about April 15, 2015 equal to $195,000 (gross) less the actual incentive earned and payable under the 2014 SHC AIP and subject to reimbursement in the amount of 100% of the benefit in the event of termination within 24 months of her start date and (ii) a special cash retention bonus award of $150,000 (gross) that vests in three equal installments on the first, second and third anniversaries of her start date, in each case provided that she is actively employed with us on the applicable payment date. Ms. Donnan Martin's offer letter provides for her participation in the Sears Holdings Long-Term Incentive Programs, starting with the 2013 LTIP, prorated from her start date of November 4, 2013 through January 30, 2016. Under the offer

letter, we provide Ms. Donnan Martin with a mutually agreeable corporate apartment in Madison, Wisconsin and travel expenses, such housing and travel expenses not to exceed $50,000 per calendar year (and prorated for any partial year of employment). Ms. Donnan Martin's Executive Severance Agreement with Sears Holdings described under "Compensation Discussion and Analysis—Other Compensation Benefits—Severance Benefits" and "Potential Payments Upon Termination of Employment" will be assigned to, and assumed by, Lands' End effective as of the spin-off.

Promotion Letter with Mr. Dahlen

Mr. Dahlen entered into a promotion letter from Lands' End dated January 31, 2014 that provides for his employment with Lands' End. Mr. Dahlen's offer letter provides for an annual base salary of $270,000. He is eligible for an annual target award of 50% of his base salary under the SHC AIP for 2014. Mr. Dahlen's Executive Severance Agreement with Sears Holdings described under "Compensation Discussion and Analysis—Other Compensation Benefits—Severance Benefits" and "Potential Payments Upon Termination of Employment" will be assigned to, and assumed by, Lands' End effective as of the spin-off.

Outstanding Equity Awards at 2013 Fiscal Year End

The following table shows the number of shares of Sears Holdings common stock covered by unvested restricted stock held by the named executive officers on February 1, 2014. None of the named executive officers held options to purchase shares of Sears Holdings common stock on February 1, 2014.

	Stock Awards	
Name	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested[a]
Edgar O. Huber	8,540	$ 310,600
Michael P. Rosera	2,712	$ 98,635
Michele Donnan Martin	—	—
Karl A. Dahlen	—	—
Kelly Ritchie	—	—

(a) The market value of the outstanding restricted stock awards represents the product of the number of shares of restricted stock that have not vested multiplied by $36.37, the closing price of Sears Holdings Corporation common stock on January 31, 2014, the last trading day of Sears Holdings common stock in fiscal year 2013.

Option Exercises and Stock Vested

The following table shows the number of shares of Sears Holdings common stock acquired upon vesting of restricted stock awards and the value realized, before payment of any applicable withholding tax. None of our named executive officers owned or exercised any options to purchase shares of Sears Holdings common stock during 2013.

	Stock Awards	
Name	Number of Shares Acquired on Vesting	Value Realized on Vesting(a)
Edgar O. Huber	4,270	$188,905
Michael P. Rosera	—	$ —
Michele Donnan Martin	—	$ —
Karl Dahlen	—	$ —
Kelly Ritchie	—	$ —

(a) For Mr. Huber, the amount represents 4,270 shares that vested on September 1, 2013 (including 1,499 shares withheld by Sears Holdings to satisfy tax obligations associated with the vesting of these shares) multiplied by $44.24, the closing price of Sears Holdings common stock on September 1, 2013.

Potential Payments Upon Termination of Employment

As described under "—Compensation Discussion and Analysis—Other Compensation Elements—Severance Benefits" above, Sears Holdings entered into severance agreements with the named executive officers. The amounts shown assume that such termination was effective as of January 31, 2014, the last business day of fiscal year 2013. Therefore, the tables include amounts earned through such time and are estimates of the amounts which would have been paid (subject to mitigation as applicable) to each named executive officer upon his or her involuntary termination by Lands' End without "cause" or termination by the executive officer for "good reason." The actual amounts that would have been paid to the executives can only be determined at the time of such executive's separation from Lands' End.

- Good Reason:
  - For, Mr. Huber, Ms. Donnan Martin and Ms. Ritchie, a termination by the executive officer is for good reason if it results from (1) a reduction of more than 10% in the sum of the executive officer's annual salary and target bonus from those in effect as of the date of the severance agreement; (2) an executive officer's mandatory relocation to an office more than 50 miles from the primary location at which the executive officer is required to perform his or her duties; or (3) any action or inaction that constitutes a material breach under the severance agreement, including the failure of a successor company to assume or fulfill the obligations under the severance agreement.
  - For Mr. Rosera, a termination by the executive officer is for good reason if it results from (1) a reduction of more than 10% in the sum of the executive officer's annual salary and target bonus from those in effect as of the date of the severance agreement; (2) an executive officer's mandatory relocation to an office more than 50 miles from the primary location at which the executive officer is required to perform his or her duties; (3) a change in structure so that executive is no longer directly reporting to the chief executive of Lands' End, Inc.; or (4) any action or inaction that constitutes a material breach under the severance agreement, including the failure of a successor company to assume or fulfill the obligations under the severance agreement.
  - For Mr. Dahlen, a termination by the executive officer is for good reason if it results from (1) a reduction of more than 10% in the sum of the executive officer's annual salary and target bonus from those in effect as of the date of the severance agreement; (2) an executive officer's

mandatory relocation to an office more than 50 miles from the primary location at which the executive officer is required to perform his or her duties; (3) a change in structure so that executive is no longer directly reporting to the chief operating officer, chief financial officer or chief executive officer of Lands' End, Inc.; or (4) any action or inaction that constitutes a material breach under the severance agreement, including the failure of a successor company to assume or fulfill the obligations under the severance agreement.

- Cause—A termination by an executive officer is without cause if the executive officer is involuntarily terminated because of job elimination (other than poor performance) or without "cause."
- "Cause" generally is defined as (1) a material breach by the executive officer, other than due to incapacity due to a disability, of the executive officer's duties and responsibilities which breach is demonstrably willful and deliberate on the executive officer's part, is committed in bad faith or without reasonable belief that such breach is in the best interests of Sears Holdings (or its affiliates) and such breach is not remedied by the executive officer in a reasonable period of time after receipt of written notice from Sears Holdings specifying such breach; (2) the commission by the executive officer of a felony (in certain cases defined as a felony involving moral turpitude); or (3) dishonesty or willful misconduct in connection with the executive officer's employment.

Severance Benefits upon involuntary termination by Lands' End without "cause" or termination by the executive officer for "good reason"

- For Mr. Huber, base salary at the rate in effect immediately prior to the date of termination, payable in the form of salary continuation for 24 months, subject to reduction by the amount of fees, salary or wages that he earns from a subsequent employer during the salary continuation period.
- For Mr. Rosera, base salary at the rate in effect immediately prior to the date of termination, payable in the form of salary continuation for 12 months.
- For Ms. Donnan Martin, highest base salary rate she earned as an employee of any Sears Holdings affiliate, payable in the form of salary continuation for 12 months, subject to reduction by the amount of fees, salary or wages that she earns from a subsequent employer during the salary continuation period.
- For Mr. Dahlen, base salary at the rate in effect immediately prior to the date of termination, payable in the form of salary continuation for 6 months, subject to reduction by the amount of fees, salary or wages that he earns from a subsequent employer during the salary continuation period.
- For Ms. Ritchie, base salary at the rate in effect immediately prior to the date of termination, payable in the form of salary continuation for 12 months, subject to reduction by the amount of fees, salary or wages that she earns from a subsequent employer during the salary continuation period.
- For all named executive officers, continuation of active medical and dental coverage the named executive officer was eligible to participate in prior to the end of employment during the salary continuation period except Mr. Huber who will receive up to 12 months of continuation of active medical and dental coverage.

Other Terms of Severance Agreements

An eligible named executive officer will not be entitled to a severance payment under the severance agreements in the event of termination for "cause" or voluntary termination.

Under the severance agreements, the named executive officers agree to non-disclosure of confidential information, non-solicitation and non-compete (where permissible under applicable state law) covenants, as well as a release of liability for certain claims against Sears Holdings.

The severance agreements do not provide for payments to the participating named executive officers upon termination of employment due to death, disability or retirement. Assuming that a termination was effective as of February 1, 2014, the participating named executive officers would have been eligible to receive payments under Sears Holdings' annual and long-term incentive programs upon death, disability or retirement, as provided below.

The severance agreements for the named executive officers will be assigned to, and assumed by, Lands' End effective as of the spin-off.

Payments Pursuant to Incentive Compensation Programs

As described under "—Compensation, Discussion and Analysis" above, Sears Holdings provides annual and long-term incentive awards to our named executive officers. Payments under these programs for termination of employment are limited as described below.

- Annual Incentive Plan. If a named executive officer voluntarily terminates employment (for any reason other than disability) or is involuntarily terminated for any reason (other than death), he or she will forfeit his/her 2013 SHC AIP award, except as prohibited by law. If the employment of a named executive officer is terminated because of death or disability, the named executive officer will be entitled to a pro-rated payment through the termination date if the financial criteria under the 2013 AIP are satisfied. The named executive officer would not be entitled to a distribution under the 2013 SHC AIP in the event of death or disability because the financial goals were not achieved.
- 2011 Long-Term Incentive Program, 2012 Long-Term Incentive Program, 2013 Long-Term Incentive Program and 2013 Cash LTI. If any named executive officer voluntarily terminates employment (for any reason other than disability) or is involuntary terminated for any reason (other than death), he or she will forfeit his/her 2011 LTIP, 2012 LTIP, 2013 LTIP and 2013 Cash LTI award, as applicable, except as prohibited by law. If any named executive's employment is terminated because of death or disability, he/she will be entitled to a pro-rated payment through the termination date if the financial goals under the 2011 LTIP, 2012 LTIP or 2013 LTIP, as of the termination date, equal or exceed the applicable targets and the named executive officer was a participant in the applicable LTIP for at least 12 months of the performance period. Any pro-ration would be based on a fraction, the numerator of which is the number of full months during the performance period in which the executive was a participant, and the denominator of which is the full number of months in the applicable performance period. With respect to the 2011 LTIP and 2012 LTIP, because the target financial goals were not met as of January 31, 2014, no named executive officer participating under the 2011 LTIP and/or 2012 LTIP would be entitled to any payments under these plans in the event of death or disability on January 31, 2014. With respect to the 2013 LTIP, because neither the target financial goals nor the participation requirement were met as of January 31, 2014, no named executive officer participating in this plan would be entitled to any payments under this plan in the event of death or disability on January 31, 2014.
- With respect to the 2013 Cash LTI, if any named executive officer's employment is terminated because of death or disability, he/she will be entitled to a pro-rated payment through the termination date if the named executive officer was a participant in the 2013 Cash LTI for at least 12 months of the three-year service period. As of January 31, 2014, none of the named executive officers would have completed a full 12 months of participation in the 2013 Cash LTI, and therefore would not be entitled to any payments under this program in the event of death or disability on January 31, 2014.

Time-Based Equity Compensation

Any unvested restricted stock held by our named executive officers on January 31, 2014 will be forfeited upon termination of employment with Sears Holdings.

Summary Table of Potential Payments Upon Termination of Employment

The table below summarizes the potential payouts to our named executive officers upon a termination from Sears Holdings, assuming such termination occurred on January 31, 2014, the last business day of Sears Holdings' 2013 fiscal year:

	Salary Continuation (a)	Continuation of Medical/ Welfare Benefits (b)	Target Bonus Payment (c)	LTIP Payment (d)	Accelerated Vesting of Restricted Stock (e)	Total
Edgar O. Huber						
Termination for Good Reason	$ 1,600,000	$ 14,496	$ —	$ —	$ —	$1,614,496
Termination without Cause	$ 1,600,000	$ 14,496	$ —	$ —	$ —	$1,614,496
Termination with Cause	$ —	$ —	$ —	$ —	$ —	$ —
Voluntary Termination	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Disability	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Retirement	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Death	$ —	$ —	$ —	$ —	$ —	$ —

	Salary Continuation (a)	Continuation of Medical/ Welfare Benefits (b)	Target Bonus Payment (c)	LTIP Payment (d)	Accelerated Vesting of Restricted Stock (e)	Total
Michael P. Rosera						
Termination for Good Reason	$ 520,000	$ 13,849	$ —	$ —	$ —	$ 533,849
Termination without Cause	$ 520,000	$ 13,849	$ —	$ —	$ —	$ 533,849
Termination with Cause	$ —	$ —	$ —	$ —	$ —	$ —
Voluntary Termination	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Disability	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Retirement	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Death	$ —	$ —	$ —	$ —	$ —	$ —

	Salary Continuation	Continuation of Medical/ Welfare Benefits (a)	Target Bonus Payment	LTIP Payment	Accelerated Vesting of Restricted Stock	Total
Michele Donnan-Martin						
Termination for Good Reason	$ 600,000	$ 15,030	$ —	$ —	$ —	$ 615,030
Termination without Cause	$ 600,000	$ 15,030	$ —	$ —	$ —	$ 615,030
Termination with Cause	$ —	$ —	$ —	$ —	$ —	$ —
Voluntary Termination	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Disability	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Retirement	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Death	$ —	$ —	$ —	$ —	$ —	$ —

	Salary Continuation	Continuation of Medical/ Welfare Benefits (a)	Target Bonus Payment	LTIP Payment	Accelerated Vesting of Restricted Stock	Total
Karl Dahlen						
Termination for Good Reason	$ 135,000	$ 7,515	$ —	$ —	$ —	$142,515
Termination without Cause	$ 135,000	$ 7,515	$ —	$ —	$ —	$142,515
Termination with Cause	$ —	$ —	$ —	$ —	$ —	$ —
Voluntary Termination	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Disability	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Retirement	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Death	$ —	$ —	$ —	$ —	$ —	$ —

	Salary Continuation	Continuation of Medical/ Welfare Benefits (a)	Target Bonus Payment	LTIP Payment	Accelerated Vesting of Restricted Stock	Total
Kelly Ritchie						
Termination for Good Reason	$ 358,750	$ 15,030	$ —	$ —	$ —	$373,780
Termination without Cause	$ 358,750	$ 15,030	$ —	$ —	$ —	$373,780
Termination with Cause	$ —	$ —	$ —	$ —	$ —	$ —
Voluntary Termination	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Disability	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Retirement	$ —	$ —	$ —	$ —	$ —	$ —
Termination due to Death	$ —	$ —	$ —	$ —	$ —	$ —

(a) This amount includes the continuation of the health and welfare benefits in which each named executive officer is currently enrolled, under the condition that the officer continues to participate in these plans for one year.

Lands' End Employment Arrangements

In connection with the spin-off, we will adopt an Umbrella Incentive Program, the Lands' End, Inc. Annual Incentive Plan (the "LE AIP"), the Lands' End, Inc. Long-Term Incentive Program (the "LE LTIP"), each of which will be established under the Umbrella Incentive Program (as defined below). We also will adopt the Lands' End, Inc. Cash Long-Term Incentive Plan (the "LE Cash LTI") and the Lands' End, Inc. 2014 Stock Plan (the "LE Stock Plan") (as defined below). The following description of the material terms and conditions of these plans is qualified by reference to the full text of the respective plans, which have been filed as exhibits to this registration statement.

Umbrella Incentive Program

Purpose. The purpose of the Umbrella Incentive Program is to motivate our employees to achieve significant, lasting change that successfully positions the Company for future growth by aligning employees' financial incentives with our financial goals.

Our Compensation Committee may make an award to an eligible employee of ours under the Umbrella Incentive Program, or from time to time may establish annual and long-term incentive plans or programs under the Umbrella Incentive Program for specific performance periods for specified groups of eligible employees, including our named executive officers, and make awards under these plans, consistent with the terms of the Umbrella Incentive Program.

Eligible Employees. Any salaried employee of ours (and certain hourly employees of ours) may be designated by our Compensation Committee to participate in the Umbrella Incentive Program and granted one or more awards under the Umbrella Incentive Program or under annual or long-term incentive programs established under the Umbrella Incentive Program. From time to time, our Compensation Committee may also designate as participants those employees who have been newly hired or promoted into the group of eligible employees. Our Compensation Committee may adjust the terms and conditions of awards to these employees, in order to qualify such awards as performance-based compensation for purposes of Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or the "Code," if such awards are intended to meet the requirements of Code Section 162(m).

Awards under the Umbrella Incentive Program—Generally. An award may be granted under the Umbrella Incentive Program in the form of a "cash incentive award" or a "stock award." Awards under the Umbrella Incentive Program are designed to vary commensurately with achieved performance. A cash incentive award is the grant of a right to receive a payment of cash (or, in the discretion of our Compensation Committee, shares of common stock of the Company having a fair market value on the payment date equivalent to the cash otherwise payable) that is contingent on the achievement of performance goals established by our Compensation Committee for the applicable performance period. A stock award is a grant of shares of common stock of the Company, which grant will be subject to a risk of forfeiture or other restrictions that will lapse upon the achievement of performance goals for the applicable performance period, as established by our Compensation Committee. Our Compensation Committee may impose other conditions, restrictions and contingencies on any cash incentive award or stock award.

Performance-Based Compensation Awards. Under the Umbrella Incentive Program, our Compensation Committee may issue both awards structured to satisfy the requirements for performance-based compensation outlined in Code Section 162(m) ("performance based compensation") and awards not so structured. An award intended to be performance based compensation will be conditioned on the achievement of one or more performance goals, to the extent required by Code Section 162(m). The performance goals that may be used for these awards will be based on any one or more of the performance measures described below under *"Performance Measures"* selected by our Compensation Committee. All awards under the Umbrella Incentive Program that are intended to be performance-based compensation will be structured to meet the requirements of Code Section 162(m).

Maximum Performance-Based Awards. For awards that are intended to be performance-based compensation under Code Section 162(m), the maximum value payable under all such awards granted to any one individual during any (a) consecutive 36-month period shall not exceed $15,000,000, and (b) consecutive 48-month period shall not exceed $20,000,000. Awards that are not intended to constitute "performance-based compensation" under Code Section 162(m) are not subject to these limits.

Performance Goals. Not later than 90 days after the beginning of the performance period (but in no event after 25% of the performance period has elapsed), and while the outcome as to the performance goals is substantially uncertain, our Compensation Committee shall establish objective written performance goals for awards intended to be performance-based compensation for purposes of Code Section 162(m). These goals will be based on one or more performance measures (described below), and may be with respect to: corporate performance; operating group or sub-group performance; individual company performance; other group or individual performance; or division performance.

A participant otherwise entitled to receive an award intended to be performance-based compensation for any performance period will not receive a settlement of the award until our Compensation Committee determines that the applicable performance goal(s) have been attained. In exercising discretion in making this determination, our Compensation Committee may not increase the amount of the payment of an award intended to be performance-based compensation.

Performance Measures. Performance measures may be based on any one or more or any combination (in any relative proportion) of the following: share price, market share, cash flow, revenue, revenue growth, earnings per share, operating earnings per share, operating earnings, earnings before interest, taxes, depreciation and amortization, return on equity, return on assets, return on capital, return on investment, net income, net income per share, economic value added, market value added, store sales growth, customer and member growth, maintenance and satisfaction performance goals and employee opinion survey results measured by an independent firm, and strategic business objectives, consisting of one or more objectives based on meeting specific cost or profit targets or margins, business expansion goals and goals relating to acquisitions or divestitures. Each goal, with respect to a performance period, may be expressed on an absolute and/or relative basis, may be based on the Company as a whole or on any one or more business units or subsidiaries of the Company, and may be based on or otherwise employ comparisons based on internal targets, the past performance of the Company or of any one or more business units or subsidiaries of the Company or its subsidiaries, and/or the past or current performance of other companies, or an index.

The terms of an award may provide that partial achievement of the performance goals may result in a payment or vesting based on the degree of achievement. In establishing any performance goals, our Compensation Committee may exclude the effects of the following items, to the extent identified in our audited financial statements, including footnotes, or the Management's Discussion and Analysis of Financial Condition and Results of Operations accompanying those financial statements; asset write-downs; litigation or claim judgments or settlements; extraordinary, unusual and/or nonrecurring items of gain or loss; gains or losses on acquisitions, divestitures or store closures; domestic pension expense; noncapital, purchase accounting items; changes in tax or accounting principles, regulations or laws; mergers or acquisitions; integration costs disclosed as merger-related; accruals for reorganization or restructuring programs; foreign exchange gains and losses; and tax valuation allowances and/or tax claim judgment or settlements.

To the extent the exclusion of any item affects awards intended to be performance-based compensation, the exclusion will be specified in a manner that satisfies the requirements of Code Section 162(m), including the requirement that the performance goals be objectively determined.

Distribution. Subject to the provisions described below regarding termination of employment, we will distribute, in a single lump sum, the cash or shares of our common stock resulting from an award as soon as practicable after the first Compensation Committee meeting after the results of a performance period are available to our Compensation Committee. For awards intended to be performance-based compensation, we will not make any distribution before our Compensation Committee has certified the satisfaction of the performance goals and the amount to be paid to each participant. For awards not intended to be performance-based compensation, we will make distributions at the time specified by our Compensation Committee in the award.

Termination of Employment. The terms of an award (or the annual or long-term incentive program under which the award is granted) will provide the extent to which a participant may receive an award in the event of the participant's death, disability or termination of employment. Receipt of an award in these circumstances may depend on both the reason for the termination, if applicable, and the point in the performance period at which the event occurs (subject, in the case of awards intended to be performance-based compensation, to Code Section 162(m)).

Transferability of Awards. Except as otherwise provided by our Compensation Committee, awards under the Umbrella Incentive Program are not transferable except by will or by the laws of descent and distribution.

Settlement of Awards. We may use cash, shares of our common stock, or a combination of cash and stock to satisfy our obligation to make payments and distributions with respect to awards under the Umbrella Incentive Program. Satisfaction of our obligations under an award (sometimes referred to as "settlement" of the award) may be subject to such conditions, restrictions and contingencies as our Compensation Committee may determine, and, in the case of stock, to the terms of the applicable stock plan.

Source of Awards Settled in Stock. For awards under the Umbrella Incentive Program that are settled in shares of our common stock, the shares will be distributed under a stock plan adopted by our stockholders. For this purpose, we currently intend to use the LE Stock Plan, if approved by stockholders.

Administration. The Compensation Committee administers the Umbrella Incentive Program, and may make changes it considers appropriate for the effective administration of the Umbrella Incentive Program. These changes may not increase the benefits available to participants under, nor change the pre-established measures in goals approved with respect to, an award intended to be performance-based compensation. Notwithstanding anything in the Umbrella Incentive Plan to the contrary, before settlement of any award, the Compensation Committee may reduce the amount of cash or shares of our common stock to be delivered in connection with that award and, with respect to awards that are not intended to be performance-based compensation under Code Section 162(m), may change the pre-established measures in goals that have been approved for such award and increase the amount of such award or the number of shares of stock or amount of cash to be delivered in connection with such award.

Corporate Transaction or Capital Adjustment. In the event of a corporate transaction or capital adjustment affecting our common stock, our Compensation Committee may adjust awards to preserve but not increase the benefits or potential benefits of the awards. However, our Compensation Committee may not make any adjustment that would cause awards intended to be performance-based compensation to cease to qualify as such.

Amendment and Termination. Our Board or Compensation Committee may, at any time, amend or terminate the Umbrella Incentive Program, and may amend any award granted pursuant to the plan. However, no amendment or termination may, without the written consent of the affected participant (or, if the participant is not then living, his or her beneficiary), adversely affect the rights of any participant or beneficiary under any award granted before the date the Board or the Compensation Committee adopted the amendment or terminated the Umbrella Incentive Program. In addition, no amendment requiring stockholder approval may be made without the consent of our stockholders. However, the Compensation Committee may amend, without participant consent, the Umbrella Incentive Program and any award under the program to the extent the Compensation Committee determines the amendment is necessary to cause the program or award to comply with Code Section 409A or any other applicable law or rule of any applicable securities exchange or any similar entity.

Notwithstanding anything in the Umbrella Incentive Program to the contrary, the Compensation Committee may not amend the Umbrella Incentive Program if the amendment would cause the Umbrella Incentive Program not to comply with Code Section 409A or any other applicable law or rule of any applicable securities exchange or any similar entity.

Federal Income Tax Consequences. Under present federal income tax laws, awards granted under the Umbrella Incentive Plan will have the following tax consequences:

Incentive Awards. A participant will realize taxable income at the time the incentive award is distributed either in cash or shares of stock in an amount equal to the cash distributed or the fair market value of the shares on the date of distribution, and we will be entitled to a corresponding deduction, subject Code Section 162(m).

A U.S. income tax deduction will generally be unavailable to us for annual compensation in excess of $1 million paid to our chief executive officer and any of our three other most highly compensated officers (other than our chief financial officer). Amounts that constitute performance-based compensation are not counted toward the $1 million limit. Awards under the Umbrella Incentive Program and under annual and long-term incentive programs may be structured to meet the requirements of performance-based compensation under applicable tax regulations.

Code Section 409A of the Code. Awards under the compensation programs generally should not be subject to Code Section 409. If such an award were subject to those rules, and failed to conform to them, the recipient

would have accelerated recognition of taxable income, and might also become liable for interest and tax penalties. Failure to satisfy those rules generally would not have an adverse tax effect on our company, but could result in violations of withholding and reporting obligations.

Withholding of Taxes. We may deduct from any payment or distribution of cash or shares under the Umbrella Incentive Program (and any annual or long-term incentive program established under the Umbrella Incentive Program) the amount of any tax required by law to be withheld with respect to such payment, or may require the participant to pay such amount to us prior to, and as a condition of, making the payment or distribution. To the extent permitted by the Compensation Committee, such withholding obligations may be satisfied (a) through cash payment by the participant, (b) by having us withhold shares of our common stock from any payment under the Umbrella Incentive Program, or (c) by surrender of shares of stock that the participant already owns, provided that the number of shares used to satisfy the withholding requirement may not be more than the number required to satisfy the company's minimum statutory withholding obligation (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). The portion of the withholding that is satisfied with shares will be determined using the fair market value of our common stock on the date as of which the amount of taxes to be withheld is determined.

The use of shares of our common stock to satisfy any withholding requirement will be treated, for federal income tax purposes, as a sale of those shares for an amount equal to their fair market value on the date as of which the amount of taxes to be withheld is determined. If a participant delivers previously-owned shares of our common stock to satisfy a withholding requirement, the disposition of those shares would generally result in the participant's recognition of gain or loss for tax purposes, depending on whether the basis in the delivered shares is less than or greater than the fair market value of the shares at the time of disposition.

Annual Incentive Plan

The LE AIP will be established under and constitute part of the Umbrella Incentive Program. The LE AIP provides employees of the Company that have been selected to participate in the plan, including the named executive officers, an opportunity to receive an incentive award equal to a percentage of base salary or a flat dollar amount, subject to the attainment of quarterly and annual performance goals. Awards under the LE AIP represent the right to receive cash or, at the discretion of our Compensation Committee, shares of the Company's common stock in lieu of cash or a combination of cash and shares. The issuance of common stock under the LE AIP is contingent on the availability of shares of stock under the Company's stock incentive plan providing for the issuance of shares in satisfaction of LE AIP awards.

For each performance period (whether it be a fiscal year or a fiscal quarter), our Compensation Committee will establish in writing the financial performance goals and the annual incentive opportunity to be awarded under the LE AIP with respect to each participant.

Annual awards and quarterly awards relating to the fourth quarter of the fiscal year payable under the LE AIP will be paid no later than the 15th day of the third month following the last day of our fiscal year.

Long-Term Incentive Structure

LE LTIP

The LE LTIP will be established under and constitute a part of the Umbrella Incentive Program. The LE LTIP provides the opportunity for employees of the Company who have been selected to participate in the plan to receive a long-term incentive award equal to either a percentage of base salary or a dollar amount, subject to the attainment of performance goals for a specified period. Awards under the LE LTIP represent the right to receive cash or, at the discretion of our Compensation Committee, shares of the Company's common stock in lieu of cash or a combination of cash and shares upon the achievement of certain performance goals. The

issuance of common stock under the LE LTIP is contingent on the availability of shares of stock under the Company's stock incentive plan providing for the issuance of shares in satisfaction of long-term incentive awards. Awards earned under the LE LTIP will be paid to participants no later than the 15th day of the third month following the last day of the applicable performance period. The maximum amount that may be awarded to a participant under the LE LTIP with respect to any given performance period is governed by terms of the Umbrella Incentive Plan.

LE Cash LTI

The LE Cash LTI will be established to provide a time-based incentive opportunity for employees of the Company who have been selected to participate in the plan to receive a long-term incentive award equal to either a percentage of base salary or a dollar amount, provided the participant is actively employed by the Company on the vesting date which is April 1st following the end of the relevant three-year service period. Awards under the LE Cash LTI represent a right to receive cash as soon as administrative feasible after the vesting date but in no case later than the date that is the 15th day of the third month following the last day of the relevant service period.

Generally, participants will forfeit any right to an award under the LE AIP, LE LTIP and LE Cash LTI in the event of a termination of employment prior to the payment date. However, a participant whose employment terminates due to his or her death or disability prior to the payment date will, in the case of the LE AIP, and may, in the case of the LE LTIP and LE Cash LTI, receive a portion of the annual or long-term incentive award based on the number of days worked during the performance period. The LE AIP and the LE LTIP also provide that the Company will seek reimbursement from executive officers if the Company's financial statements or approved financial measures are subject to restatement due to error or misconduct, to the extent permitted by law.

Our Compensation Committee will determine the terms and conditions and the applicable performance goals for awards granted under the LE AIP and LE LTIP for performance periods after the distribution date and the awards granted under the LE Cash LTI.

Lands' End 2014 Stock Plan

Awards. The LE Stock Plan allows for the grant of restricted stock, options, stock appreciation rights, stock units and other stock-based awards to eligible individuals. The LE Stock Plan also allows common stock of the Company to be awarded in settlement of an incentive award under the Lands' End, Inc. Umbrella Incentive Program (and any incentive program established thereunder).

Shares Reserved Under Stock Plan. There are 1,000,000 shares of the Company's common stock, par value $0.01 per share (for purposes of this section, "stock"), reserved for issuance under the LE Stock Plan. The shares of our common stock that may be awarded under the LE Stock Plan are shares currently authorized but unissued, and shares which have been reacquired by the Company. Only shares of our common stock actually issued pursuant to an award under the LE Stock Plan will count against the reserved shares. If any restricted stock award, stock unit award, options, stock appreciation right or other stock-based award is forfeited, the underlying shares will become available for issuance again under the LE Stock Plan. If a grant of stock units, other stock-based awards, options or stock appreciation rights is settled in cash, the related shares will again become available for issuance. If any awards are granted in substitution for outstanding awards issued by another entity and such grants are made in connection with the Company's acquisition of that entity, the shares underlying those substitute awards will not count against the maximum number of shares of common stock reserved for issuance under the LE Stock Plan.

Effective Date and Termination of Plan. The LE Stock Plan will become effective upon the effective date of the spin-off, and will continue in effect, unless earlier terminated by our Compensation Committee, until the earlier of (1) the tenth anniversary of the date the LE Stock Plan was adopted by our board and (2) the date on which all of the stock reserved for issuance under the LE Stock Plan has been issued or is no longer available for use and all cash payments due under any Stock Unit or Other Stock-Based Award granted under the LE Stock Plan have been paid or forfeited.

Eligible Individuals. Any employee, non-employee Director or other individual providing advisory or consulting services to, our Company or any of our Subsidiaries, as designated by the Committee ("Eligible Individual") will be eligible to participate in the LE Stock Plan.

Administration. The LE Stock Plan will be administered by the Compensation Committee, to which such responsibility was delegated by the Board. The Compensation Committee has the authority to interpret the terms and intent of the LE Stock Plan and to make all other determinations deemed equitable under the circumstances for the administration of the LE Stock Plan. The Compensation Committee may allocate its responsibilities and powers to one or more members of the Board and may delegate all or any part of its responsibilities and powers to any one or more officers of the Company, subject to applicable law. The Committee may revoke any such allocation or delegation at any time.

Terms and Conditions of Restricted Stock and Stock Unit Awards. A "Restricted Stock" award is a grant of shares of our common stock that is subject to risk of forfeiture or other restrictions determined by the Committee. A "Stock Unit" award is a right to receive a payment in cash or shares based on the fair market value of the shares of stock underlying such award. An "Other Stock-Based Award" is a grant of common stock or other type of equity-based or equity-related award, including the grant of fully vested, unrestricted common stock or the grant of common stock in settlement of an award under the Lands' End, Inc. Umbrella Incentive Program ("UIP"), as determined by the Compensation Committee. Restricted Stock, Stock Unit and Other Stock-Based Awards may be subject to one or more employment, performance or other forfeiture conditions which the Compensation Committee shall determine appropriate. In the event of the participant's termination of employment, the Compensation Committee may permit accelerated vesting or payment or other applicable terms. No Restricted Stock, Stock Unit or Other Stock-Based Awards in any combination may be made in any calendar year to an Eligible Individual (except a non-employee director) representing more than 250,000 shares of stock. No Restricted Stock, Stock Unit or Other Stock-Based Awards in any combination may be made in any calendar year to a non-employee director representing more than $250,000 in aggregate value of the stock at grant date. Separate and in addition to the above limits, no more than 250,000 shares of stock may be awarded in any calendar year to an Eligible Individual in settlement of an award under the UIP.

Dividends. A Restricted Stock or Other Stock-Based Award may include the right to receive a cash dividend with respect to the stock subject to the award. These payments may be subject to such conditions, restrictions and contingencies as the Compensation Committee establishes. If a cash dividend is paid on the shares of stock subject to the Stock Unit award, the cash dividend will be treated as reinvested in shares of stock and will increase the number of shares subject to the Stock Unit award, unless the Compensation Committee determines otherwise at the time of grant. If a stock dividend is declared on a share of Restricted Stock or Other Stock-Based Award, such stock dividend will be treated as part of the Restricted Stock or Other Stock-Based Award and will be subject to the same forfeiture conditions as the Restricted Stock or Other Stock-Based Award and will be subject to the same forfeiture conditions as the Restricted Stock or Other Stock-Based Award. If a stock dividend is paid on the shares of stock subject to a Stock Unit, the dividend shall increase the number of shares of stock subject to the Stock Unit award, unless the Compensation Committee determines otherwise at the time of grant. Unless otherwise set forth in the Stock Agreement, Eligible Individuals will have the right to vote shares of Restricted Stock or Other Stock-Based Award but will not have the right to vote with respect to shares covered by a Stock Unit award.

Terms and Conditions of Options and Stock Appreciation Rights. An "option" is a right to purchase a specified number of shares of stock, upon the satisfaction of certain exercise conditions, at an exercise price not less than the fair market value of a share of stock on the date the option is granted. Options granted under the LE Stock Plan may be either incentive stock options ("ISOs"), which qualify for certain tax favored treatment under the Internal Revenue Code if certain conditions are satisfied, or nonqualified stock options ("NSOs"). A "stock appreciation right" is a right to the appreciation in the fair market value of a share of stock in excess of the share value for such share designated at the time of grant, which may be no less than the fair market value of a share of stock on the grant date. The Compensation Committee may make an option or a stock appreciation right subject

to certain conditions, including performance-based vesting conditions. The Compensation Committee may include in the option or stock appreciation right agreement the right to exercise an option or a stock appreciation right following termination of employment or service. No option or stock appreciation right may be exercisable more than ten years from the grant date. Upon exercise of a stock appreciation right, an Eligible Individual will receive a payment in cash or stock or a combination of the two, equal to the product of (1) the number of shares of stock underlying the stock appreciation right and (2) the excess of the fair market value of a share of stock on the exercise date and the share value assigned on the date of grant. Holders of options or stock appreciation rights will not be entitled to receive dividend equivalents with respect to such award. An Eligible Individual (except a non-employee director) may not be granted options or stock appreciation rights representing more than 500,000 shares of stock in any calendar year. A non-employee director may not be granted options or stock appreciation rights in any calendar year representing more than $250,000 in aggregate value at grant date(s), based on the accounting value as recognized by the Company.

Performance Based Awards. If the Compensation Committee intends for an award granted under the LE Stock Plan to qualify as performance based compensation within the meaning of Code Section 162(m), not later than 90 days after the beginning of the performance period (but in no event after 25% of the performance period has elapsed), and while the outcome as to the performance goals is substantially uncertain, the Compensation Committee will establish objective written performance goals for such award. A participant otherwise entitled to receive an award intended to be performance-based compensation will not receive a settlement of the award until the Compensation Committee determines that the applicable performance goal(s) have been attained. In exercising discretion in making this determination, the Compensation Committee may not increase the amount of the payment of an award intended to be performance-based compensation.

Performance measures may be based on one or more or any combination (in any relative proportion) of the following: share price; market share; cash flow; revenue; revenue growth; earnings per share; operating earnings per share; operating earnings; earnings before interest, taxes, depreciation and amortization; return on equity; return on assets; return on capital; return on investment; net income; net income per share; economic value added; market value added; store sales growth; customer growth, maintenance and satisfaction performance goals and employee opinion survey results measured by an independent firm; and strategic business objectives, consisting of one or more objectives based on meeting specific cost or profit targets or margins, business expansion goals and goals relating to acquisitions or divestitures. Each goal, with respect to a performance period, may be expressed on an absolute and/or relative basis, may be based on the Company as a whole or on any one or more business units or subsidiaries of the Company, and may be based on or otherwise employ comparisons based on internal targets, the past performance of the Company or of any one or more business units or subsidiaries of the Company, and/or the past or current performance of other companies, or an index.

In establishing any performance goals, the Compensation Committee may exclude the effects of the following items, to the extent identified in our audited financial statements, including footnotes, or the Management's Discussion and Analysis of Financial Condition and Results of Operations accompanying those financial statements: asset write-downs; litigation or claim judgments or settlements; extraordinary, unusual and/or nonrecurring items of gain or loss; gains or losses on acquisitions, divestitures or store closings; domestic pension expense; noncapital, purchase accounting items; changes in tax or accounting principles, regulations or laws; mergers or acquisitions; integration costs disclosed as merger-related; accruals for reorganization or restructuring programs; investment income or loss; foreign exchange gains and losses; and tax valuation allowances and/or tax claim judgment or settlements. To the extent the exclusion of any item affects awards intended to be performance-based compensation, the exclusion will be specified in a manner that satisfies the requirements of Code Section 162(m).

Transferability of Awards. Restricted Stock, Stock Unit and Other Stock-Based Awards under the 2013 Stock Plan are not transferable except by will or by the laws of descent and distribution, except as otherwise provided in the related stock agreement. Except as otherwise provided by the Compensation Committee, no option or stock appreciation right shall be transferable by an Eligible Individual other than by will or by the laws

of descent and distribution, and any grant by the Compensation Committee of a request by an Eligible Individual for any transfer (other than a transfer by will or by the laws of descent and distribution) will be conditioned on the transfer not being made for value or consideration.

Corporate Transactions. The Compensation Committee will make equitable adjustments to reflect any corporate transactions, which may include (a) adjusting the number, kind, or class (or any combination thereof) of shares of stock reserved for issuance under the LE Stock Plan or underlying outstanding awards granted under the LE Stock Plan and the grant limitations (described above), as well as applicable option and stock appreciation right exercise prices, (b) replacing outstanding awards with other awards of comparable value, (c) cancelling outstanding awards in return for a cash payment, and (d) any other adjustments that the Compensation Committee determines to be equitable. A corporate transaction includes, without limitation, any dividend (other than a cash dividend that is not an extraordinary dividend) or other distribution, recapitalization, stock split, reverse stock split, combination of shares, reorganization, merger, consolidation, acquisition, split-up, spin-off, combination, repurchase or exchange of stock or other securities of the Company, issuance of warrants or other rights to purchase stock or other securities of the Company or other similar corporate transaction.

Amendment and Termination of the LE Stock Plan. The Board or Compensation Committee may, at any time, amend, modify, suspend or terminate the LE Stock Plan, and may amend any award agreement under the LE Stock Plan, provided that without the approval of stockholders of the Company, no amendment or modification to the LE Stock Plan may materially modify the LE Stock Plan in a way that would require stockholder approval under any regulatory requirement that the Compensation Committee determines to be applicable. Furthermore, no amendment, modification, suspension or termination may, without the written consent of an affected participant or beneficiary, materially adversely affect the rights of a participant or beneficiary under any vested and outstanding award, except to the extent necessary to comply with applicable law.

Federal Income Tax Consequences. Under present federal income tax laws, awards granted under the LE Stock Plan will have the following tax consequences:

Restricted Shares, Stock Units, and Other Stock-Based Awards. Restricted Stock that are subject to a substantial risk of forfeiture generally result in income recognition by the participant in an amount equal to the excess of the fair market value of the shares of stock over the purchase price, if any, of the Restricted Stock at the time the restrictions lapse. A recipient of restricted stock may make an election under Section 83(b) of the Internal Revenue Code to be taxed on the excess of the fair market value of the shares granted, measured at the time of grant and determined without regard to any applicable risk of forfeiture or transfer restrictions, over the purchase price, if any, of such restricted stock. A participant who has been granted a stock award that is not subject to a substantial risk of forfeiture for federal income tax purposes will realize ordinary income in an amount equal to the fair market value of the shares at the time of grant. A recipient of Stock Units or an Other Stock-Based Award will generally recognize ordinary income at the time that the award is settled in an amount equal to the cash and/or fair market value of the shares received at settlement. In each of the foregoing cases, the Company will have a corresponding deduction at the same time the participant recognizes such income, provided that the award satisfies the requirements of Code Section 162(m) (described below), if applicable.

Options. Generally, a participant receiving an option grant will not recognize income at the time of grant. Upon the exercise of an NSO, the participant will generally recognized ordinary income equal to the excess of the then fair market value of the shares acquired over the exercise price paid. A participant will generally recognize no income upon the exercise of an ISO, although the alternative minimum tax may apply. Instead, upon a disposition of the shares received upon the exercise of an ISO after satisfying certain holding period requirements, the participant will generally recognize long-term capital gain in an amount equal to the excess, if any, of the sales price of such shares over the exercise price paid. To receive such capital gain treatment, the sale must occur no earlier than one year from the date of exercise of the ISO and two years from the date the ISO was granted. If either of these holding periods is not satisfied at the time any shares acquired upon the exercise of an

ISO are disposed of, the participant will generally recognize ordinary income in the amount equal to the excess of the fair market value of the shares sold at the date of exercise over the exercise price paid. If the sales price exceeds such fair market value, the excess shall be treated as long-term capital gain if such shares have been held for at least one year from the date of exercise, and short-term capital gain if they have not been held for at least one year. However, if the sales price is less than the fair market value of such shares at the date of exercise, the amount of ordinary income recognized will be limited to the excess of the amount realized upon such sale over the participant's adjusted basis in such shares. In each of the foregoing cases, the Company will have a corresponding deduction at the same time and to the extent that the participant recognizes any ordinary income, subject to the requirements of Code Section 162(m), if applicable.

Stock Appreciation Rights. Generally, a participant receiving a stock appreciation right will not recognize income at the time of grant. If the participant receives the appreciation inherent in the stock appreciation right in cash, the cash will be taxed as ordinary income at the time it is received. If a participant receives the appreciation inherent in a stock appreciation right in stock, the spread between the then current market value and the share value designated at the time of grant will be taxed as ordinary income at the time the stock is received. In either case, the Company will be entitled to a corresponding deduction when the participant recognizes such income, provided that the award satisfies the requirements of Code Section 162(m), if applicable.

Section 162(m). A U.S. income tax deduction will generally be unavailable to us for annual compensation in excess of $1 million paid to our chief executive officer and any of our three most highly compensated officers (other than our chief financial officer). Amounts that constitute "performance-based compensation under Code Section 162(m)" are not counted toward the $1 million limit.

The foregoing discussion is a general summary as of the date of this proxy statement of the U.S. federal income tax consequences to the Company and the participants in the LE Stock Plan. The discussion does not address state, local or foreign income tax rules or other U.S. tax provisions, such as estate or gift taxes. Different tax rules may apply to specific participants and transactions under the LE Stock Plan, particularly in jurisdictions outside the United States. In addition, the federal income tax laws and regulations frequently have been revised and may be changed again at any time. Therefore, each recipient is urged to consult a tax advisor before exercising any award or before disposing of any shares acquired under the 2013 Stock Plan both with respect to federal income tax consequences as well as any foreign, state or local tax consequences.

2012 Lands' End Long-Term Incentive Program

The 2012 LE LTIP is a one-year transitional program which is expected to provide the opportunity for named executive officers and others participating in the 2012 LTIP prior to the distribution date to receive a long-term incentive award, equal to either a percentage of his or her base salary or a dollar amount subject to the attainment of the floating Lands' End performance goals for the remainder of the 2012 LTIP period (i.e., fiscal year 2014), that would preserve the benefits that such officers will forfeit on the distribution date. The payout, if any, under the 2012 LE LTIP for each participant represents 50% of the payout under the 2012 LTIP due to reductions arising out of Lands' End's failure to achieve at least 90% of its target under the SHC AIP.

Awards under the 2012 LE LTIP will represent the right to receive cash upon the achievement of certain performance goals.

The named executive officers who are expected to participate in the 2012 LE LTIP are Messrs. Huber, Rosera and Dahlen and Ms. Ritchie.

The 2012 LE LTIP will also provide that Lands' End will seek reimbursement from participating executives if Lands' End's financial statements or approved financial measures are subject to restatement due to error or misconduct, to the extent permitted by law.

Achievement of a Lands' End BOP performance goal will account for 100% of each participant's 2012 LE LTIP opportunity. Threshold, target and maximum goals will be established for all performance measures under the 2012 LE LTIP.

In the event of a participant's death or disability before the payment date for his or her award, a payment will be made with respect to that participant in an amount equal to his or her prorated target cash incentive opportunity, but only if (1) the applicable performance measure(s) for the period of the performance period through the month preceding the participant's termination of employment is equal to or greater than the target for such measure(s), pro-rated through the date of termination, (2) the applicable performance measure(s) is equal to or greater than the target for the applicable performance measure(s) for the performance period and (3) the participant has been employed by Lands' End for at least 12 months of the performance period. In the event of voluntary termination or termination with cause (as defined in the 2012 LE LTIP) before the payment date for his or her award, the participant will forfeit all of his or her LTIP award. Except as noted above, to be eligible to receive payment of an award, a participant must be actively employed as of the payment date following completion of the performance period.

2013 Lands' End Long-Term Incentive Structure

The 2013 LE LTIS is expected to consist of a two-year transitional long-term incentive program (the "2013 LE LTIP") and a cash long-term incentive plan (the "2013 LE Cash LTI"). The 2013 LE LTIP is intended to be a performance-based incentive program and the 2013 Cash LTI is intended to be a time-based incentive program, in each case to preserve the benefits arising out of the 2013 LTIP and 2013 Cash LTI that the Company's named executive officers will forfeit on the distribution date.

The named executive officers who are expected participate in the 2013 LE LTIP and the 2013 LE Cash LTI are Mr. Huber, Mr. Rosera, Ms. Donnan Martin, Mr. Dahlen and Ms. Ritchie.

2013 LE LTIP

The 2013 LE LTIP is a two-year transitional program which is expected to provide the opportunity for named executive officers participating in the 2013 LTIP prior to the distribution date to receive a long-term incentive award based on the attainment of the cumulative Lands' End performance goals for the remainder of the 2013 LTIP period (i.e., fiscal years 2014 and 2015), that would preserve the benefits that such officers will forfeit on the distribution date.

Awards under the 2013 LE LTIP represent the right to receive cash upon the achievement of certain performance goals.

The 2013 LE LTIP will also provide that Lands' End will seek reimbursement from participating executives if Lands' End's financial statements or approved financial measures are subject to restatement due to error or misconduct, to the extent permitted by law.

Achievement of a Lands' End BOP performance goal will account for 100% of each participant's 2012 LE LTIP opportunity. Threshold, target and maximum goals will be established for all performance measures under the 2013 LE LTIP.

In the event of a participant's death or disability before the payment date for his or her award, a payment will be made with respect to that participant in an amount equal to his or her prorated target cash incentive opportunity, but only if (1) the applicable performance measure(s) for the period of the performance period through the month preceding the participant's termination of employment is equal to or greater than the target for such measure(s), pro-rated through the date of termination, (2) the applicable performance measure(s) is equal to or greater than the target for the applicable performance measure(s) for the performance period and (3) the participant has been employed by Lands' End for at least 12 months of the performance period. In the event of

voluntary termination or termination with cause (as defined in the 2013 LE LTIP) before the payment date for his or her award, the participant will forfeit all of his or her LTIP award. Except as noted above, to be eligible to receive payment of an award, a participant must be actively employed as of the payment date following completion of the performance period.

2013 LE Cash LTI

The second component of the 2013 LE LTIS is the 2013 LE Cash LTI. Awards under the 2013 LE Cash LTI are designed to constitute a percentage of a participant's overall long-term incentive opportunity. The 2013 LE Cash LTI is a two-year transitional program which is expected to provide the opportunity for named executive officers participating in the 2013 Cash LTIP prior to the distribution date to receive a long-term incentive payout, provided that the participant is actively employed by Lands' End on the vesting date, which is the April 1st following the end of a service period (i.e., April 1, 2016). Awards under the 2013 LE Cash LTI represent the right to receive cash as soon as administratively feasible after the vesting date but in no case later than the date that is the 15th day of the third month following the last day of the relevant service period. The service period for the 2013 LE Cash LTI is 2013 through 2015. In 2013, Mr. Huber, Mr. Rosera, Ms. Donnan Martin, Mr. Dahlen and Ms. Ritchie received awards of $300,000, $125,000, $112,365, $29,375 and $87,500, respectively, under the 2013 Cash LTI. These benefits will be forfeited by the participants who are named executive officers of Lands' End on the distribution date but are expected to become payable under the 2013 LE Cash LTI. Payment of such amounts is contingent upon their remaining actively employed by Lands' End through April 1, 2016.

LE LTIS Target Award Percentages

The total long-term incentive target award percentage (which is a percentage of base salary) for Mr. Huber is 150%, with 75% awarded under the 2013 LE LTIP and 25% awarded under the 2013 LE Cash LTI. The total long-term incentive target award percentage for each of Mr. Rosera, Ms. Donnan Martin and Ms. Ritchie is 100%, with 75% awarded under the 2013 LE LTIP and 25% awarded under the 2013 LE Cash LTI. The total long-term incentive target award percentage for Mr. Dahlen is 50% , with 75% of each target award awarded under the 2013 LE LTIP and 25% awarded under the 2013 LE Cash LTI.

Unvested Restricted Stock Awards

Unvested restricted stock awards granted by Sears Holdings and held by our named executive officers will be forfeited at the time of the spin-off, and in their place, Lands' End will provide cash retention awards of equivalent value that will vest on the same, remaining schedule as the restricted stock awards that are being replaced. The cash retention awards are intended to preserve the benefit of the unvested restricted stock awards with respect to the spin-off. Equivalent value will be determined based on the closing price of Sears Holdings common stock on the day before the effective date of the spin-off.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Our Relationship with Sears Holdings Following the Spin-Off

Following the spin-off, Lands' End and Sears Holdings will operate separately, each as an independent public company. Prior to the spin-off, we intend to enter into certain agreements with Sears Holdings or its subsidiaries that will effect the spin-off, provide a framework for our relationship with Sears Holdings after the spin-off and provide for the allocation between us and Sears Holdings of Sears Holdings' assets, employees, liabilities and obligations (including its investments, property and tax-related assets and liabilities) attributable to periods prior to, at and after the spin-off. The following is a summary of the terms of the material agreements that we intend to enter into with Sears Holdings or its subsidiaries prior to the spin-off. When used in this section, "distribution date" refers to the date on which Sears Holdings distributes our common stock to the holders of Sears Holdings common stock.

The agreements described below that are material are filed as exhibits to the registration statement of which this information statement forms a part, and the summaries of each of these agreements set forth the terms of the agreements that we believe are material. These summaries are qualified in their entireties by reference to the full text of the applicable agreements, which are incorporated by reference into this information statement. The agreements described below that will be in effect following the spin-off have not yet been executed; changes to these agreements, some of which may be material, may be made prior to our entry into such agreements prior to or concurrent with the spin-off. Prior to the effectiveness of the registration statement of which this information statement forms a part, we will disclose any material changes to these agreements via an amendment to the registration statement.

The Separation and Distribution Agreement

In connection with the spin-off, we intend to enter into a separation and distribution agreement with Sears Holdings which will set forth, among other things, our agreements with Sears Holdings regarding the principal transactions necessary to separate Lands' End from Sears Holdings. It will also set forth other agreements that govern certain aspects of our relationship with Sears Holdings after the spin-off.

The separation and distribution agreement will, among other things, set forth the distribution mechanics and the conditions thereto, identify the assets to be transferred, the liabilities to be assumed and the contracts to be assigned to each of Lands' End and Sears Holdings in connection with the spin-off, provide for when and how these transfers, assumptions and assignments will occur, address the treatment of outstanding accounts between Lands' End and Sears Holdings, contain releases and provide a dispute resolution mechanism for disputes that may arise in the future under the separation and distribution agreement or other agreements entered into between Sears Holdings or its subsidiaries and Lands' End in connection with the distribution. Generally, assets and liabilities attributable to the Lands' End business will be retained by or assigned to Lands' End and assets and liabilities not attributable to Lands' End's business will be retained by or assigned to Sears Holdings or one of its subsidiaries. In particular, the separation and distribution agreement provides, among other things, that, subject to the terms and conditions contained therein:

- certain assets related to Lands' End's business, referred to as the LE Assets, will be retained by or transferred to Lands' End or one of Lands' End's subsidiaries, including:
  - equity interests in Lands' End's subsidiaries;
  - all assets included or reflected on the most recent condensed combined balance sheet which appear in the section entitled "Unaudited Financial Statements" or are of a nature or type that would have been reflected on the combined balance sheet as of the completion of the spin-off;
  - all assets, including apparatus, computers and data processing equipment, fixtures, electronic kiosks, furniture, office and transportation equipment, exclusively related to Lands' End's business;

- assets expressly allocated to Lands' End or one of its subsidiaries pursuant to the terms of the separation and distribution agreement or the ancillary agreements;
- all contracts to which Lands' End or one of its subsidiaries is a party to as of the completion of the spin-off and all contracts with respect to the purchase of inventory attributable to Lands' End's business, excluding certain mixed contracts to which Lands' End and Sears Holdings (or one of their respective subsidiaries) are parties;
- all intellectual property owned by or registered to Lands' End or one of its subsidiaries, including patents, trademarks, copyrights and trade secrets;
- all employment agreements between any Lands' End's personnel and Lands' End and Sears Holdings (or one of their respective subsidiaries);
- all assets of the benefit plans that will be sponsored by Lands' End or one of its subsidiaries as of the completion of the spin-off; and
- all assets relating, arising out of or attributable to claims initiated by Lands' End against the City of Dodgeville to recover overpaid taxes as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Legal Proceedings."

- certain liabilities related to Lands' End's business or the LE Assets, referred to as the LE Liabilities, will be retained by or transferred to Lands' End or one of its subsidiaries, including:
  - liabilities included or reflected on the most recent condensed combined balance sheet which appear in the section entitled "Unaudited Financial Statements" or are of a nature or type that would have been reflected on the combined balance sheet as of the completion of the spin-off;
  - liabilities relating to the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the completion of the spin-off, to the extent related to Lands' End's business, the LE Liabilities and the LE Assets;
  - liabilities relating to any actions, inactions, events, omissions, conditions, facts or circumstances under the control of Lands' End or one of its subsidiaries;
  - liabilities relating to litigation that primarily relates to Lands' End's business, the LE Liabilities, the LE Assets that are not retained by Sears Holdings or any actions, inactions, events, omissions, conditions, facts or circumstances under the control of Lands' End or one of its subsidiaries;
  - liabilities relating to the employment agreements between any Lands' End's personnel and Lands' End and Sears Holdings (or one of their respective subsidiaries);
  - liabilities relating to the benefit plans that will be sponsored by Lands' End or one of its subsidiaries as of the completion of the spin-off, any special cash retention bonus awarded to Lands' End's personnel that is unvested as of the completion of the spin-off and fiscal year 2013 attributable to Lands' End personnel under the 2013 LE Cash LTI;
  - liabilities relating to the ABL Facility and the Term Loan Facility;
  - liabilities expressly allocated to Lands' End or one of its subsidiaries pursuant to the terms of the separation and distribution agreement or the ancillary agreements;
  - liabilities for which Sears Holdings or one of its subsidiaries is entitled to indemnification from Lands' End or one of its subsidiaries pursuant to the tax sharing agreement;
  - liabilities relating to the spin-off brought against Sears Holdings, Lands' End or one of their subsidiaries relating to allegations of breach of fiduciary duty by one or more members of Lands' End's board or that a statement or omission in a disclosure document that describes the separation,

distribution, Lands' End or one of its subsidiaries or relates to the spin-off transactions violated federal or state securities law (subject to certain exceptions);

- obligations with respect to Lands' End's personnel, including unpaid salaries, wages, overtime, bonuses/incentives and related liabilities; and
- liabilities for claims made by any third party (including directors, officers, employees or agents of Lands' End, Sears Holdings or any of their subsidiaries acting in their individual and not official capacities) against Lands' End, Sears Holdings or any of their subsidiaries relating to Lands' End's business, the LE Liabilities and the LE Assets.

- all of the assets and liabilities of Sears Holdings, Lands' End and their respective subsidiaries (including whether accrued, contingent, or otherwise) other than the LE Assets and LE Liabilities will be retained by or transferred to Sears Holdings or one of its subsidiaries, including certain scheduled assets and liabilities relating to, among other things, the Shop Your Way program and litigation matters.

Each party will indemnify the other for all liabilities (including third-party claims) actually incurred or suffered by the other relating to their respective assumed liabilities (and related guarantees, indemnification or contribution obligations), breaches of the separation and distribution agreement and certain ancillary agreements and untrue statements or omissions of material facts relating to its respective disclosures relating to the spin-off. Lands' End will also indemnify Sears Holdings for liabilities relating to any Lands' End-branded gift card.

Except as expressly set forth in the separation and distribution agreement or any ancillary agreement, neither Lands' End nor Sears Holdings will make any representation or warranty as to the assets or liabilities transferred or assumed in connection with the spin-off, as to any approvals or notifications required in connection with the transfers or assumptions, as to the value of or the freedom from any security interests of any of the assets transferred, as to the absence or presence of any defenses or right of setoff or freedom from counterclaim with respect to any claim or other asset of either Lands' End or Sears Holdings, or as to the legal sufficiency of any assignment, document or instrument delivered to convey title to any asset to be transferred in connection with the spin-off. All assets will be transferred on an "as is," "where is" basis and the respective transferees will bear the economic and legal risks that any conveyance will prove to be insufficient to vest in the transferee good and marketable title, free and clear of all security interests, and that any necessary consents or governmental approvals are not obtained or that any requirements of laws, agreements, security interests, or judgments are not complied with.

Information in this information statement with respect to the assets and liabilities of the parties following the spin-off is presented based on the allocation of such assets and liabilities pursuant to the separation and distribution agreement, unless the context otherwise requires. The separation and distribution agreement provides that, in the event that the transfer, assignment or novation of certain assets and liabilities to Lands' End or Sears Holdings (or one of their respective subsidiaries), as applicable, does not occur prior to the spin-off, then until such assets or liabilities are able to be transferred, assigned or novated, Sears Holdings or Lands' End (or one of their respective subsidiaries), as applicable, will hold such assets on behalf of and for the benefit of the other party and will pay, perform, and discharge such liabilities, for which the other party will reimburse Sears Holdings or Lands' End, as applicable, for all payments made in connection with the performance and discharge of such liabilities.

The separation and distribution agreement will provide that it may be terminated and the spin-off may be modified or abandoned at any time prior to the distribution date in the sole discretion of Sears Holdings without the approval of any person, including Lands' End's or Sears Holdings' stockholders. Any such termination would not give rise to any additional liability on either party. Information in this information statement with respect to the assets and liabilities of Lands' End and Sears Holdings following the spin-off is presented based on the allocation of such assets and liabilities pursuant to the separation and distribution agreement and the related ancillary agreements, unless the context otherwise requires.

Transition Services Agreement

Lands' End and Sears Holdings Management Corporation ("SHMC"), a wholly owned subsidiary of Sears Holdings, will enter into a transition services agreement in connection with the spin-off pursuant to which Lands' End and SHMC and their respective affiliates will provide to each other, on an interim, transitional basis, various services, which may include, but are not limited to, tax services, logistics services, auditing and compliance services, inventory management services, information technology services and continued participation in certain contracts shared with SHMC or other subsidiaries of Sears Holdings.

Lands' End will pay to SHMC certain fixed fees (approximately $2.7 million per year for fixed fees, plus certain additional fees for services as requested and as used) and expenses for the services as described more fully in the transition services agreement. In addition, a subsidiary of Sears Holdings is expected to pay approximately $2.1 million for the purchase of certain Lands' End inventory for sale at a Kmart location. Such purchases would be at Lands' End's cost plus a 4.5% licensing fee and terminate January 31, 2015. The services generally will commence on the distribution date and will terminate up to 12 months following the distribution date. Lands' End may, subject to certain conditions, reduce or terminate an individual service upon 60 days' prior written notice to SHMC, subject to reimbursing SHMC for any vendor charges or rate increases resulting from such termination. SHMC may, if unable to replace a vendor that is unwilling or unable to continue providing a service to Lands' End on SHMC's behalf, terminate an individual service upon 90 days' prior written notice to Lands' End. The parties may also terminate the transition services agreement for a material breach that is not cured by the other party within 30 days after receipt of written notice of the breach, or in the case of SHMC, if Lands' End breaches the other ancillary agreements other than the co-location and services agreement. Upon termination of the agreement, Lands' End will return to SHMC all of SHMC's equipment or property and pay all outstanding fees and expenses incurred.

Lands' End will indemnify SHMC from liabilities for third party claims arising from the transition services agreement, including Lands' End's use of the shared contracts, except to the extent that the claims are found to have resulted from SHMC's negligence or breach of the agreement. SHMC will indemnify Lands' End from liabilities for third party claims that result from SHMC's negligence or from infringement of an SHMC copyright or trade secret, except to the extent that the claims are found to have resulted from Lands' End's negligence, breach of the agreement, or, with respect to infringement claims, from Lands' End's unauthorized use or distribution of the property.

Subject to certain exceptions, SHMC's total liability under the transition services agreement will generally be limited to the fees received by SHMC under the agreement during the six months prior to the date the claim arose. The transition services agreement also provides that neither SHMC nor Lands' End will be liable to the other of the service for any special, indirect, incidental or consequential damages.

Tax Sharing Agreement

Lands' End and Sears Holdings will enter into a tax sharing agreement prior to the spin-off which will generally govern Sears Holdings' and Lands' End's respective rights, responsibilities and obligations after the spin-off with respect to liabilities for U.S. federal, state, local and foreign taxes attributable to the Lands' End business. In addition to the allocation of tax liabilities, the tax sharing agreement will address the preparation and filing of tax returns for such taxes and disputes with taxing authorities regarding such taxes. Generally, Sears Holdings will be liable for all pre-spin-off U.S. federal, state and local taxes, other than non-income taxes that are accrued and unpaid as of the distribution date. Lands' End generally will be liable for all other taxes attributable to its business, including all foreign taxes. Under the tax sharing agreement, there will be restrictions on the ability of the parties to take actions that could cause the spin-off to fail to qualify for tax-free treatment under the Code. These restrictions may prevent each party from entering into transactions which might be advantageous to the parties or their stockholders.

Other Agreements

Lands' End and Sears Holdings will enter into other agreements addressing certain aspects of the spin-off, including:

Master Lease Agreement and Master Sublease Agreement

In connection with the spin-off, Lands' End and Sears Roebuck expect to enter into a master lease agreement and a master sublease agreement pursuant to which Sears Roebuck or one of its affiliates will lease or sublease to us the premises for the Lands' End Shops at Sears. The master lease agreement and master sublease agreement, as applicable, will set forth the terms and conditions on which we will be permitted to occupy certain space within the Sears stores in order to operate our Lands' End Shops at Sears. The agreements will provide us rights to use the space in which our store will operate and we will pay rent directly to Sears Roebuck or one of its affiliates on the terms negotiated in connection with the spin-off. The length of the term of each lease will be determined separately for each Lands' End Shop at Sears we expect to operate. Most of the leases will have a term of four to six years from the date of the spinoff, expiring January 31, 2019, although a portion of the leases will have shorter terms. The total annual rent (assuming no renewals) for the Lands' End Shops at Sears locations (location counts noted are number of locations at the beginning of the year) shall be approximately $27 million in 2014 for 253 locations, approximately $25.4 million in 2015 for 239 locations, approximately $25 million in 2016 for 225 locations, approximately $24.9 million in 2017 for 216 locations, approximately $17.1 million in 2018 for 167 locations and approximately $10.9 million in 2019 for 102 locations. Sears Roebuck or one of its affiliates will have certain rights to relocate our leased premises within the building in which such premises are located, subject to certain limitations, including our right to terminate the applicable lease by written notice within 30 days of receiving notice of relocation if we are not satisfied with the new premises. In the event of such relocation, Sears Roebuck or one of its affiliates will pay our reasonable moving expenses. Sears Roebuck may terminate without liability the lease with respect to a particular Lands' End Shop if the overall Sears store in which such Lands' End Shop is located is closed or sold, subject to Sears Roebuck providing at least 90 days prior written notice. We will not be permitted to assign or sublease the leased premises.

Lands' End Shops at Sears Retail Operations Agreement

Lands' End and Sears Roebuck expect to enter into a Lands' End Shops at Sears retail operations agreement prior to the spin-off to support our Lands' End Shops at Sears. Pursuant to the retail operations agreement, a subsidiary of Sears Holdings will provide us with certain retail operation support services, including providing sales and floor support personnel, access to point-of-sale and other information technology systems, logistics and warehousing support and other support services, for which Lands' End will pay to Sears Roebuck the fees specified in the agreement. We estimate total 2014 fees under the agreement to be approximately $33 to $36 million. Thereafter, based principally on the then-current store count, we anticipate that annual fees will be approximately as follows: $31 to $34 million in each of 2015, 2016 and 2017; $21 to $23 million in 2018; and $13 to $15 million in 2019. Lands' End will continue to rely on our existing field management to oversee Lands' End Shops at Sears and Lands' End Inlet store operations. The Lands' End field management team consists of managers responsible for various aspects of our retail operations who are supported by a centralized store operations team. Each party will indemnify the other against third-party claims relating to certain infringement or misconduct, and in the case of Lands' End, in certain respects relating to the Lands' End Shops at Sears, Lands' End merchandise and intellectual property rights. The retail operations agreement will terminate with respect to individual Lands' End Shops at Sears upon expiration or termination of their respective leases or closure of the associated Sears Holdings store location. Sears Roebuck may also terminate the retail operations agreement for certain defaults by Lands' End that are not cured within 10 days' written notice or if Lands' End breaches the other ancillary agreements other than the co-location and services agreement (or if any such ancillary agreement is wrongfully terminated by Lands' End or terminated by the Sears Holdings counterparty for breach) or if Lands' End assigns the agreement in violation of its terms.

Shop Your Way Retail Establishment Agreement

Lands' End and SHMC expect to enter into a Shop Your Way retail establishment agreement in connection with the spin-off that will govern our participation in the Shop Your Way program. Under this agreement, SHMC will issue rewards points to Shop Your Way members when they purchase program-eligible merchandise and services from us and we will accept rewards points redemptions from members as full or partial payment for eligible merchandise and services purchased from us. We will pay SHMC an agreed-upon fee for points issued in connection with the purchase of program-eligible merchandise and service from us and, depending on the applicable burn rate for the quarter (i.e., ratio of points redeemed in Lands' End formats to points issued in Lands' End formats in the previous 12 months), we will pay additional fees to SHMC or SHMC will reimburse fees to us for points redeemed in Lands' End formats, as set forth in the agreement. Total fees during the three year term of the agreement are currently estimated to be approximately $33 to $39 million. At our election, SHMC will provide us program related marketing and analytic services. Lands' End and SHMC will jointly own transaction information related to purchases made by Shop Your Way members in Lands' End formats, while all information relating to members of the program and the program itself will be owned by SHMC. We will be permitted to engage in promotional, marketing, loyalty or other similar activities outside the Shop Your Way program so long as such activities do not conflict with, and are not promoted in the aggregate more prominently or comprehensively than, the Shop Your Way program. Each party will indemnify the other against third-party claims, including relating to negligence, recklessness or willful misconduct, breach of agreement, fraud, acts or omissions requested by the other party, or intellectual property violating or infringing the rights of a third party.

The agreement shall expire on the third anniversary of the distribution date and either party may terminate the agreement for a material breach that is not cured within 30 days of receipt of notice by the breaching party, and SHMC may terminate the agreement for cause if Lands' End fails to accept certain complying changes to the program or if a prohibited stockholding change of Lands' End occurs.

Co-Location and Services Agreement

Lands' End contracts with SHMC to have SHMC host and support certain redundant information technology hardware at the Sears Data Center in Troy, Michigan, for disaster mitigation and recovery efforts. Under the co-location and services agreement, which will terminate on January 31, 2015 unless extended by mutual written agreement of the parties, Lands' End will pay a monthly fee of $2,117. Either party may terminate the agreement for convenience upon 60 days' notice and SHMC may suspend services or terminate the agreement upon 30 days' notice in the event of uncured breaches or defaults by Lands' End.

Financial Services Agreement

Lands' End and SHMC expect to enter into a financial services agreement pursuant to which Sears Holdings will provide us with certain payment processing support services following the spin-off, including store credit services for our Lands' End at Sears locations, at the fees for which Sears Holdings receives such services from certain third party providers. The financial services agreement may be terminated by either party for convenience upon 45 days' written notice or for a material breach that is not cured within 30 days of receipt of notice by the breaching party; provided that if SHMC terminates solely for convenience, then Lands' End will have up to a year to transition to a new processor. SHMC may also, in its sole discretion, terminate or modify on (if reasonably practicable) 30 days' prior written notice any service related to credit card or debit card processing if the applicable card issuer or processor determines that Lands' End is not entitled to process credit or debit payments or has breached the applicable processing agreement.

Buying Agency Agreement

Lands' End and Sears Holdings Global Sourcing, Ltd. ("SHGS") expect to enter into a buying agency agreement pursuant to which SHGS will provide us with certain foreign buying office support services, on a non-exclusive basis, including vendor selection and screening, contract negotiation support and quality control

services. SHGS will receive a fee equal to a certain percentage of the price of goods sourced through SHGS. We estimate that annual fees under the agreement will be approximately $10 to $11 million. There are annual minimum commissions payable to SHGS during the first two years. Minimum commissions for any renewal periods would be subject to negotiation at the time of renewal. The initial term of the buying agency agreement will expire on January 31, 2016. If we have earned and paid certain minimum commissions to SHGS during the term and are not in breach of the agreement, we will have the option to extend the agreement for a period of one year, subject to a maximum of three such renewal periods.

Lands' End will indemnify SHGS from liabilities for third party claims arising from the buying agency agreement, except to the extent that the claims are found to have resulted from SHMC's negligence or breach of the agreement. SHMC will indemnify Lands' End from liabilities for third party claims that result from SHGS's negligence or from infringement of an SHGS copyright or trade secret, except to the extent that the claims are found to have resulted from Lands' End's negligence, breach of the agreement, or, with respect to infringement claims, from Lands' End's unauthorized use or distribution of the property.

Subject to certain exceptions, the buying agency agreement provides that neither party will be liable to the other for any special, indirect, incidental or consequential damages. SHGS's sole liability for any errors and omissions in the services under the buying agency agreement is limited to the aggregate commissions it received under the agreement during the six months prior to the date the claim arose.

Call Center Services

SHMC contracts with Lands' End to have Lands' End provide certain call center services in support of the Shop Your Way program in exchange for certain fees based on the types of services provided. These fees include charges for handling inbound and outbound phone calls, certain email and regular mail contacts, personnel training fees, online chat engagement and setup and execution of certain outbound call programs. The parties are negotiating an extension to this agreement, originally set to expire on April 30, 2014, for an additional three years. Revenue for 2013 was approximately $7.3 million.

Each party will indemnify the other against third-party claims arising out of a party's negligence or willful misconduct, breach of the agreement, infringement of intellectual property or breach of law and related claims and legal proceedings.

Sears Marketplace—Local Marketplace—MyGofer Fulfilled By Merchant (FBM) Seller Agreement

SHMC and Lands' End are parties to a marketplace agreement which governs the terms and conditions under which Lands' End may sell products through certain Sears Holdings websites in exchange for a commission payable to SHMC in the amount of 15% of the sales price of goods sold.

Each party will indemnify the other against third-party claims including those arising out of injury to person or property, hiring and employment disputes, breach of the agreement or of law and related claims and legal proceedings. This agreement continues until terminated by either party with 30 days' prior written notice to the other party. Upon termination, SHMC will refund to Lands' End any pro-rated monthly fees collected.

Gift Card Services Agreement

Lands' End and SHC Promotions LLC ("SHCP") are parties to a gift card services agreement pursuant to which SHCP provides certain services relating to the issuance, use and settlement of gift cards and gift certificates to Lands' End. The gift card services agreement will be amended in connection with the spin-off, and following such amendment, will provide for, among other things, arm's-length pricing based on a mutually beneficial arrangement for both parties, with selling fees of 1% and redemption fees of 3% for SHCP gift cards issued prior to the spin-off; cross selling of Lands' End and Sears Promotions logo cards (with cash and related

liabilities transferred to the ultimate obligor); and cross redemption of Lands' End and SHCP logo cards (with cash and related liabilities transferred to the redeeming party's books). Under the separation and distribution agreement, Lands' End will also indemnify Sears Holdings for all liabilities relating to any Lands' End-branded gift card. The issuance services may be terminated by either party for convenience with 30 days' prior written notice, upon which the other services (excluding certain obligations relating to Lands' End offering gift cards and gift certificates for sale and redemption) provided for under the gift card services agreement would continue until the earlier of 12 months from termination or the date upon which all activated LE-branded gift cards have been redeemed. The parties may agree to discontinue redeeming each other's gift cards, provided that consumer notices will be posted for a period of time prior to discontinuance.

Letters of Credit

The terms for the letters of credit issued under the letter of credit facility (the "LC Facility") between Lands' End and Bank of America ("BofA") are secured by a standby letter of credit, with an expiration date of less than one year, issued by Sears Roebuck Acceptance Corp. ("SRAC") on Lands' End's behalf for the benefit of BofA. BofA or Lands' End may terminate the LC Facility at any time. From time to time, at our request, Sears Holdings causes standby letters of credit to be issued for our benefit under Sears Holdings' revolving credit facility. Upon completion of the spin-off, we anticipate that Sears Holdings will terminate its support of the LC Facility and that SRAC will no longer issue letters of credit to secure the LC Facility. Lands' End is in the process of pursuing the ABL Facility, which would provide for the issuance of letters of credit and otherwise serve as a source of liquidity following the spin-off. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Description of Material Indebtedness."

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Prior to the spin-off, 100% of our common stock was owned by Sears Holdings.

The following table sets forth the expected beneficial ownership of our common stock as it would be after the completion of the spin-off, calculated as of March 14, 2014, by:

- each person who we know beneficially owns more than 5% of Sears Holdings common stock;
- each of our expected directors following the completion of the spin-off;
- each of our named executive officers; and
- all of our expected directors and executive officers as a group.

Unless otherwise indicated, the address for each beneficial owner who is also a director or executive officer is c/o Lands' End Inc., 1 Lands' End Lane, Dodgeville, Wisconsin 53595. See "Management" for a discussion regarding our directors and executive officers.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. As indicated below, in computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are currently exercisable within 60 days of the determination date are deemed outstanding. These shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Except as indicated, and subject to the applicable community property laws, the stockholders named in the table have sole voting and investment power with respect to the shares shown as beneficially owned by them.

	Shares of Our Common Stock Beneficially Owned After the Distribution	
Name of Beneficial Owner	Number of Shares	Percentage of Class(1)
5% Stockholders:		
ESL Investments, Inc. and related entities(2)	15,476,198(3)	48.4%
Fairholme Capital Management, L.L.C.(4)	7,290,440(5)	22.8%
Baker Street Capital Management, LLC(6)	2,717,927(7)	8.5%
Force Capital Management, LLC(8)	1,790,634(9)	5.6%
Directors and Named Executive Officers:		
Edgar O. Huber	—	—
Elizabeth Darst Leykum	—	—
Josephine Linden	—	—
Jignesh M. Patel	—	—
Tracy Gardner	—	—
Michael P. Rosera	—	—
Michele Donnan Martin	—	—
Karl A. Dahlen	—	—
Kelly Ritchie	—	—
Directors and Executive Officers as a group (5 persons)	—	—

(1) Based on 106,451,439 shares of Sears Holdings common stock outstanding as of March 14, 2014.

(2) Beneficial ownership is based on the Schedule 13D/A filed by the following persons reporting their ownership as of December 3, 2013. The persons ("ESL Entities") consist of ESL Investments, Inc., a Delaware corporation ("Investments"); Edward S. Lampert; ESL Institutional Partners, L.P., a Delaware limited partnership ("Institutional"); CRK Partners, L.L.C., a Delaware limited liability company ("CRK LLC"); ESL Partners, L.P., a Delaware limited partnership ("Partners"); SPE I Partners, LP, a Delaware limited partnership ("SPE Partners"); SPE Master I, LP, a Delaware limited partnership ("SPE Master"); RBS Partners, L.P., a Delaware limited partnership ("RBS"); and RBS Investment Management, L.L.C., a

Delaware limited liability company ("RBSIM"). Mr. Lampert is the sole stockholder, chief executive officer and director of Investments. Investments is the general partner of RBS, the sole member of CRK LLC and the manager of RBSIM. RBS is the general partner of Partners, SPE Partners and SPE Master. RBSIM is the general partner of Institutional. The address for the ESL Entities is 1170 Kane Concourse, Bay Harbor, Florida 33154.

(3) Investments has sole voting power and sole dispositive power as to 26,438,272 shares and shared dispositive power as to 25,113,022 shares of Sears Holdings; Edward S. Lampert has sole voting power as to 51,551,294 shares and sole dispositive power as to 26,438,272 shares and shared dispositive power as to 25,113,022 shares of Sears Holdings; CRK LLC has sole voting power and sole dispositive power as to 747 shares of Sears Holdings; RBS has sole voting power and sole dispositive power as to 26,427,295 shares and shared dispositive power as to 25,113,022 shares; Partners has sole voting power and sole dispositive power as to 21,992,640 shares and shared dispositive power as to 25,113,022 shares of Sears Holdings; RBSIM has sole voting power and sole dispositive power as to 10,230 shares of Sears Holdings; Institutional has sole voting power and sole dispositive power as to 10,230 shares of Sears Holdings; SPE Partners has sole voting power and sole dispositive power as to 1,939,872 shares of Sears Holdings; and SPE Master has sole voting power and sole dispositive power as to 2,494,783 shares of Sears Holdings.

(4) Beneficial ownership is based on the Schedule 13G filed by Fairholme Capital Management, L.L.C. reporting its ownership in Sears Holdings as of January 31, 2014. The address for Fairholme Capital Management, L.L.C. is 4400 Biscayne Boulevard, 9th Floor, Miami, Florida 33137.

(5) The shares of common stock are owned, in the aggregate, by Bruce R. Berkowitz and various investment vehicles managed by Fairholme Capital Management, L.L.C. ("FCM"), of which 14,212,673 shares are owned by The Fairholme Fund and 880,900 shares are owned by The Fairholme Allocation Fund, each a series of Fairholme Funds, Inc. Bruce R. Berkowitz disclosed sole voting power and sole dispositive power as to 783,000 shares. FCM disclosed shared voting power as to 18,972,373 shares and shared dispositive power as to 23,443,073 shares. Fairholme Funds, Inc. disclosed shared voting power and shared dispositive power as to 15,093,573 shares. Because Mr. Bruce R. Berkowitz, in his capacity as the Managing Member of FCM or as President of Fairholme Funds, Inc., has voting or dispositive power over all shares beneficially owned by FCM, he is deemed to have beneficial ownership of all of the shares.

(6) Beneficial ownership is based on the Schedule 13G/A filed by Baker Street Capital Management, LLC reporting its ownership as of December 31, 2013. The address for Baker Street Capital Management, LLC is 12400 Wilshire Boulevard, Suite 940, Los Angeles, California 90025.

(7) The shares (which include 9,000,000 shares subject to certain options exercisable within 60 days) are owned directly by Baker Street Capital L.P. ("BSC"). Baker Street Capital Management, LLC ("BSCM") is the general partner of BSC. Vadim Perelman is the managing member of BSCM. By virtue of these relationships, each of BSCM and Mr. Perelman may be deemed to beneficially own the shares owned directly by BSC. Mr. Perelman has disclosed sole voting power and sole dispositive power as to 9,000,000 shares. BSCM has disclosed sole voting power and sole dispositive power to 9,000,000 shares. BSC has disclosed sole voting power and sole dispositive power as to 9,000,000 shares.

(8) Beneficial ownership is based on the Schedule 13G filed by Force Capital Management, LLC reporting its ownership as of December 31, 2013. The address for Force Capital Management, LLC is 767 Fifth Avenue, 12th Floor, New York, NY 10153.

(9) The shares of common stock (which includes 5,762,400 shares subject to certain options) are owned directly by Force Capital Management, LLC. Force Capital Management, LLC has disclosed sole voting power and sole dispositive power to 6,298,309 shares.

THE SPIN-OFF

Background

On March 14, 2014, 2014, the Sears Holdings board of directors approved the distribution of the issued and outstanding shares of Lands' End common stock on the basis of 0.300795 shares of Lands' End common stock for each share of Sears Holdings common stock held on March 24, 2014, the record date.

Each share of Sears Holdings common stock outstanding as of 5:30 p.m. Eastern time on March 24, 2014, the record date for the distribution, will entitle the holder thereof to receive 0.300795 shares of Lands' End common stock, except that holders of Sears Holdings' restricted stock that is unvested as of the record date will receive cash awards in lieu of shares, as described below. Sears Holdings stockholders will receive cash in lieu of any fractional shares of Lands' End common stock which they would have received after application of this distribution ratio. You will not be required to make any payment, surrender or exchange your shares of Sears Holdings common stock or take any other action to receive your shares of Lands' End common stock in the distribution. The distribution of Lands' End common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. For a more detailed description of these conditions, see "—Conditions to the Spin-Off."

Reasons for the Spin-Off

The Sears Holdings board of directors determined that the spin-off of the Lands' End business from the rest of the Sears Holdings businesses would be in the best interests of Sears Holdings and its stockholders and approved the spin-off. A wide variety of factors were considered by the Sears Holdings board of directors in evaluating the spin-off. Among other things, the Sears Holdings board of directors considered the following potential benefits of the spin-off:

- *Simplified focus and operational flexibility*. Following the spin-off, Lands' End and Sears Holdings will each have simplified, more focused businesses and be better able to dedicate resources to pursue unique growth opportunities and execute strategic plans best suited to their respective businesses.
- *Business-appropriate capital structure*. The spin-off will allow each of Sears Holdings and Lands' End to implement a capital structure that is tailored to its business needs and is expected to result in a more efficient allocation of capital for both Sears Holdings and Lands' End and mitigate the competition for capital that currently exists between Lands' End and other Sears Holdings business units. In addition, the spin-off should increase the overall borrowing capacity of Lands' End, which would allow Lands' End greater flexibility to issue new debt financing to fund organic growth through capital expenditures or to pursue acquisition-based growth.
- *Focused management*. The spin-off will allow management of each company to devote time and attention to the development and implementation of corporate strategies and policies that are based on the specific business characteristics of the respective companies, and to design more tailored compensation structures that better reflect these strategies, policies and business characteristics. Separate equity-based compensation arrangements for Lands' End should more closely align the interests of Lands' End management with the interests of stockholders and more directly incentivize the employees of Lands' End and attract new talent.
- *Investor choice*. The spin-off will allow investors to increase their understanding of Lands' End and its market position within its industry, while also allowing for a more natural and interested investor base. The spin-off may also potentially enhance Lands' End's financial flexibility, such as allowing direct access by Lands' End to the capital markets. In contrast to a sale of the entire business, the spin-off will enable current Sears Holdings stockholders to directly participate in any future value creation by Lands' End, while also allowing investors the flexibility to consider Sears Holdings and Lands' End as independent investment decisions based on Lands' End's and Sears Holdings' different business models and strategies.

Neither Lands' End nor Sears Holdings can assure you that, following the spin-off, any of the benefits described above or otherwise will be realized to the extent anticipated or at all.

The Sears Holdings board of directors also considered a number of potentially negative factors in evaluating the spin-off, including the following:

- *Removal of the Lands' End business from Sears Holdings and impact on standalone entities' financial condition.* The spin-off will remove the Lands' End business from Sears Holdings via a transaction that may not realize anticipated benefits to Sears Holdings and may negatively impact the financial condition of the post-spin standalone entities. The benefits afforded to Sears Holdings by the transaction may not be sufficient to offset potential costs or other negative factors, such as a reduction in profit and earnings, arising from the spin-off and the loss of the Lands' End business.
- *Loss of synergies and joint purchasing power and increased costs.* As a current part of Sears Holdings, Lands' End takes advantage of Sears Holdings' size and purchasing power in procuring certain goods and services. After the spin-off, as a separate, independent entity, Lands' End may be unable to obtain these goods, services, and technologies at prices or on terms as favorable as those Sears Holdings obtained prior to the spin-off. Lands' End may also incur costs for certain functions previously performed by Sears Holdings, such as information technology co-location and other general and administrative functions, that are higher than the amounts reflected in our historical financial statements, which could cause Lands' End's profitability to decrease.
- *Disruptions to the business as a result of the spin-off.* The actions required to separate Sears Holdings' and Lands' End's respective businesses could disrupt Lands' End's operations.
- *Ongoing dependence on Sears Holdings*. Following the spin-off, Lands' End will remain dependent on Sears Holdings' decisions, particularly with respect to Sears stores and Lands' End Shops at Sears. These decisions will be made by Sears Holdings independently of Lands' End, without any benefit the standalone companies may otherwise have enjoyed as a consolidated entity.
- *Increased significance of certain costs and liabilities.* Certain costs and liabilities that were otherwise less significant to Sears Holdings as a whole will be more significant for us as a standalone company.
- *One-time costs of the spin-off.* We will incur costs in connection with the transition to being a standalone company that may include accounting, tax, legal and other professional services costs, recruiting and relocation costs associated with hiring key senior management personnel new to us, and costs to separate shared systems.
- *Inability to realize anticipated benefits of the spin-off.* We may not achieve the anticipated benefits of the spin-off for a variety of reasons, including, among others: (1) the spin-off will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business; (2) following the spin-off, we may be more susceptible to market fluctuations and other adverse events than if it were still a part of Sears Holdings; and (3) following the spin-off, our business will be less diversified than Sears Holdings' business prior to the business.

The Sears Holdings board of directors concluded that the potential benefits of the spin-off outweighed these factors.

When and How You Will Receive the Distribution

Sears Holdings expects to distribute Lands' End common stock on April 4, 2014, the distribution date, to all holders of outstanding Sears Holdings common stock as of 5:30 p.m. Eastern time on March 24, 2014, the record date. Computershare Trust Company, N.A. will serve as the distribution agent in connection with the distribution and the transfer agent and registrar for Lands' End common stock.

If you own Sears Holdings common stock as of the record date, shares of Lands' End common stock that you are entitled to receive in the spin-off will be issued electronically, as of the distribution date, to you or to your bank or brokerage firm on your behalf in direct registration form. If you are a registered holder, Computershare Trust Company, N.A. will then mail you a direct registration account statement that reflects your shares of Lands' End common stock. If you hold your shares through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares. Direct registration form refers to a method of recording share ownership when no physical share certificates are issued to stockholders, as is the case in the distribution. If you sell Sears Holdings common stock in the "regular-way" market after the record date and before the distribution, you will also be selling your right to receive shares of Lands' End common stock in the distribution.

Most Sears Holdings stockholders hold their shares of Sears Holdings common stock through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the shares in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold your shares of Sears Holdings common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the Lands' End common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares held in "street name," please contact your bank or brokerage firm.

Transferability of Shares You Receive

Shares of Lands' End common stock distributed to Sears Holdings stockholders in connection with the distribution will be transferable without registration under the Securities Act, except for shares received by persons who may be deemed to be our affiliates. Persons who may be deemed to be our affiliates after the distribution generally include individuals or entities that control, are controlled by or are under common control with Lands' End, which may include certain Lands' End executive officers, directors or principal stockholders. Securities held by our affiliates will be subject to resale restrictions under the Securities Act. Our affiliates will be permitted to sell shares of Lands' End common stock only pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act, such as the exemption afforded by Rule 144 under the Securities Act.

Number of Shares of Lands' End Common Stock You Will Receive

For each share of Sears Holdings common stock that you own as of 5:30 p.m. Eastern time on the record date, you will be entitled to receive 0.300795 shares of Lands' End common stock on the distribution date. Sears Holdings will not distribute any fractional shares of Lands' End common stock to its stockholders. Instead, if you are a registered holder, Computershare Trust Company, N.A. will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate cash proceeds, net of brokerage commissions and other costs (the "aggregate net cash proceeds"), of the sales *pro rata* (based on the fractional share such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional share in the distribution. The distribution agent, in its sole discretion, without any influence by Sears Holdings or Lands' End, will determine when, how, through which broker-dealer and at what price to sell the whole shares. Any broker-dealer used by the distribution agent will not be an affiliate of either Sears Holdings or Lands' End. Neither we nor Sears Holdings will be able to guarantee any minimum sale price in connection with the sale of these shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares.

The aggregate cash proceeds of these sales, net of brokerage fees and other expenses, will be taxable for U.S. federal income tax purposes. See "Material U.S. Federal Income Tax Consequences" for an explanation of the material U.S. federal income tax consequences of the spin-off. If you hold physical certificates for Sears Holdings shares and are the registered holder, you will receive a check from the distribution agent in an amount equal to your *pro rata* share of the aggregate cash proceeds of the sales net of brokerage fees and other expenses. We estimate that it will take approximately two weeks from the distribution date for the distribution agent to complete the distributions of the aggregate net cash proceeds. If you hold your Sears Holdings common stock

through a bank or brokerage firm, your bank or brokerage firm will receive, on your behalf, your *pro rata* share of the aggregate net cash proceeds of the sales and will electronically credit your account for your share of such proceeds.

Treatment of Sears Holdings Unvested Restricted Stock

In connection with the distribution, each person who as of the record date holds outstanding unvested restricted stock issued pursuant to the Sears Holdings Corporation 2006 Stock Plan or the Sears Holdings Corporation 2013 Stock Plan will receive a cash amount in lieu of any and all rights such holder may have to any shares of Lands' End common stock distributed in the distribution with respect to such unvested restricted stock. Such cash amount will represent the right to receive on the applicable vesting date a cash payment from Sears Holdings equal to the value of the Lands' End common stock and cash in lieu of fractional shares that would have been distributed in the distribution to such holder had such holder's unvested restricted stock been Sears Holdings common stock, calculated on the basis of the volume-weighted average price per share of Lands' End common stock for the 10 trading-day period immediately following the distribution date.

Results of the Spin-Off

After our spin-off from Sears Holdings, we will be an independent, publicly traded company. The actual number of shares to be distributed will be determined as of the record date. The spin-off will not affect the number of outstanding shares of Sears Holdings common stock or any rights of Sears Holdings' stockholders. Sears Holdings will not distribute any fractional shares of Lands' End common stock.

Before the spin-off, we will enter into a separation and distribution agreement and other agreements with Sears Holdings or its subsidiaries to effect the spin-off and provide a framework for our relationship with Sears Holdings after the spin-off. These agreements will provide for the allocation between us and Sears Holdings of Sears Holdings' assets, liabilities and obligations (including employee benefits, intellectual property, and tax-related assets and liabilities) attributable to periods prior to our spin-off from Sears Holdings and will govern the relationship between Sears Holdings and Lands' End after the spin-off. For a more detailed description of these agreements, see "Certain Relationships and Related Person Transactions—Our Relationship with Sears Holdings Following the Spin-Off."

Market for Lands' End Common Stock

There is currently no public trading market for our common stock. We have applied to list our common stock on NASDAQ under the symbol "LE." We have not and will not set the initial price of our common stock. The initial price will be established by the public markets.

We cannot predict the price at which our common stock will trade after the spin-off. In fact, the combined trading prices, after the spin-off, of the shares of Lands' End common stock that each Sears Holdings stockholder will receive in the distribution and the shares Sears Holdings common stock held as of the record date may not equal the "regular-way" trading price of a Sears Holdings share immediately prior to the spin-off. The price at which Lands' End common stock trades may fluctuate significantly, particularly until an orderly public market develops. Trading prices for Lands' End common stock will be determined in the public markets and may be influenced by many factors. See "Risk Factors—Risks Related to Our Common Stock."

Trading Between the Record Date and Distribution Date

Beginning on or shortly before the record date and continuing up to and including the distribution date, we expect that there will be two markets in shares of Sears Holdings common stock: a "regular-way" market and an "ex-distribution" market. Shares of Sears Holdings common stock that trade on the "regular-way" market will trade with an entitlement to Lands' End common stock distributed pursuant to the spin-off. Shares of Sears Holdings common stock that trade on the "ex-distribution" market will trade without an entitlement to Lands'

End common stock distributed pursuant to the spin-off. Therefore, if you sell shares of Sears Holdings common stock in the "regular-way" market after the record date but before distribution, you will be selling your right to receive Lands' End common stock in the distribution. If you own shares of Sears Holdings common stock as of the record date and sell those shares on the "ex-distribution" market after the record date but before the distribution, you will receive the shares of common stock that you are entitled to receive pursuant to your ownership as of the record date of the shares of Sears Holdings common stock.

Furthermore, beginning on or shortly before the record date and continuing up to and including the distribution date, we expect that there will be a "when-issued" market in our common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for Lands' End common stock that will be distributed to holders of shares of Sears Holdings common stock on the distribution date. If you owned shares of Sears Holdings common stock at the record date, you would be entitled to Lands' End common stock distributed pursuant to the distribution. You may trade this entitlement to shares of Lands' End common stock, without the shares of Sears Holdings common stock you own, on the "when-issued" market. On the first trading day following the distribution date, "when-issued" trading with respect to Lands' End common stock will end, and "regular-way" trading will begin.

Conditions to the Spin-Off

We have announced that the distribution will be effective on April 4, 2014, which is the distribution date, provided that the following conditions shall have been satisfied (or waived by Sears Holdings in its sole discretion):

- the Sears Holdings board of directors shall have authorized and approved the spin-off and related transactions and not withdrawn such authorization and approval, and shall have declared the distribution of our common stock to Sears Holdings stockholders;
- the separation and distribution agreement between Lands' End and Sears Holdings and each ancillary agreement contemplated thereby shall have been executed by each party thereto;
- the registration statement of which this information statement forms a part shall have become effective, and no stop order suspending the effectiveness of the registration statement shall be in effect and no proceedings for such purpose shall be pending before or threatened by the SEC;
- this information statement shall have been made available to Sears Holdings stockholders as of the record date;
- our common stock shall have been accepted for listing on NASDAQ or another national securities exchange or quotation system approved by Sears Holdings, subject to official notice of issuance;
- no order, injunction or decree issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing consummation of the spin-off shall be in effect, and no other event outside the control of Sears Holdings shall have occurred or failed to occur that prevents the consummation of the spin-off;
- the debt financing contemplated to be obtained in connection with the spin-off shall have been obtained;
- the receipt of an opinion from an outside financial advisor to the board of directors of Sears Holdings confirming the solvency and financial viability of Sears Holdings before the distribution and each of Sears Holdings and Lands' End after the distribution that is in form and substance acceptable to Sears Holdings in its sole discretion;
- the receipt of an opinion from the law firm of Simpson Thacher & Bartlett LLP as to the satisfaction of certain requirements necessary for the spin-off to receive tax-free treatment under Sections 355, 368 and related provisions of the Code;

- the Internal Transactions (as defined in the separation and distribution agreement) shall have been completed;
- the individuals listed as members of our post-spin-off board of directors in this information statement shall have been duly elected, and such individuals shall be the members of our board of directors immediately after the spin-off;
- prior to the spin-off, Sears Holdings shall deliver or cause to be delivered to us resignations, effective as of immediately prior to the spin-off, of any individual who will be an officer or director of Lands' End after the spin-off and who is an officer or director of Sears Holdings immediately prior to the spin-off; and
- immediately prior to the spin-off, our amended and restated certificate of incorporation and bylaws, each in substantially the form filed as an exhibit to the registration statement of which this information statement forms a part, shall be in effect.

Sears Holdings and Lands' End cannot assure you that any or all of these conditions will be met.

Sears Holdings also reserves the right to withdraw and cancel the distribution if, at any time prior to the distribution date, the board of directors of Sears Holdings determines, in its sole discretion, that the distribution is not in the best interest of Sears Holdings or its stockholders, or that market conditions are such that it is not advisable to consummate the distribution. If Sears Holdings cancels or waives any condition to the distribution, it will notify Sears Holdings stockholders in a manner reasonably calculated to inform them about the cancellation as may be required by law, by, for example, publishing a press release, filing a current report on Form 8-K, or circulating a supplement to this information statement. The fulfillment of the foregoing conditions will not create any obligation on the part of Sears Holdings to effect the spin-off.

Sears Holdings will have the sole and absolute discretion to determine (and change) the terms of, and whether to proceed with, the distribution (including the number of shares of Lands' End common stock that will be distributed to holders of shares of Sears Holdings common stock on the distribution date) and, to the extent it determines to so proceed, to determine the record date and the distribution date and the distribution ratio. Sears Holdings does not intend to notify its stockholders of any modifications to the terms of the spin-off that, in the judgment of its board of directors, are not material. For example, the Sears Holdings board of directors might consider material such matters as significant changes to the distribution ratio, the assets to be contributed or the liabilities to be assumed in the spin-off. To the extent that the Sears Holdings board of directors determines that any modifications by Sears Holdings materially change the material terms of the distribution, Sears Holdings will notify Sears Holdings stockholders in a manner reasonably calculated to inform them about the modification as may be required by law, by, for example, publishing a press release, filing a current report on Form 8-K, or circulating a supplement to this information statement.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the material U.S. federal income tax consequences to Sears Holdings and to the holders of Sears Holdings common stock in connection with the spin-off. This summary is based on the Code, the Treasury Regulations promulgated thereunder and judicial and administrative interpretations thereof, in each case as in effect and available as of the date of this information statement and all of which are subject to change at any time, possibly with retroactive effect. Any such change could affect the tax consequences described below.

This summary is limited to holders of Sears Holdings common stock that are U.S. Holders, as defined immediately below. A "U.S. Holder" is a beneficial owner of Sears Holdings common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or a resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (i) a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions or (ii) it has a valid election in place under applicable Treasury Regulations to be treated as a United States person.

This summary also does not discuss all tax considerations that may be relevant to stockholders in light of their particular circumstances, nor does it address the consequences to stockholders subject to special treatment under the U.S. federal income tax laws, such as:

- dealers or traders in securities or currencies;
- regulated investment companies;
- real estate investment trusts;
- tax-exempt entities;
- banks, financial institutions or insurance companies;
- persons who acquired Sears Holdings common stock pursuant to the exercise of employee stock options or otherwise as compensation;
- stockholders who own, or are deemed to own, at least 10% or more, by voting power or value, of Sears Holdings equity;
- holders owning Sears Holdings common stock as part of a position in a straddle or as part of a hedging, conversion or other risk reduction transaction for U.S. federal income tax purposes;
- certain former citizens or long-term residents of the United States;
- holders who are subject to the alternative minimum tax; or
- a person that owns Sears Holdings common stock through partnerships or other pass-through entities.

This summary does not address the U.S. federal income tax consequences to Sears Holdings' stockholders who do not hold Sears Holdings common stock as a capital asset. Moreover, this summary does not address any state, local or non-U.S. tax consequences or any estate, gift or other non-income tax consequences.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds Sears Holdings common stock, the tax treatment of a partner in that partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to its tax consequences.

YOU SHOULD CONSULT YOUR OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE SPIN-OFF. THIS SUMMARY IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR INVESTOR.

In connection with the spin-off, Sears Holdings expects to receive an opinion from the law firm of Simpson Thacher & Bartlett LLP that the spin-off will meet the requirements necessary for the spin-off to receive tax-free treatment under Sections 355, 368 and related provisions of the Code. The opinion will be based on, among other things, current tax law and assumptions and representations made by us and Sears Holdings, which if incorrect in certain material respects, would jeopardize the conclusions reached by Simpson Thacher & Bartlett LLP in its opinion. The opinion of counsel will not be binding on the IRS or the courts. Although the receipt of the opinion is a condition to the spin-off, it as well as all other conditions to the spin-off may be waived by Sears Holdings in its sole discretion. Sears Holdings and Lands' End have not sought and will not seek any ruling from the IRS regarding any matters relating to the spin-off, and as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to the conclusions set forth below. In that event, the consequences described below would not apply and holders of Sears Holdings common stock who receive shares of Lands' End common stock in the spin-off could be subject to significant U.S. federal income tax liability.

Assuming the spin-off satisfies the requirements necessary for the spin-off to qualify for tax-free treatment under Sections 355, 368 and related provisions of the Code, the following will describe the material U.S. federal income tax consequences to Sears Holdings, Lands' End and Sears Holdings' stockholders of the spin-off:

- no gain or loss will be recognized by, or be includible in the income of, a holder of Sears Holdings common stock, solely as a result of the receipt of Lands' End common stock, except with respect to any cash received in lieu of fractional shares;
- subject to the discussion below regarding Section 355(e), no gain or loss will be recognized by Sears Holdings as a result of the spin-off;
- the aggregate tax basis of the Sears Holdings common stock and Lands' End common stock in the hands of Sears Holdings' stockholders immediately after the spin-off will be the same as the aggregate tax basis of the Sears Holdings common stock held by the holder immediately before the spin-off, allocated between the common stock of Sears Holdings and Lands' End common stock, including any fractional share interest for which cash is received, in proportion to their relative fair market values on the date of the spin-off;
- the holding period of shares of the Lands' End common stock received by Sears Holdings' stockholders will include the holding period of their Sears Holdings common stock, provided that such Sears Holdings common stock is held as a capital asset on the date of the spin-off; and
- a Sears Holdings stockholder who receives cash in lieu of a fractional share of Lands' End common stock in the spin-off will be treated as having sold such fractional share for the amount of cash received and generally will recognize capital gain or loss in an amount equal to the difference between the amount of such cash received and such stockholder's adjusted tax basis in the fractional share. That gain or loss will be long-term capital gain or loss if the stockholder's holding period for its Sears Holdings common stock exceeds one year.

Sears Holdings' stockholders that have acquired different blocks of Sears Holdings common stock at different times or at different prices should consult their tax advisors regarding the allocation of their aggregate adjusted basis among, and their holding period of, Lands' End common stock distributed with respect to such blocks of Sears Holdings common stock.

U.S. Treasury Regulations require certain stockholders that receive stock in a spin-off to attach to their respective U.S. federal income tax returns, for the year in which the spin-off occurs, a detailed statement setting forth certain information relating to the spin-off. Within a reasonable period of time after the distribution, Sears Holdings expects to make available to its stockholders information pertaining to compliance with this requirement.

If the spin-off were not to qualify as a tax-free spin-off for U.S. federal income tax purposes, each Sears Holdings stockholder that receives shares of Lands' End common stock in the spin-off would be treated as receiving a distribution in an amount equal to the fair market value of such shares, which generally would be treated in the following manner:

- first as a taxable dividend to the extent of such stockholder's *pro rata* share of Sears Holdings' current and accumulated earnings and profits;
- then as a non-taxable return of capital to the extent of such stockholder's tax basis in its Sears Holdings common stock; and
- thereafter as capital gain with respect to any remaining value.

Additionally, each stockholder's basis in the Lands' End common stock would be equal to its fair market value on the date of the distribution and its holding period in the Lands' End common stock would begin on the date of the distribution. Furthermore, Sears Holdings would recognize a taxable gain if the fair market value of Lands' End common stock exceeds Sears Holdings' tax basis in Lands' End common stock.

Even if the spin-off otherwise qualifies for tax-free treatment under Section 355 of the Code, it may be taxable to Sears Holdings (but not Sears Holdings' stockholders) under Section 355(e) if 50% or more, by vote or value, of shares of Lands' End common stock or Sears Holdings common stock are acquired or issued as part of a plan or series of related transactions that includes the spin-off. For this purpose, any acquisitions or issuances of Sears Holdings common stock within two years before the spin-off, and any acquisitions or issuances of Lands' End common stock or Sears Holdings common stock within two years after the spin-off, generally are presumed to be part of such a plan, although we or Sears Holdings may be able to rebut that presumption. Even if these rules were to apply to cause the spin-off to be taxable to Sears Holdings, it would remain tax-free to the Sears Holdings stockholders.

In connection with the spin-off, we and Sears Holdings will enter into the tax sharing agreement whereby we will agree to be subject to certain restrictions to preserve the tax-free nature of the spin-off. For a description of the tax sharing agreement, see "Certain Relationships and Related Person Transactions—Tax Sharing Agreement."

The preceding summary of the anticipated U.S. federal income tax consequences of the spin-off is for general informational purposes only. Sears Holdings' stockholders should consult their own tax advisors as to the specific tax consequences of the spin-off to them, including the application and effect of state, local or non-U.S. tax laws and of changes in applicable tax laws.

DESCRIPTION OF OUR CAPITAL STOCK

Our certificate of incorporation and bylaws will be amended and restated prior to the spin-off. The following is a summary of the material terms of our capital stock that will be contained in our amended and restated certificate of incorporation and bylaws. The summaries and descriptions below do not purport to be complete statements of the relevant provisions of our amended and restated certificate of incorporation or our amended and restated bylaws to be in effect at the time of the spin-off and are qualified in their entirety by reference to these documents, which you should read (along with the applicable provisions of Delaware law) for complete information on our capital stock as of the time of the spin-off. Our amended and restated certificate of incorporation and bylaws to be in effect at the time of the spin-off will be included as exhibits to our registration statement of which this information statement forms a part.

General

Following the spin-off, our authorized capital stock will consist of 480 million shares of common stock, par value $0.01 per share. Immediately following the spin-off, we expect that approximately 32 million shares of our common stock will be issued and outstanding.

Common Stock

Holders of our common stock will be entitled:

- to cast one vote for each share held of record on all matters submitted to a vote of the stockholders;
- to receive, on a *pro rata* basis, dividends and distributions, if any, that the board of directors may declare out of legally available funds; and
- upon our liquidation, dissolution or winding up, to share equally and ratably in any assets remaining after the payment of all debt and other liabilities.

Any dividends declared on the common stock will not be cumulative.

The holders of our common stock will not have any preemptive, cumulative voting, subscription, conversion, redemption or sinking fund rights. The common stock will not be subject to future calls or assessments by us. After the spin-off, all outstanding shares of our common stock will be fully paid and non-assessable.

Certain Provisions of Delaware Law, Our Certificate of Incorporation and Bylaws

Certificate of Incorporation and Bylaws. Certain provisions in our amended and restated certificate of incorporation and bylaws summarized below may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the shares held by stockholders. These provisions are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and in the policies formulated by the board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control.

Requirements for Advance Notification of Stockholder Nomination and Proposals. Under our amended and restated bylaws, stockholders of record will be able to nominate persons for election to our board of directors or, at annual meetings, bring other business constituting a proper matter for stockholder action only by providing proper notice to our secretary. Proper notice must be generally received not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year (or, in some cases, including in the case of a special meeting, prior to the tenth day following announcement of the meeting), and must include, among other information, the name and address of the stockholder giving the notice, certain information

relating to each person whom such stockholder proposes to nominate for election as a director and a brief description of any business such stockholder proposes to bring before the meeting and the reason for bringing such proposal. Nothing in the amended and restated bylaws will be deemed to affect any rights of stockholders to request inclusion of proposals in our proxy statement pursuant to Rule 14a-8 under the Exchange Act.

Vacancies and Removal of Directors. Under our amended and restated certificate of incorporation, a director may resign or be removed with or without cause, by the affirmative vote of the holders of not less than a majority of the shares of our common stock then outstanding and entitled to vote, without the necessity for concurrence by the directors. Vacancies in our board of directors may be filled only by our board of directors. Any director elected to fill a vacancy will hold office until such director's successor shall have been duly elected by a majority of the stockholders at a meeting called for such purpose.

Special Stockholder Meetings. Under our amended and restated bylaws, special meetings of stockholders may be called at any time by the board of directors acting pursuant to a board resolution or a written instrument signed by a majority of the directors. In addition, under our amended and restated bylaws, special meetings of stockholders may be called upon the written request of one or more record holders of shares of our common stock representing not less than 20%, in the aggregate, of the total number of shares of our outstanding common stock.

Action by Written Consent. Under our amended and restated bylaws, any action required or permitted to be taken at any annual or special meeting of stockholders may be taken by written consent of stockholders representing the minimum number of votes that would be necessary to take such action at a meeting of stockholders.

Exclusive Forum. Our amended and restated bylaws will provide that unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any (i) derivative action or proceeding brought on our behalf, to the fullest extent permitted by law, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws, in each case, as amended from time to time, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be a state or federal court located within the State of Delaware, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the foregoing forum selection provisions. However, the enforceability of similar forum provisions in other companies' certificates of incorporation have been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be unenforceable.

Delaware Takeover Statute

The DGCL contains a business combination statute that protects Delaware corporations from hostile takeovers and from actions following such a takeover, by prohibiting some transactions once an acquiror has gained a significant holding in the corporation. This statute generally prohibits "business combinations," including mergers, sales and leases of assets, issuances of securities and similar transactions by a corporation or a subsidiary with an entity or person who beneficially owns 15% or more of a corporation's voting stock, or an "interested stockholder," within three years after the person or entity becomes an interested stockholder, unless:

- the board of directors of the target corporation has approved, before the acquisition date, either the business combination or the transaction that resulted in the person becoming an interested stockholder;
- upon consummation of the transaction that resulted in the person becoming an interested stockholder, the person owns at least 85% of the corporation's voting stock (excluding for purposes of determining the voting stock outstanding shares owned by directors who are officers and shares owned by employee stock plans in which participants do not have the right to determine confidentially whether shares will be tendered in a tender or exchange offer); or

- after the person or entity becomes an interested stockholder, the business combination is approved by the board of directors and authorized by the vote of the holders of shares representing at least two-thirds of the outstanding voting power not owned by the interested stockholder.

We will opt out of Section 203 of the DGCL, which contains these restrictions on business combinations, in our amended and restated certificate of incorporation that will take effect immediately prior to our spin-off from Sears Holdings.

Indemnification and Limitation of Liability of Directors and Officers

Delaware General Corporate Law

Pursuant to the DGCL, a corporation may indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or serving at the request of such corporation in such capacity for another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of such corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The DGCL also permits indemnification by a corporation under similar circumstances for expenses (including attorneys' fees) actually and reasonably incurred by such persons in connection with the defense or settlement of an action or suit by or in the right of the corporation to procure a judgment in its favor, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to such corporation unless the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

To the extent a present or former director or officer is successful in the defense of such an action, suit or proceeding, the corporation is required by the DGCL to indemnify such person for actual and reasonable expenses incurred thereby. Expenses (including attorneys' fees) incurred by an officer or director of the corporation in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it is ultimately determined that such person is not entitled to be so indemnified. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents of the corporation or by persons serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

The DGCL provides that the indemnification described above shall not be deemed exclusive of other indemnification that may be granted by a corporation pursuant to its bylaws, disinterested directors' vote, stockholders' vote, agreement or otherwise. The DGCL also provides corporations with the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation in a similar capacity for another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability as described above.

Amended and Restated Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation requires us to indemnify and hold harmless any current or former director or officer of Lands' End to the fullest extent permitted by Delaware law. Such indemnification

rights include the right to be paid by us the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition. However, except for proceedings to enforce indemnification or advancement rights, we will indemnify such a director or officer who initiates an action, suit or proceeding (or part thereof) only if such action, suit or proceeding (or part thereof) was authorized by our board of directors.

The amended and restated certificate of incorporation also contains certain procedures and presumptions that will govern any action brought by a person granted advancement or indemnification rights in our certificate of incorporation to enforce those rights. The indemnification and advancement rights conferred by Lands' End are not exclusive of any other right to which persons seeking indemnification or advancement may be entitled under any statute, our certificate of incorporation or bylaws, any agreement, vote of stockholders or disinterested directors or otherwise. Our amended and restated certificate of incorporation also exculpates any director from being personally liable to Lands' End or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption is prohibited by Delaware law.

Transfer Agent and Registrar

After the spin-off, the transfer agent and registrar for our capital stock will be Computershare Trust Company, N.A.

Listing and Market Information

There is currently no established public market for any of our capital stock. We have applied to list our common stock on NASDAQ under the symbol "LE" and expect that "regular-way" trading will begin the first trading day after the completion of the spin-off.

Authorized But Unissued Capital Stock

The DGCL does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of NASDAQ, which would apply so long as our common stock is listed on NASDAQ, require stockholder approval of certain issuances equal to or exceeding 20% of the then-outstanding voting power or then outstanding number of shares of common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved capital stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive the stockholders of opportunities to sell their shares of capital stock at prices higher than prevailing market prices.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the SEC with respect to the shares of our common stock being distributed as contemplated by this information statement. This information statement is a part of, and does not contain all of the information set forth in, the registration statement and the exhibits and schedules to the registration statement. For further information with respect to our company and our common stock, please refer to the registration statement, including its exhibits and schedules. Statements made in this information statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may review a copy of the registration statement, including its exhibits and schedules, at the SEC's public reference room, located at 100 F Street, N.E., Washington, D.C. 20549, by calling the SEC at 1-800-SEC-0330 as well as on the Internet website maintained by the SEC at www.sec.gov. Information contained on any website referenced in this information statement is not incorporated by reference in this information statement.

As a result of the spin-off, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, will file periodic reports, proxy statements and other information with the SEC.

We intend to furnish holders of our common stock with annual reports containing consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

You should rely only on the information contained in this information statement or to which this information statement has referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this information statement.

INDEX TO AUDITED FINANCIAL STATEMENTS

Annual Audited Combined Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Sears Holdings Corporation:

We have audited the accompanying combined balance sheets of the Lands' End Business of Sears Holdings Corporation (the "Company") as of February 1, 2013 and January 27, 2012, and the related combined statements of comprehensive operations, cash flows, and changes in parent company equity for each of the three fiscal years in the period ended February 1, 2013. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

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 audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the financial position of the Company as of February 1, 2013 and January 27, 2012, and the results of its operations and its cash flows for each of the three fiscal years in the period ended February 1, 2013, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 and Note 11, the accompanying combined financial statements have been derived from the consolidated financial statements and accounting records of Sears Holdings Corporation. The combined financial statements also include expense allocations for certain corporate functions historically provided by Sears Holdings Corporation. These allocations may not be reflective of the actual expense which would have been incurred had the Company operated as a separate entity apart from Sears Holdings Corporation.

/s/ DELOITTE & TOUCHE LLP

Davenport, Iowa
December 5, 2013

LANDS' END BUSINESS OF SEARS HOLDINGS CORPORATION
Combined Statements of Comprehensive Operations
for Fiscal Years Ended February 1, 2013, January 27, 2012 and January 28, 2011

(in thousands)	2012	2011	2010
REVENUES			
Merchandise sales and services, net	$1,585,927	$1,725,627	$1,655,574
COSTS AND EXPENSES			
Cost of sales (excluding depreciation and amortization)	881,817	959,611	833,614
Selling and administrative	598,916	621,020	615,462
Depreciation and amortization	23,121	22,686	21,963
Other operating (income) expense, net	70	502	(9,049)
Total costs and expenses	1,503,924	1,603,819	1,461,990
Operating income	82,003	121,808	193,584
Other income, net	67	95	45
Income before income taxes	82,070	121,903	193,629
Income tax expense	32,243	45,669	72,365
NET INCOME	49,827	76,234	121,264
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(1,623)	311	1,099
COMPREHENSIVE INCOME	$ 48,204	$ 76,545	$ 122,363

See accompanying Notes to Combined Financial Statements.

LANDS' END BUSINESS OF SEARS HOLDINGS CORPORATION
Combined Balance Sheets
at February 1, 2013 and January 27, 2012

(in thousands)	February 1, 2013	January 27, 2012
ASSETS		
Current assets		
Cash	$ 28,257	$ 15,614
Restricted cash	3,300	3,382
Accounts receivable, net	27,079	33,146
Inventories, net	378,526	395,621
Prepaid expenses and other current assets	26,020	28,358
Total current assets	463,182	476,121
Property and equipment		
Land, buildings and improvements	103,173	102,911
Furniture, fixtures and equipment	71,400	68,661
Computer hardware and software	63,667	54,211
Leasehold improvements	12,660	12,222
Gross property and equipment	250,900	238,005
Less accumulated depreciation	141,179	122,960
Total property and equipment, net	109,721	115,045
Goodwill	110,000	110,000
Intangible assets, net	533,972	536,602
Other assets	847	1,155
TOTAL ASSETS	$1,217,722	$1,238,923
LIABILITIES AND PARENT COMPANY EQUITY		
Current liabilities		
Accounts payable	$ 106,665	$ 105,805
Deferred tax liabilities	7,315	263
Other current liabilities	79,750	84,060
Total current liabilities	193,730	190,128
Long-term deferred tax liabilities	196,559	201,539
Other liabilities	4,196	3,424
TOTAL LIABILITIES	394,485	395,091
Commitments and contingencies		
Net parent company investment	826,398	845,370
Accumulated other comprehensive loss	(3,161)	(1,538)
Total parent company equity	823,237	843,832
TOTAL LIABILITIES AND PARENT COMPANY EQUITY	$1,217,722	$1,238,923

See accompanying Notes to Combined Financial Statements.

LANDS' END BUSINESS OF SEARS HOLDINGS CORPORATION
Combined Statements of Cash Flows
for Fiscal Years Ended February 1, 2013, January 27, 2012 and January 28, 2011

(in thousands)	2012	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 49,827	$ 76,234	$ 121,264
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	23,121	22,686	21,963
Loss on disposal of property and equipment	70	502	2
Deferred income taxes	3,066	(1,262)	3,479
Change in operating assets and liabilities:			
Inventories	14,672	(72,091)	17,321
Accounts payable	1,443	(11,001)	71
Other operating assets	4,739	(5,088)	(10,782)
Other operating liabilities	(690)	4,530	(10,474)
Net cash provided by operating activities	96,248	14,510	142,844
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of property and equipment	15	—	—
Change in restricted cash	82	106	(135)
Purchases of property and equipment	(14,993)	(15,119)	(18,994)
Net cash used in investing activities	(14,896)	(15,013)	(19,129)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions to parent company, net	(68,799)	(5,313)	(117,314)
Net cash used in financing activities	(68,799)	(5,313)	(117,314)
Effects of exchange rate changes on cash	90	383	(430)
NET INCREASE (DECREASE) IN CASH	12,643	(5,433)	5,971
CASH, BEGINNING OF YEAR	15,614	21,047	15,076
CASH, END OF YEAR	$ 28,257	$ 15,614	$ 21,047
SUPPLEMENTAL INFORMATION:			
Supplemental Cash Flow Data:			
Unpaid liability to acquire property and equipment	$ 1,534	$ 1,121	$ 6,658

See accompanying Notes to Combined Financial Statements.

LANDS' END BUSINESS OF SEARS HOLDINGS CORPORATION
Combined Statements of Changes in Parent Company Equity
for Fiscal Years Ended February 1, 2013, January 27, 2012 and January 28, 2011

(in thousands)	Net Parent Company Investment	Accumulated Other Comprehensive Loss	Total Parent Company Equity
Balance at January 29, 2010	$ 770,499	$ (2,948)	$ 767,551
Net income	121,264	—	121,264
Cumulative translation adjustment, net of tax	—	1,099	1,099
Distributions to parent company, net	(117,314)	—	(117,314)
Balance at January 28, 2011	774,449	(1,849)	772,600
Net income	76,234	—	76,234
Cumulative translation adjustment, net of tax	—	311	311
Distributions to parent company, net	(5,313)	—	(5,313)
Balance at January 27, 2012	845,370	(1,538)	843,832
Net income	49,827	—	49,827
Cumulative translation adjustment, net of tax	—	(1,623)	(1,623)
Distributions to parent company, net	(68,799)	—	(68,799)
Balance at February 1, 2013	$ 826,398	$ (3,161)	$ 823,237

See accompanying Notes to Combined Financial Statements.

LANDS' END BUSINESS OF SEARS HOLDINGS CORPORATION
NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1. BACKGROUND AND BASIS OF PRESENTATION

Description of Business and Separation

The Lands' End business of Sears Holdings Corporation ("Lands' End," "we," "us," "our" or the "Company") is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products. We offer products through catalogs, online at *www.landsend.com* and affiliated specialty and international websites, and through retail locations, primarily at Lands' End Shops at Sears and standalone Lands' End Inlet stores that sell a combination of full-price and liquidation merchandise. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and we seek to deliver timeless style for men, women, kids and the home. Lands' End was founded 50 years ago in Chicago by Gary Comer and his partners to sell sailboat hardware and equipment by catalog. While our product focus has shifted significantly over the years, we have continued to adhere to our founder's motto as one of our guiding principles: "Take care of the customer, take care of the employee and the rest will take care of itself."

Sears Holdings Corporation announced its intention to separate its Lands' End business from the rest of its businesses. Sears Holdings Corporation and its subsidiaries ("Sears Holdings") will transfer all the remaining assets and liabilities of Lands' End that are held at the corporate level to Lands' End, Inc. and its subsidiaries prior to the completion of the distribution (the "Separation").

Basis of Presentation

Our historical Combined Financial Statements have been prepared on a standalone basis and have been derived from the consolidated financial statements of Sears Holdings and accounting records of Sears Holdings. The Combined Financial Statements include Lands' End, Inc. and subsidiaries and certain other items related to the Lands' End business which are currently held by Sears Holdings, primarily the Lands' End Shops at Sears. These items will be contributed by Sears Holdings to Lands' End, Inc. prior to the Separation. These historical Combined Financial Statements reflect our financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States ("GAAP").

The Combined Financial Statements include the allocation of certain assets and liabilities that have historically been held at the Sears Holdings level but which are specifically identifiable or allocable to Lands' End. All intracompany transactions and accounts have been eliminated. All intercompany transactions between Sears Holdings and Lands' End are considered to be effectively settled in the Combined Financial Statements at the time the transactions are recorded. The total net effect of the settlement of these intercompany transactions is reflected in the Combined Statements of Cash Flows as a financing activity and in the Combined Balance Sheets as Net parent company investment.

As business operations of Sears Holdings, we do not maintain our own tax and certain other corporate support functions. We expect to enter into agreements with Sears Holdings for the continuation of certain of these services. These expenses have been allocated to Lands' End based on direct usage or benefit where identifiable, with the remainder allocated on a pro rata basis of revenue, headcount, square footage or other measures. Lands' End considers the expense allocation methodology and results to be reasonable for all periods presented. However, the costs and allocations charged to the Company by Sears Holdings do not necessarily reflect the costs of obtaining the services from unaffiliated third parties or of the Company providing the applicable services itself. The Combined Financial Statements contained herein may not be indicative of the Company's financial position, operating results, and cash flows in the future, or what they would have been if it had been a standalone company during all periods presented. See Note 11—Related Party.

Historically, Sears Holdings has provided financing, cash management and other treasury services to us. Our cash balances are swept by Sears Holdings and, historically, we have received funding from Sears Holdings for

our operating and investing cash needs. Cash and restricted cash held by Sears Holdings were not allocated to Lands' End unless the cash or restricted cash were held by an entity that will be transferred to Lands' End. Sears Holdings' third-party debt, and the related interest expense, has not been allocated to us for any of the periods presented as we were not the legal obligor of the debt and the Sears Holdings borrowings were not directly attributable to our business.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

The Company's fiscal year end is on the Friday preceding the Saturday closest to January 31 each year. Fiscal Year 2012 consisted of 53 weeks while Fiscal Years 2011 and 2010 each consisted of 52 weeks. Unless the context otherwise requires, references to years in this report relate to fiscal years rather than calendar years. The following fiscal periods are presented in this report.

Fiscal Year	Ended	Weeks
2012	February 1, 2013	53
2011	January 27, 2012	52
2010	January 28, 2011	52

Seasonality

The Company's operations have historically been seasonal, with a disproportionate amount of net sales occurring in the fourth fiscal quarter, reflecting increased demand during the year-end holiday selling season. The impact of seasonality on results of operations is more pronounced since the level of certain fixed costs, such as occupancy and overhead expenses, do not vary with sales. The Company's results of operations also may fluctuate based upon such factors as the timing of certain holiday seasons and promotions, the amount of net sales contributed by new and existing stores, the timing and level of markdowns, competitive factors, weather and general economic conditions.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions about future events. The estimates and assumptions 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 reported amounts of revenues and expenses during the reporting period. The Company evaluates estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made when facts and circumstances dictate. As future events and their effects cannot be determined with absolute certainty, actual results may differ from the estimates used in preparing the accompanying Combined Financial Statements. Significant estimates and assumptions are required as part of determining inventory valuation, sales returns and allowances, legal accruals, performing goodwill, intangible and long-lived asset impairment analyses and establishing reserves for tax examination exposures.

Cash

The Company includes deposits in-transit from banks for payments related to third-party credit card and debit card transactions within cash. The Company's domestic cash is transferred to or funded from Sears Holdings on a daily basis. These cash receipts and disbursements adjust Net parent company investment on the Combined Balance Sheets.

The Company classifies cash balances pledged as collateral for an employee benefit trust fund as Restricted cash on the Combined Balance Sheets.

Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts based on both a historical experience and a specific identification basis. Allowances for doubtful accounts on accounts receivable balances were $1.3 million as of February 1, 2013 and January 27, 2012. Accounts receivable balance is presented net of the Company's allowance for doubtful accounts and is comprised of various customer-related accounts receivable.

Changes in the balance of the allowance for doubtful accounts are as follows for the following years:

(in thousands)	2012	2011	2010
Beginning balance	$1,293	$1,456	$1,121
Provision	721	726	946
Write-offs	(698)	(889)	(611)
Ending balance	$1,316	$1,293	$1,456

Inventory

Inventories primarily consist of merchandise purchased for resale. For financial reporting and tax purposes, the Company's U.S. inventory, primarily merchandise held for sale, is stated at last-in, first-out ("LIFO") cost, which is lower than market. The Company accounts for its non-U.S. inventory on the first-in, first-out ("FIFO") method. The U.S. inventory accounted for using the LIFO method was 85% and 81% of total inventory as of February 1, 2013 and January 27, 2012, respectively. If the FIFO method of accounting for inventory had been used, the effect on inventory would have been immaterial as of February 1, 2013 and January 27, 2012. The Company maintains a reserve for excess and obsolete inventory. The reserve is calculated based on historical experience related to liquidation/disposal of identified inventory. The excess and obsolescence reserve balances were $28.0 million and $28.2 million as of February 1, 2013 and January 27, 2012, respectively.

Deferred Catalog Costs and Advertising

Costs incurred for direct response advertising consist primarily of catalog production and mailing costs that are generally amortized within two months from the date catalogs are mailed. Unamortized advertising costs reported as prepaid assets were $18.6 million and $20.1 million as of February 1, 2013 and January 27, 2012, respectively. The Company expenses the costs of advertising for website, magazines, newspaper, radio and other general media when the advertising takes place. Advertising expenses, including catalog costs amortization, website-related costs and other print media were $204.1 million, $223.7 million and $233.1 million for 2012, 2011 and 2010, respectively. These costs are included within Selling and administrative expenses in the accompanying Combined Statements of Comprehensive Operations.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Additions and substantial improvements are capitalized and include expenditures that materially extend the useful lives of existing facilities and equipment. Maintenance and repairs that do not materially improve or extend the lives of the respective assets are expensed as incurred.

Depreciation expense is recorded over the estimated useful lives of the respective assets using the straight-line method. The range of lives are generally 20 to 30 years for buildings and improvements, 10 years for furniture, fixtures and equipment, and three to five years for computer hardware and software. Leasehold improvements are depreciated over the shorter of the associated lease term or the estimated useful life of the asset. Depreciation expense included within Depreciation and amortization expense reported in the accompanying Combined Statements of Comprehensive Operations was $20.5 million, $20.0 million and $19.3 million for 2012, 2011 and 2010, respectively.

Impairment of Long-Lived Assets and Finite-Lived Intangible Assets

Long-lived assets, including property and equipment and finite-lived intangible assets (customer lists) are subject to a review for impairment if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the sum of the expected future undiscounted cash flows generated by an asset or asset group is less than its carrying amount, the Company then determines the fair value of the asset generally by using a discounted cash flow model. When an impairment loss is recognized, the carrying amount of the asset is reduced to its estimated fair value as determined based on quoted market prices or through the use of other valuation techniques. There were no impairments recognized in 2012, 2011 or 2010.

Goodwill and Intangible Asset Impairment Assessments

Goodwill, trade names and other intangible assets are generally tested separately for impairment on an annual basis, or are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The majority of our goodwill and intangible assets relate to Kmart Holding Corporation's acquisition of Sears, Roebuck and Co. ("Sears Roebuck") in March 2005. The calculation for an impairment loss compares the carrying value of the asset to that asset's estimated fair value, which may be based on estimated future discounted cash flows or quoted market prices. We recognize an impairment loss if the asset's carrying value exceeds its estimated fair value.

Frequently our impairment loss calculations contain multiple uncertainties because they require management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting cash flows under different scenarios. As required by accounting standards, we perform annual goodwill and indefinite-lived intangible asset impairment tests on the last day of our November accounting period each year and update the tests between annual tests if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit or indefinite-lived intangible asset below its carrying amount. However, if actual results are not consistent with our estimates and assumptions used in estimating future cash flows and asset fair values, we may be exposed to losses that could be material.

Goodwill impairment assessments. Our goodwill resides in the Direct reporting unit. The goodwill impairment test involves a two-step process. The first step is a comparison of the reporting unit's fair value to its carrying value. We estimate fair value using the best information available, using both a market approach, as well as a discounted cash flow model, commonly referred to as the income approach. The market approach determines a value of the reporting unit by deriving market multiples for the reporting unit based on assumptions potential market participants would use in establishing a bid price for the reporting unit. This approach therefore assumes strategic initiatives will result in improvements in operational performance in the event of purchase, and includes the application of a discount rate based on market participant assumptions with respect to capital structure and access to capital markets. The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions appropriate to our reporting unit. The projection uses management's best estimates of economic and market conditions over the projected period, including growth rates in sales, costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. Our final estimate of the fair value of the reporting unit is developed by weighting the fair values determined through both the market participant and income approaches, where comparable market participant information is available.

If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. Specifically, we allocate the fair value to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that would calculate the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, we record an impairment charge for the difference.

During 2012, 2011, and 2010, the fair value of the reporting unit exceeded the carrying value and, as such, we did not record any goodwill impairment charges.

Indefinite-lived intangible asset impairment assessments. We review our indefinite-lived intangible asset, primarily the Lands' End trade name, for impairment by comparing the carrying amount of each asset to the sum of undiscounted cash flows expected to be generated by the asset. We consider the income approach when testing the intangible asset with indefinite life for impairment on an annual basis. We determined that the income approach, specifically the relief from royalty method, was most appropriate for analyzing our indefinite-lived asset. This method is based on the assumption that, in lieu of ownership, a firm would be willing to pay a royalty in order to exploit the related benefits of this asset class. The relief from royalty method involves two steps: (1) estimation of reasonable royalty rates for the assets and (2) the application of these royalty rates to a net sales stream and discounting the resulting cash flows to determine a value. We multiplied the selected royalty rate by the forecasted net sales stream to calculate the cost savings (relief from royalty payment) associated with the asset. The cash flows are then discounted to present value by the selected discount rate and compared to the carrying value of the asset. We did not record any intangible asset impairment charges in 2012, 2011 or 2010.

Financial Instruments with Off-Balance-Sheet Risk

As of February 1, 2013, the Company had a letter of credit facility (the "LC Facility") with Bank of America ("BofA") pursuant to which BofA may, on a discretionary basis and with no commitment, agree to issue letters of credit upon our request in an aggregate amount not to exceed $5 million for inventory purchases. The terms for the letters of credit issued under the LC Facility are "at site" and are secured by a standby letter of credit, with an expiration date of less than one year, issued by Sears Roebuck Acceptance Corp. ("SRAC"), on our behalf for the benefit of BofA. BofA or Lands' End may terminate the LC Facility at any time. Outstanding letters of credit balances were $5.0 million and $3.8 million as of February 1, 2013, and January 27, 2012, respectively. Upon completion of the Separation, we anticipate that Sears Holdings will terminate its support of the LC Facility and that SRAC will no longer issue letters of credit to secure the LC Facility.

From time to time, at the Company's request, Sears Holdings causes standby letters of credit to be issued for the Company's benefit under Sears Holdings' revolving credit facility. There were $6.4 million and $2.4 million in standby letter of credit issuances as of August 2, 2013 and February 1, 2013, respectively. Upon completion of the Separation, we anticipate that Sears Holdings will no longer cause letters of credit to be issued for our benefit.

The Company participates in the Sears Private Label Letters of Credit program, which provides up to $50.0 million for vendor financing as an alternative to bank-issued letters of credit or standby letters of credit. There were no outstanding balances as of February 1, 2013 or January 27, 2012.

In addition, the Company has a foreign subsidiary credit facility that is supported by a Lands' End, Inc. guarantee, which totals $3.1 million. This credit facility guarantees and allows for the deferred payment of custom duties and fulfills short-term in-country borrowing needs. This credit facility was not in use as of February 1, 2013 and January 27, 2012.

Concentration

Our products are manufactured in approximately 35 countries and substantially all are imported from Asia, South Asia and Central America. Our top 10 vendors account for a significant portion of our merchandise purchases.

Fair Value of Financial Instruments

The Company determines the fair value of financial instruments in accordance with accounting standards pertaining to fair value measurements. Such standards define fair value and establish a framework for measuring

fair value in accordance with GAAP. Under fair value measurement accounting standards, fair value is considered to be the exchange price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. The Company reports the fair value of financial assets and liabilities based on the fair value hierarchy prescribed by accounting standards for fair value measurements, which prioritizes the inputs to valuation techniques used to measure fair value into three levels.

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of accounts receivable. Cash, accounts receivable, accounts payable and other current liabilities are reflected in the Combined Balance Sheets at cost, which approximates fair value due to the short-term nature of these instruments.

Foreign Currency Translations and Transactions

The Company translates the assets and liabilities of foreign subsidiaries from their respective functional currencies to U.S. dollars at the appropriate spot rates as of the balance sheet date. Revenue and expenses of operations are translated to U.S. dollars using weighted average exchange rates during the year. The foreign subsidiaries use the local currency as their functional currency. The effects of foreign currency translation adjustments are included as a component of Accumulated other comprehensive loss in the accompanying Combined Statements of Changes in Parent Company Equity. The Company recognized net foreign exchange transaction losses of $3.7 million and $4.0 million in 2012 and 2010, respectively, in the accompanying Combined Statements of Comprehensive Operations. Net foreign exchange transaction losses in 2011 were not material.

Revenue Recognition

Revenues include sales of merchandise and delivery revenues related to merchandise sold. Revenue is recognized for the direct segment when the merchandise is expected to be delivered to the customer and for the retail segment at the time of sale in the store. Services are comprised primarily of shipping and handling.

Revenues from merchandise sales and services are reported net of estimated returns and allowances and exclude sales taxes. Estimated returns and allowances are recorded as a reduction of sales and cost of sales. The reserve for sales returns and allowances is calculated based on historical experience and future expectations and is included in Other current liabilities on the Combined Balance Sheets.

Reserves for sales returns and allowances consisted of the following for the following years:

(in thousands)	2012	2011	2010
Beginning balance	$ 14,607	$ 16,430	$ 16,562
Provision	231,817	233,069	244,050
Write-offs	(232,900)	(234,892)	(244,182)
Ending balance	$ 13,524	$ 14,607	$ 16,430

The Company sells gift certificates, gift cards and e-certificates (collectively, “gift cards”) to customers through both the Direct and Retail segments. The gift cards do not have expiration dates. Revenue from gift cards are recognized when (i) the gift card is redeemed by the customer for merchandise, or (ii) the likelihood of the gift card being redeemed by the customer is remote (“gift card breakage”) and the Company does not have a legal obligation to remit the value of the unredeemed gift cards to the relevant jurisdictions. Revenue recognized from gift card breakage was not material in 2012, 2011 and 2010.

Cost of Sales

Cost of sales are comprised principally of the costs of merchandise, in-bound freight, duty, warehousing and distribution (including receiving, picking, packing and store delivery costs), customer shipping and handling costs and physical inventory losses. Depreciation and amortization is not included in our cost of sales.

The Company participates in Sears Holdings' Shop Your Way member loyalty program. The expenses for this program are recorded in Cost of sales, as described in Note 11—Related Party.

Selling and Administrative Expenses

Selling and administrative expenses are comprised principally of payroll and benefits costs for direct, retail and corporate employees, advertising, occupancy costs of retail stores and corporate facilities, buying, pre-opening costs and other administrative expenses. Stock-based compensation costs for certain executives participating in stock-based compensation plans administered by Sears Holdings are included in Selling and administrative expenses and are not material for any periods presented.

Expenses related to the Lands' End Shops at Sears were allocated to us by Sears Holdings, as well as Shared services and Co-location and services costs. Selling and administrative expenses included $75.4 million, $80.4 million and $78.6 million in 2012, 2011 and 2010, respectively, of costs allocated to us by Sears Holdings. See Note 11—Related Party.

In September 2012, the Company recognized $2.5 million of restructuring expenses, primarily related to severance, related to an initiative to reduce the corporate cost structure. The liability on the Combined Balance Sheet as of February 1, 2013 was not material.

Income Taxes

Deferred income tax assets and liabilities are based on the estimated future tax effects of differences between the financial and tax basis of assets and liabilities based on currently enacted tax laws. The tax balances and income tax expense recognized are based on management's interpretation of the tax laws of multiple jurisdictions. Income tax expense also reflects best estimates and assumptions regarding, among other things, the level of future taxable income and tax planning. Future changes in tax laws, changes in projected levels of taxable income, tax planning and adoption and implementation of new accounting standards could impact the effective tax rate and tax balances recorded.

For purposes of the Combined Financial Statements, the tax provision represents the tax attributable to these operations as if the Company were required to file a separate tax return. Sears Holdings pays all U.S. federal, state and local taxes attributable to the Lands' End business and the related taxes payable and tax payments are reflected directly in Net parent company investment in the Combined Balance Sheets. Taxes paid for our wholly owned foreign subsidiaries were $5.3 million, $7.7 million and $12.8 million for 2012, 2011 and 2010, respectively.

Lands' End and Sears Holdings will enter into a tax sharing agreement (the "Tax Sharing Agreement") prior to the Separation which will generally govern Sears Holdings' and Lands' End's respective rights, responsibilities and obligations after the Separation with respect to liabilities for U.S. federal, state, local and foreign taxes attributable to the Lands' End business. In addition to the allocation of tax liabilities, the Tax Sharing Agreement will address the preparation and filing of tax returns for such taxes and disputes with taxing authorities regarding such taxes. Generally, Sears Holdings will be liable for all pre-separation U.S. federal, state and local income taxes. Lands' End generally will be liable for all other income taxes attributable to its business, including all foreign taxes.

Tax positions are recognized when they are more likely than not to be sustained upon examination. The amount recognized is measured as the largest amount of benefit that is more likely than not to be realized upon settlement. The Company is subject to periodic audits by the U.S. Internal Revenue Service ("IRS") and other state and local taxing authorities. These audits may challenge certain of the Company's tax positions such as the timing and amount of income and deductions and the allocation of taxable income to various tax jurisdictions. The Company evaluates its tax positions and establishes liabilities in accordance with the applicable accounting guidance on uncertainty in income taxes. These tax uncertainties are reviewed as facts and circumstances change

and are adjusted accordingly. This requires significant management judgment in estimating final outcomes. Interest and penalties are classified as Income tax expense in the Combined Statements of Comprehensive Operations. See Note 3—Income Taxes.

Self-Insurance

The Company has a self-insured plan for health and welfare benefits and provides an accrual to cover the obligation. The accrual for the self-insured liability is based on claims filed and an estimate of claims incurred but not yet reported. The Company considers a number of factors, including historical claims information, when determining the amount of the accrual. Costs related to the administration of the plan and related claims are expensed as incurred. Total expenses were $15.8 million, $18.1 million and $18.2 million for 2012, 2011 and 2010, respectively.

The Company also has a self-insured plan for certain costs related to workers' compensation. The Company obtains third-party insurance coverage to limit exposure to these self-insured risks.

Postretirement Benefit Plan

Effective January 1, 2006, the Company decided to indefinitely suspend eligibility to the postretirement medical plan for future company retirees. In addition, the Company elected to immediately recognize all existing net actuarial losses and prior service costs. All future actuarial gains or losses were recognized in the year they occurred and were not material in 2012, 2011 and 2010. The net liability of the plan was $1.7 million and $1.8 million as of February 1, 2013 and January 27, 2012, respectively, and is recorded in Other liabilities in the Combined Balance Sheets.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) encompasses all changes in equity other than those arising from transactions with stockholders, and is comprised solely of foreign currency translation adjustment and net income.

(in thousands)	2012	2011	2010
Accumulated other comprehensive loss—foreign currency translation adjustments (net of tax of $1,938, $942 and $1,133, respectively)	$(3,161)	$(1,538)	$(1,849)

New Accounting Pronouncements

Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss or a Tax Credit Carryforward Exists

In July 2013, the Financial Accounting Standards Board ("FASB") issued Auditing Standards Update ("ASU") 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss or a Tax Credit Carryforward Exists, which requires an unrecognized tax benefit to be presented as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss or a tax credit carryforward that the entity intends to use and is available for settlement at the reporting date. The update will be effective for the Company in the first quarter of 2014 and is not expected to have a material impact on the Company's combined financial position, results of operations, or cash flows.

Disclosures about Reclassification Adjustments out of Accumulated Other Comprehensive Income

In February 2013, the FASB issued ASU 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income, which requires entities to disclose additional information about reclassification

adjustments, including changes in accumulated other comprehensive income balances by component and significant items reclassified out of accumulated other comprehensive income. The update will be effective in the first quarter of 2013, but is not expected to have a material impact on the Company's combined financial position, results of operations or cash flows.

Testing Indefinite-Lived Intangible Assets for Impairment

In July 2012, the FASB issued ASU No. 2012-02, Intangibles—Goodwill and Other: Testing Indefinite-Lived Intangible Assets for Impairment, which provides, subject to certain conditions, the option to perform a qualitative, rather than quantitative, assessment to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. The update will be effective in the first quarter of 2013 and may, under certain circumstances, reduce the complexity and costs of testing indefinite-lived intangible assets for impairment, but otherwise is not expected to have a material impact on the Company's combined financial position, results of operations or cash flows.

Testing Goodwill for Impairment

In September 2011, the FASB issued ASU No. 2011-08, Intangibles—Goodwill and Other: Testing Goodwill for Impairment, which gives companies testing goodwill for impairment the option of performing a qualitative assessment before calculating the fair value of a reporting unit in step one of the goodwill impairment test. If companies determine, based on qualitative factors, that the fair value of a reporting unit is more likely than not less than the carrying amount, the two-step impairment test would be required. Otherwise, further testing would not be needed. ASU 2011-08 is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, or effective for 2012 for the Company, with early adoption permitted. The update was adopted by the Company in 2012 and did not have a material impact on the combined financial position, results of operations or cash flows of the Company.

Presentation of Comprehensive Income

In June 2011, the FASB issued ASU No. 2011-05, Comprehensive Income: Presentation of Comprehensive Income, which requires entities to report components of other comprehensive income in either (1) a continuous statement of comprehensive income or (2) two separate but consecutive statements of net income and other comprehensive income. This ASU does not change the items that must be reported in other comprehensive income, how these items are measured, or when these items must be classified to net income. ASU 2011-05 is effective for financial statements issued by the Company after January 1, 2012, and must be applied retroactively for all periods presented in the financial statements. The Company adopted the provision of ASU 2011-05 to report components of other comprehensive income in a single continuous statement. The new guidance affected presentation only and therefore had no impact on results of operations, cash flows or financial position.

NOTE 3. INCOME TAXES

The Company's income before income taxes in the United States and in foreign jurisdictions was as follows for the years ended:

(in thousands)	2012	2011	2010
Income before income taxes:			
United States	$65,131	$ 96,872	$160,066
Foreign	16,939	25,031	33,563
Total income before income taxes	$82,070	$121,903	$193,629

The components of the provision for income taxes were as follows for the years ended:

(in thousands)	2012	2011	2010
United States	$27,645	$41,233	$61,044
Foreign	4,598	4,436	11,321
Total provision	$32,243	$45,669	$72,365

(in thousands)	2012	2011	2010
Current:			
Federal	$18,892	$36,397	$52,520
State	5,678	6,049	5,143
Foreign	4,607	4,485	11,223
Total current	29,177	46,931	68,886
Deferred:			
Federal	3,725	(768)	900
State	(650)	(445)	2,481
Foreign	(9)	(49)	98
Total deferred	3,066	(1,262)	3,479
Total provision	$32,243	$45,669	$72,365

A reconciliation of the statutory federal income tax rate to the effective income tax rate is as follows for the years ended:

	2012	2011	2010
Tax at statutory federal tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	4.0	3.0	2.6
Other, net	0.3	(0.5)	(0.2)
Total	39.3%	37.5%	37.4%

Deferred tax assets and liabilities consisted of the following:

(in thousands)	February 1, 2013	January 27, 2012
Deferred tax assets:		
Inventory	$ 5,165	$ 8,089
Reserve for returns	4,750	4,598
Deferred revenue	3,684	3,535
Benefit plans	1,935	1,725
Property and equipment	1,793	—
Insurance reserves	910	1,035
Other	6,971	6,110
Total deferred tax assets	25,208	25,092
Deferred tax liabilities:		
Intangible assets	198,648	200,355
LIFO reserve	18,740	13,005
Unremitted foreign earnings	4,484	4,905
Catalog advertising	4,205	4,498
Property and equipment	—	640
Other	3,005	3,491
Total deferred tax liabilities	229,082	226,894
Net deferred tax liability	203,874	201,802
Less current deferred tax liability	7,315	263
Long-term deferred tax liability	$ 196,559	$ 201,539

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits ("UTB") for the years ended is as follows:

	Federal, State and Foreign Tax		
(in thousands)	2012	2011	2010
Gross UTB balance at beginning of period	$8,209	$7,922	$7,634
Tax positions related to the current period—increases	298	287	288
Tax positions related to the prior periods:			
Settlements	—	—	—
Lapse of statutes of limitations	—	—	—
Gross UTB balance at end of period	$8,507	$8,209	$7,922

At the end of 2012, the Company had gross unrecognized tax benefits of $8.5 million. Of this amount, $5.5 million would, if recognized, impact our effective tax rate, with the remaining amount being comprised of unrecognized tax benefits related to gross temporary differences. The Company does not expect that unrecognized tax benefits will fluctuate in the next 12 months for tax audit settlements and the expiration of the statute of limitations for certain jurisdictions. Pursuant to the Tax Sharing Agreement, Sears Holdings will be responsible for any UTBs through the date of the Separation and, as such, they have been recorded in Net parent company investment on the Combined Balance Sheets.

The Company classifies interest expense and penalties related to unrecognized tax benefits and interest income on tax overpayments as components of income tax expense. As of February 1, 2013, the total amount of interest and penalties recognized on our balance sheet was $4.3 million ($2.8 million net of federal benefit). The total amount of net interest expense recognized in the Combined Statements of Comprehensive Operations was

$0.8 million, $0.7 million and $0.8 million for 2012, 2011 and 2010, respectively. We file income tax returns in both the United States and various foreign jurisdictions. The IRS has completed its examination of the 2008 and 2009 federal income tax returns of Sears Holdings. Sears Holdings is currently working with the IRS Appeals Division to resolve a single issue arising from these exams that is unrelated to the Company. Sears Holdings has resolved all matters arising from prior IRS exams. In addition, the Company is under examination by various state and foreign income tax jurisdictions for the years 2002–2012.

NOTE 4. LEASES

The Company leases stores, office space and warehouses under various leasing arrangements. As of February 1, 2013, the Company leases store space in 276 Sears Holdings store locations (see Note 11—Related Party) and 17 Lands' End Inlet Stores for a total of number of 293 retail stores. All leases are accounted for as operating leases. Operating lease obligations are based upon contractual minimum rents. Certain leases include renewal options.

Total rental expense under operating leases was $34.5 million, $35.5 million and $35.6 million for 2012, 2011 and 2010, respectively.

Total future commitments under these operating leases (primarily leased Lands' End Shops at Sears space at Sears Holdings locations as described in Note 11—Related Party) as of February 1, 2013 are as follows (in thousands):

2013	$31,103
2014	28,728
2015	27,557
2016	26,657
2017	26,075
Thereafter	29,386

NOTE 5. RETIREMENT PLAN

The Company has a 401(k) retirement plan, which covers most regular employees and allows them to make contributions. The Company also provides a matching contribution on a portion of the employee contributions. Total expense provided under this plan was $3.6 million, $3.6 million and $3.5 million for 2012, 2011 and 2010, respectively.

NOTE 6. POSTRETIREMENT BENEFITS

The Company has a plan to provide group medical benefits for eligible retired employees. These insurance benefits will be funded through general assets of the Company. The costs of these insurance benefits are recognized as the eligible employees render service. Effective January 1, 2006, the Company decided to indefinitely suspend eligibility to the postretirement medical plan for future company retirees.

The following table presents the change in the benefit obligation for the years ended:

(in thousands)	2012	2011
Change in benefit obligation:		
Benefit obligation at beginning of year	$1,772	$1,882
Interest cost	70	87
Plan participants' contributions	32	51
Actuarial loss	29	59
Benefits paid	(225)	(307)
Benefit obligation at end of year, net amount recognized	$1,678	$1,772
Change in plan assets at fair value:		
Employer contributions	$ 193	$ 256
Plan participants' contributions	32	51
Benefits paid	(225)	(307)
Plan asset at end of year	$ —	$ —

The current portion of the liability for postretirement obligations is $0.2 million at February 1, 2013, which the Company expects to pay during 2013.

The components of net periodic benefit cost for the years ended:

(in thousands)	2012	2011	2010
Interest cost	$ 70	$ 87	$109
Recognized net actuarial loss	29	59	101
Total postretirement benefit cost	$ 99	$146	$210
Weighted-average assumption at end of year:			
Discount rate	4.2%	5.0%	6.0%

For measurement purposes, an 8.5% annual rate of increase in the per capita cost of covered health care benefits is assumed for 2013 and beyond to an ultimate downward trend rate of 5.0% for 2020 and remain at that level thereafter. An increase or decrease of one percentage point in the assumed health care trend rate would not have a material effect on the Combined Financial Statements.

NOTE 7. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company determines fair value of financial assets and liabilities based on the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs—unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. An active market for the asset or liability is one in which transactions for the asset or liability occur with sufficient frequency and volume to provide ongoing pricing information.

Level 2 inputs—inputs other than quoted market prices included in Level 1 that are observable, either directly or indirectly, for the asset or liability. Level 2 inputs include, but are not limited to, quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted market prices that are observable for the asset or liability, such as interest rate curves and yield curves observable at commonly quoted intervals, volatilities, credit risk and default rates.

Level 3 inputs—unobservable inputs for the asset or liability.

Cash, accounts receivable, accounts payable and other current liabilities are reflected on the Combined Balance Sheets at cost, which approximates fair value due to the short-term nature of these instruments.

The following table provides the fair value measurement amounts for other financial assets and liabilities recorded on the Combined Balance Sheets at fair value:

(in thousands)	February 1, 2013	Level 1	Level 2	Level 3
Restricted cash	$ 3,300	$3,300	$ —	$ —

	January 27, 2012	Level 1	Level 2	Level 3
Restricted cash	$ 3,382	$3,382	$ —	$ —

Restricted cash amounts are valued based upon statements received from financial institutions. There were no nonfinancial assets or nonfinancial liabilities recognized at fair value on a nonrecurring basis as of February 1, 2013 and January 27, 2012.

NOTE 8. GOODWILL AND INTANGIBLE ASSETS

Goodwill is the excess of the purchase price over the fair value of the net assets acquired in business combinations accounted for under the purchase method. The net carrying amounts of goodwill, trade names and customer lists are within the Direct segment of reportable business segments. There were no impairment charges recorded during any periods presented or since the goodwill and intangible assets were first recognized.

The following summarizes goodwill and intangible assets:

		February 1, 2013		January 27, 2012	
(in thousands)	Useful Life	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortizing intangible assets:					
Customer lists	10	$ 26,300	$ 20,628	$ 26,300	$ 17,998
Indefinite-lived intangible assets:					
Trade names		528,300	—	528,300	—
Total intangible assets, net		$554,600	$ 20,628	$554,600	$ 17,998
Goodwill		$110,000		$110,000	

Annual Amortization Expense	
2012	$2,630
2011	2,630
2010	2,630

Estimated Future Amortization Expense	
2013	$2,630
2014	2,630
2015	412

NOTE 9. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following:

(in thousands)	February 1, 2013	January 27, 2012
Prepaid advertising costs	$ 18,641	$ 20,077
Other prepaid expenses	7,379	8,281
Total prepaid expenses and other current assets	$ 26,020	$ 28,358

NOTE 10. OTHER CURRENT LIABILITIES

Other current liabilities consisted of the following:

(in thousands)	February 1, 2013	January 27, 2012
Deferred gift card revenue	$ 25,984	$ 24,292
Accrued employee compensation and benefits	13,406	15,435
Reserve for sales returns and allowances	13,524	14,607
Deferred revenue	14,559	14,042
Other	12,277	15,684
Total other current liabilities	$ 79,750	$ 84,060

NOTE 11. RELATED PARTY

The Company and Sears Holdings or its subsidiaries have entered into various agreements to support the Lands' End Shops at Sears; various general corporate services; and use of intellectual property or services. Unless indicated otherwise, the fees and expenses charged are included in Selling and administrative expenses in the Combined Statements of Comprehensive Operations. The costs and allocations charged to the Company by Sears Holdings do not necessarily reflect the costs of obtaining the services from unaffiliated third parties or of the Company providing the applicable services itself. Management believes such allocations are reasonable; however, the Combined Financial Statements contained herein may not be indicative of the Company's financial position, operating results, and cash flows in the future, or what they would have been if it had been a standalone company during all periods presented.

The components of the transactions between the Company and Sears Holdings are as follows:

Lands' End Shops at Sears

Related party costs charged by Sears Holdings to the Company related to Lands' End Shops at Sears for 2012, 2011 and 2010 are as follows:

(in thousands)	2012	2011	2010
Rent, CAM and occupancy costs	$29,232	$30,100	$30,392
Retail services, store labor	39,399	43,791	42,207
Supply chain costs	2,569	2,764	2,850
Financial services and payment processing	3,261	3,238	3,043
Total expenses	$74,461	$79,893	$78,492
Number of Lands' End Shops at Sears at year end	276	289	292

Rent, CAM and Occupancy Costs

The Company rents space in Sears Holdings store locations. The agreements include a cost per square foot for rent, common area maintenance ("CAM") and occupancy costs. The terms of the current rental agreements are generally five to seven years and expire at various points in time.

Retail Services, Store Labor

The Company contracts with Sears Roebuck to provide hourly labor and required systems and tools to service customers in the Lands' End Shops at Sears. This includes dedicated staff to directly engage with the customer and allocated overhead. The dedicated staff undergoes specific Lands' End brand training. Required tools include point-of-sale, price management and labor scheduling systems.

Supply Chain Costs

The Company contracts with Sears Holdings Management Corporation, a subsidiary of Sears Holdings ("SHMC"), to provide logistics, handling and transportation, third party warehousing, and other services, primarily based upon inventory units processed, to assist in the flow of merchandise from vendors to the Lands' End Shops at Sears locations.

Financial Services and Payment Processing

The Company contracts with SHMC to provide retail financing and payment solutions, primarily based upon customer credit card activity, including third-party payment acceptance, credit cards, and gift cards.

General Corporate Services

Related party costs charged by Sears Holdings to the Company for general corporate services for 2012, 2011 and 2010 are as follows:

(in thousands)	2012	2011	2010
Sourcing	$10,118	$13,298	$9,575
Shop Your Way	4,586	4,181	—
Shared services	819	477	65
Co-location and services	118	—	—
Total expenses	$15,641	$17,956	$9,640

Sourcing

The Company contracts with Sears Holdings Global Sourcing, Ltd., a subsidiary of Sears Holdings, to provide agreed upon buying agency services in foreign territories from where the Company purchases merchandise. These services, primarily based upon inventory levels, include quality-control functions, regulatory compliance, delivery schedule tracking, product claims management and new vendor identification. These amounts are included in Cost of sales in the Combined Statements of Comprehensive Operations.

Shop Your Way

The Company participates in Sears Holdings' Shop Your Way ("SYW") member loyalty program. Customers earn points on purchases which may be redeemed to pay for future purchases. The expense for customer points earned is recognized as customers earn them and is recorded in Cost of sales in the Combined Statements of Comprehensive Operations. Sears Holdings began allocating SYW costs in 2011.

Shared Services

Sears Holdings provides the Company with certain shared corporate services. These shared services include financing services (which includes use of the Private Label Letter of Credit program), treasury services (including tax and risk management), insurance coverage, shipping costs, legal counseling and compliance.

Co-Location and Services

The Company contracts with SHMC to host and support certain redundant information technology hardware, software and operations at the Sears Data Center in Troy, Michigan, for disaster mitigation and recovery efforts. The agreement began in 2012.

Use of Intellectual Property or Services

Related party revenue charged by the Company to Sears Holdings for use of intellectual property or services provided for the years ended is as follows:

(in thousands)	2012	2011	2010
Royalty income	$ 97	$ 276	$ 502
Call center services	1,539	1,362	862
Gift card revenue	1,213	1,063	1,233
Credit card revenue	1,329	1,520	1,278
Total income	$4,178	$4,221	$3,875

Royalty Income

The Company entered into two licensing agreements—one with Sears Canada, Inc. ("Sears Canada") and one with a subsidiary of Sears Holdings—whereby royalties are paid in consideration for sharing or use of intellectual property. The licensing agreement with Sears Canada terminated in 2011. Royalties received under these agreements are included in Merchandise sales and services, net in the Combined Statements of Comprehensive Operations.

Call Center Services

The Company has entered into a contract with SHMC to provide call center services in support of Sears Holdings' SYW program. This income is net of agreed upon costs directly attributable for the Company providing these services. The income is included in Merchandise sales and services, net and costs are included in Selling and administrative expenses in the Combined Statements of Comprehensive Operations.

Gift Card Revenue

The Company has entered into a contract with SHC Promotions LLC, a subsidiary of Sears Holdings ("SHCP"), to provide gift certificates, gift cards and store credits ("Credits") for use by the Company. The Company offers Credits for sale on behalf of SHCP and redeems such Credits via the Company's Internet websites, retail stores, and other retail outlets for merchandise. The Company receives a commission fee on the face value for each card sold. SHCP receives a transaction/redemption fee for each card the Company redeems. The income is included in Merchandise sales and services, net in the Combined Statements of Comprehensive Operations.

Credit Card Revenue

The Company has entered into a contract with SHMC to provide credit cards for customer sales transactions. The Company earns revenue based on the dollar volume of merchandise sales and receives a fee based on the generation of new credit card accounts. This income is included in Merchandise sales and services, net in the Combined Statements of Comprehensive Operations.

NOTE 12. SEGMENT REPORTING

The Company is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products and has two reportable segments: Direct and Retail. Both segments sell similar products—apparel, which includes accessories and footwear, and products for the home. Apparel and home revenues constituted over 99% of total revenues during 2012, 2011 and 2010. The Company identifies reportable segments according to how business activities are managed and evaluated. Each of the Company's operating segments are reportable segments and are strategic business units that offer similar products and services but are sold either directly from our warehouses (Direct) or through our retail stores (Retail). Adjusted Earnings before Interest,

Taxes, Depreciation and Amortization ("Adjusted EBITDA") is the primary measure used to make decisions on allocating resources and assessing performance of each operating segment. Adjusted EBITDA is computed as Income before income taxes appearing on the Combined Statements of Comprehensive Operations, net of interest expense, depreciation and amortization and other significant items which, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of results. Reportable segment assets are those directly used in or clearly allocable to an operating segment's operations. Depreciation, amortization and property and equipment expenditures are recognized in each respective segment. There were no material transactions between reporting segments for 2012, 2011 and 2010, respectively.

- The Direct segment sells products through the Company's e-commerce websites and direct mail catalogs. Operating costs consist primarily of direct marketing costs (catalog and e-commerce advertising costs); order processing and shipping costs; direct labor and benefit costs and facility costs. Assets primarily include goodwill and trade name intangible assets, inventory, accounts receivable, prepaid expenses (deferred catalog costs), technology infrastructure, and property and equipment.
- The Retail segment sells products and services through the Company's standalone Lands' End Inlet stores and dedicated Lands' End Shops at Sears across the United States. Operating costs consist primarily of labor and benefit costs; rent, CAM and occupancy costs; distribution costs and in-store marketing costs. Assets primarily include inventory in the retail stores, fixtures and leasehold improvements.

Corporate overhead and other expenses include unallocated shared-service costs, which primarily consist of employee services and financial services, legal and corporate expenses. These expenses include labor and benefit costs, corporate headquarters occupancy costs and other administrative expenses. Assets include corporate headquarters and facilities, corporate cash and deferred income taxes.

Financial information by segment is presented as follows for the years ended:

	Direct	Retail	Corporate/ Other	Total
2012				
Merchandise sales and services, net	$1,304,009	$281,821	$ 97	$1,585,927
Cost and expenses:				
Cost of sales (excluding depreciation and amortization)	705,992	175,825	—	881,817
Selling and administrative	459,106	111,646	28,164	598,916
Depreciation and amortization	17,173	4,606	1,342	23,121
Other operating expense, net	—	—	70	70
Total costs and expenses	1,182,271	292,077	29,576	1,503,924
Operating income (loss)	121,738	(10,256)	(29,479)	82,003
Other income, net	—	—	67	67
Income (loss) before income taxes	121,738	(10,256)	(29,412)	82,070
Other income, net	—	—	67	67
Depreciation and amortization	17,173	4,606	1,342	23,121
Restructuring costs	2,479	—	—	2,479
Loss on sale of property and equipment	—	—	70	70
Adjusted EBITDA	$ 141,390	$ (5,650)	$ (28,067)	$ 107,673
Total assets	$1,088,351	$ 78,796	$ 50,575	$1,217,722
Capital expenditures	$ 14,657	$ 84	$ 252	$ 14,993

	Direct	Retail	Corporate/ Other	Total
2011				
Merchandise sales and services, net	$1,427,874	$297,477	$ 276	$1,725,627
Cost and expenses:				
Cost of sales (excluding depreciation and amortization)	782,279	177,332	—	959,611
Selling and administrative	474,818	121,857	24,345	621,020
Depreciation and amortization	16,138	5,238	1,310	22,686
Other operating expense, net	—	—	502	502
Total costs and expenses	1,273,235	304,427	26,157	1,603,819
Operating income (loss)	154,639	(6,950)	(25,881)	121,808
Other income, net	—	—	95	95
Income (loss) before income taxes	154,639	(6,950)	(25,786)	121,903
Other income, net	—	—	95	95
Depreciation and amortization	16,138	5,238	1,310	22,686
Loss on sale of property and equipment	—	—	502	502
Adjusted EBITDA	$ 170,777	$ (1,712)	$ (24,069)	$ 144,996
Total assets	$1,117,550	$ 85,318	$ 36,055	$1,238,923
Capital expenditures	$ 13,452	$ 918	$ 749	$ 15,119

	Direct	Retail	Corporate/ Other	Total
2010				
Merchandise sales and services, net	$1,379,240	$275,832	$ 502	$1,655,574
Cost and expenses:				
Cost of sales (excluding depreciation and amortization)	674,920	158,694	—	833,614
Selling and administrative	467,689	123,018	24,755	615,462
Depreciation and amortization	15,599	5,086	1,278	21,963
Other operating income, net	—	—	(9,049)	(9,049)
Total costs and expenses	1,158,208	286,798	16,984	1,461,990
Operating income (loss)	221,032	(10,966)	(16,482)	193,584
Other income, net	—	—	45	45
Income (loss) before income taxes	221,032	(10,966)	(16,437)	193,629
Other income, net	—	—	45	45
Depreciation and amortization	15,599	5,086	1,278	21,963
Gain on litigation settlement	—	—	(9,051)	(9,051)
Loss on disposal of property and equipment	—	—	2	2
Adjusted EBITDA	$ 236,631	$ (5,880)	$ (24,253)	$ 206,498
Total assets	$1,058,141	$ 85,932	$ 42,512	$1,186,585
Capital expenditures	$ 15,497	$ 2,144	$ 1,353	$ 18,994

Merchandise sales and services, net are allocated based upon the location of receipt by the customer. The following presents summarized geographical information:

(in thousands)	2012	2011	2010
Merchandise sales and services, net:(1)			
United States	$ 1,282,803	$ 1,402,189	$ 1,347,513
Europe	199,548	214,590	203,187
Asia	59,731	64,813	62,480
Other foreign	43,845	44,035	42,394
Total merchandise sales and services, net	$ 1,585,927	$ 1,725,627	$ 1,655,574

(in thousands)	2012	2011
Property and equipment, net:(1)		
United States	$ 94,068	$ 99,693
Europe	14,732	14,813
Asia	921	539
Total property and equipment, net	$109,721	$115,045

(1) No one country is greater than 10% of total merchandise sales and services, net or of total property and equipment, net except the United Kingdom, which had total property and equipment, net of $13,751 as of February 1, 2013 and $14,026 as of January 27, 2012.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is involved in various claims, legal proceedings and investigations, including those described below. While it is not feasible to predict the outcome of such pending claims, proceedings and investigations with certainty, management is of the opinion that their ultimate resolution should not have a material adverse effect on our financial position, cash flows, or results of operations, except where noted below.

The Company is party to various legal proceedings arising in the ordinary course of business. These actions include commercial, intellectual property, employment, regulatory, and product liability claims. Some of these actions involve complex factual and legal issues and are subject to uncertainties. There are no material legal proceedings presently pending, except for routine litigation incidental to the business to which the Company is a party or of which any of its property is the subject, and the matters described below. The Company believes that the outcome of any current legal proceeding would not have a material adverse effect on results of operations, cash flows, or financial position taken as a whole.

Beginning in 2005, the Company initiated the first of several claims in Iowa County Circuit Court against the City of Dodgeville to recover overpaid taxes resulting from the city's excessive assessment of the Company's headquarters campus. As of December 5, 2013, the courts reviewing these claims have ordered the city to return, and the city has refunded, over $3.2 million in excessive taxes and interest to the Company, including approximately $1.6 million for the case involving the 2005 and 2006 tax years that was recognized in 2009, and a partial recovery of approximately $1.6 million for the consolidated cases, involving the 2007, 2009 and 2010 tax years, recognized in 2013 and for which the Company has appealed seeking the remainder of our claim of $1.2 million plus additional interest. In September 2013, the Wisconsin Court of Appeals awarded the Company $725,000 in tax reimbursement plus an as-yet uncalculated amount of interest on the Company's claim relating to the 2008 tax year, which the City of Dodgeville has not yet paid and has appealed. Excluding the claim relating to the 2005 and 2006 tax years for which all appeals have been exhausted, the Company believes its outstanding claims covering the still-disputed tax years from 2007 through 2012 may yield a potential aggregate recovery from the City of Dodgeville of up to $4.6 million, none of which has been recorded in the Combined Financial Statements.

The Company was a party involved in litigation that resulted in a favorable settlement of $10.6 million, reduced by $1.5 million for legal fees and expenses, relating to a breach of contract and trade secret matter. The gain was recorded during 2010 in Other operating (income) expense, net in the Combined Statements of Comprehensive Operations.

Tax Contingencies

While the Company believes all taxes have been paid or accrued based on correct interpretations of applicable law, tax laws are complex and interpretations differ from state to state. It is possible that taxing authorities may make additional assessments in the future. In addition to taxes, penalties and interest, these assessments could cause the Company to incur legal fees associated with resolving disputes with taxing authorities.

Lands' End and Sears Holdings will enter into a Tax Sharing Agreement prior to the Separation which will generally govern Sears Holdings' and Lands' End's respective rights, responsibilities and obligations after the Separation with respect to liabilities for U.S. federal, state, local and foreign taxes attributable to the Lands' End business. In addition to the allocation of tax liabilities, the Tax Sharing Agreement will address the preparation and filing of tax returns for such taxes and disputes with taxing authorities regarding such taxes. Generally, Sears Holdings will be liable for all pre-separation U.S. federal, state and local taxes, other than non-income taxes that are accrued and unpaid as of the distribution date. Lands' End generally will be liable for all other taxes attributable to its business, including all foreign taxes.

Pledged Assets

Sears Holdings' domestic credit facility and senior secured notes are (1) secured, in part, by a first lien on certain of the Company's assets consisting primarily of the inventory and credit card receivables directly or indirectly owned by the Company and one of its subsidiaries; and (2) guaranteed by the Company and such subsidiary. The asset balances were $297.5 million and $298.4 million as of February 1, 2013 and January 27, 2012, respectively. The Company expects that this lien and these guarantee obligations will be released prior to the completion of the Separation.

NOTE 14. SUBSEQUENT EVENTS

Lands' End evaluated subsequent events for recognition or disclosure through December 5, 2013, the date the Combined Financial Statements were available to be issued. In May 2013, the Company received payments of $1.6 million from the City of Dodgeville relating to overpaid property taxes. See Note 13—Commitments and Contingencies for additional detail.

INDEX TO UNAUDITED FINANCIAL STATEMENTS

Unaudited Interim Condensed Combined Financial Statements

LANDS' END BUSINESS OF SEARS HOLDINGS CORPORATION
Condensed Combined Statements of Comprehensive Operations
for 39 Weeks Ended November 1, 2013 and October 26, 2012
(unaudited)

(in thousands)	39 Weeks Ended November 1, 2013	39 Weeks Ended October 26, 2012
REVENUES		
Merchandise sales and services, net	$ 1,032,447	$ 1,040,421
COSTS AND EXPENSES		
Cost of sales (excluding depreciation and amortization)	553,735	553,222
Selling and administrative	408,782	430,812
Depreciation and amortization	16,253	16,618
Other operating expense, net	59	65
Total costs and expenses	978,829	1,000,717
Operating income	53,618	39,704
Other income, net	33	66
Income before income taxes	53,651	39,770
Income tax expense	20,747	15,679
NET INCOME	32,904	24,091
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustment	104	(16)
COMPREHENSIVE INCOME	$ 33,008	$ 24,075

See accompanying Notes to Condensed Combined Financial Statements.

LANDS' END BUSINESS OF SEARS HOLDINGS CORPORATION
Condensed Combined Balance Sheets
at November 1, 2013, October 26, 2012 and February 1, 2013
(unaudited)

(in thousands)	November 1, 2013	October 26, 2012	February 1, 2013	Pro forma (unaudited) November 1, 2013
ASSETS				
Current assets				
Cash	$ 16,331	$ 11,358	$ 28,257	$ 16,331
Restricted cash	3,300	3,303	3,300	3,300
Accounts receivable, net	38,648	41,331	27,079	38,648
Inventories, net	463,957	503,463	378,526	463,957
Prepaid expenses and other current assets	37,602	36,247	26,020	37,602
Total current assets	559,838	595,702	463,182	559,838
Property and equipment				
Land, buildings and improvements	103,462	103,328	103,173	103,462
Furniture, fixtures and equipment	73,473	70,465	71,400	73,473
Computer hardware and software	62,579	59,319	63,667	62,579
Leasehold improvements	12,509	12,461	12,660	12,509
Gross property and equipment	252,023	245,573	250,900	252,023
Less accumulated depreciation	152,861	136,915	141,179	152,861
Total property and equipment, net	99,162	108,658	109,721	99,162
Goodwill	110,000	110,000	110,000	110,000
Intangible assets, net	531,999	534,629	533,972	531,999
Other assets	617	946	847	15,617
TOTAL ASSETS	$1,301,616	$1,349,935	$1,217,722	$1,316,616
LIABILITIES AND PARENT COMPANY EQUITY				
Current liabilities				
Accounts payable	$ 139,393	$ 149,826	$ 106,665	$ 139,393
Deferred tax liabilities	7,954	5,401	7,315	7,954
Other current liabilities	97,086	85,822	79,750	97,086
Total current liabilities	244,433	241,049	193,730	244,433
Long-term debt	—	—	—	515,000
Long-term deferred tax liabilities	194,966	199,953	196,559	194,966
Other liabilities	3,233	3,307	4,196	3,233
TOTAL LIABILITIES	442,632	444,309	394,485	957,632
Commitments and contingencies				
Net parent company investment	862,041	907,180	826,398	362,041
Accumulated other comprehensive loss	(3,057)	(1,554)	(3,161)	(3,057)
Total parent company equity	858,984	905,626	823,237	358,984
TOTAL LIABILITIES AND PARENT COMPANY EQUITY	$1,301,616	$1,349,935	$1,217,722	$1,316,616

See accompanying Notes to Condensed Combined Financial Statements.

LANDS' END BUSINESS OF SEARS HOLDINGS CORPORATION
Condensed Combined Statements of Cash Flows
for 39 Weeks Ended November 1, 2013 and October 26, 2012
(unaudited)

(in thousands)	39 Weeks Ended November 1, 2013	39 Weeks Ended October 26, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 32,904	$ 24,091
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	16,253	16,618
Loss on disposal of property and equipment	59	65
Deferred income taxes	3,407	(1,577)
Change in operating assets and liabilities:		
Inventories	(84,982)	(107,385)
Accounts payable	30,010	58,492
Other operating assets	(22,991)	(18,052)
Other operating liabilities	14,394	(5,191)
Net cash used in operating activities	(10,946)	(32,939)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of property and equipment	9	—
Change in restricted cash	—	79
Purchases of property and equipment	(3,629)	(8,894)
Net cash used in investing activities	(3,620)	(8,815)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from parent company, net	2,739	37,719
Net cash provided by financing activities	2,739	37,719
Effects of exchange rate changes on cash	(99)	(221)
NET DECREASE IN CASH	(11,926)	(4,256)
CASH, BEGINNING OF PERIOD	28,257	15,614
CASH, END OF PERIOD	$ 16,331	$ 11,358
SUPPLEMENTAL INFORMATION:		
Supplemental Cash Flow Data:		
Unpaid liability to acquire property and equipment	$ 1,584	$ 252

See accompanying Notes to Condensed Combined Financial Statements.

LANDS' END BUSINESS OF SEARS HOLDINGS CORPORATION
Condensed Combined Statements of Changes in Parent Company Equity
for 39 Weeks Ended November 1, 2013 and October 26, 2012
(unaudited)

(in thousands)	Net Parent Company Investment	Accumulated Other Comprehensive Loss	Total Parent Company Equity
Balance at January 27, 2012	$845,370	$ (1,538)	$ 843,832
Net income	24,091	—	24,091
Cumulative translation adjustment, net of tax	—	(16)	(16)
Contributions to parent company, net	37,719	—	37,719
Balance at October 26, 2012	$907,180	$ (1,554)	$ 905,626
Balance at February 1, 2013	$826,398	$ (3,161)	$ 823,237
Net income	32,904	—	32,904
Cumulative translation adjustment, net of tax	—	104	104
Contributions to parent company, net	2,739	—	2,739
Balance at November 1, 2013	$862,041	$ (3,057)	$ 858,984

See accompanying Notes to Condensed Combined Financial Statements.

LANDS' END BUSINESS OF SEARS HOLDINGS CORPORATION
NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS

NOTE 1. BACKGROUND AND BASIS OF PRESENTATION

Background

The Lands' End business of Sears Holdings Corporation ("Lands' End," "we," "us," "our" or the "Company") is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products. We offer products through catalogs, online at *www.landsend.com* and affiliated specialty and international websites, and through retail locations, primarily at Lands' End Shops at Sears and standalone Lands' End Inlet stores that sell a combination of full-price and liquidation merchandise. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and we seek to deliver timeless style for men, women, kids and the home. Lands' End was founded 50 years ago in Chicago by Gary Comer and his partners to sell sailboat hardware and equipment by catalog. While our product focus has shifted significantly over the years, we have continued to adhere to our founder's motto as one of our guiding principles: "Take care of the customer, take care of the employee and the rest will take care of itself."

Sears Holdings Corporation announced its intention to separate its Lands' End business from the rest of its businesses. Sears Holdings Corporation and its subsidiaries ("Sears Holdings") will transfer all the remaining assets and liabilities of Lands' End that are held at the corporate level to Lands' End, Inc. and its subsidiaries prior to the completion of the distribution (the "Separation").

Basis of Presentation

The financial data presented herein is unaudited and should be read in conjunction with the Combined Financial Statements and accompanying notes as of February 1, 2013 and January 27, 2012 and for the three Fiscal Years ended February 1, 2013, January 27, 2012 and January 28, 2011 included elsewhere in this information statement. In the opinion of management, the financial data presented includes all adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented. Results for interim periods should not be considered indicative of results for the full year. Our business is seasonal in nature, and we generate a high proportion of our revenues and operating cash flows during the fourth quarter of our fiscal year, which includes the holiday season.

Our historical Condensed Combined Financial Statements have been prepared on a standalone basis and have been derived from the consolidated financial statements of Sears Holdings and accounting records of Sears Holdings. The Condensed Combined Financial Statements include Lands' End, Inc. and subsidiaries and certain other items related to the Lands' End business which are currently held by Sears Holdings, primarily the Lands' End Shops at Sears. These items will be contributed by Sears Holdings to Lands' End, Inc. prior to the Separation. These historical Condensed Combined Financial Statements reflect our financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States ("GAAP").

The Condensed Combined Financial Statements include the allocation of certain assets and liabilities that have historically been held at the Sears Holdings level but which are specifically identifiable or allocable to Lands' End. All intracompany transactions and accounts have been eliminated. All intercompany transactions between Sears Holdings and Lands' End are considered to be effectively settled in the Condensed Combined Financial Statements at the time the transactions are recorded. The total net effect of the settlement of these intercompany transactions is reflected in the Condensed Combined Statements of Cash Flows as a financing activity and in the Condensed Combined Balance Sheets as Net parent company investment.

As business operations of Sears Holdings, we do not maintain our own tax and certain other corporate support functions. We expect to enter into agreements with Sears Holdings for the continuation of certain of these services. These expenses have been allocated to Lands' End based on direct usage or benefit where identifiable, with the remainder allocated on a pro rata basis of revenue, headcount, square footage or other

measures. Lands' End considers the expense allocation methodology and results to be reasonable for all periods presented. However, the costs and allocations charged to the Company by Sears Holdings do not necessarily reflect the costs of obtaining the services from unaffiliated third parties or of the Company providing the applicable services itself. The condensed combined interim financial information contained herein may not be indicative of the Company's financial position, operating results and cash flows in the future, or what they would have been if it had been a standalone company during all periods presented. See Note 5—Related Party.

Historically, Sears Holdings has provided financing, cash management and other treasury services to us. Our cash balances are swept by Sears Holdings and historically, we have received funding from Sears Holdings for our operating and investing cash needs. Cash and restricted cash held by Sears Holdings were not allocated to Lands' End unless the cash or restricted cash were held by an entity that will be transferred to Lands' End. Sears Holdings' third-party debt and the related interest expense has not been allocated to us for any of the periods presented as we were not the legal obligor of the debt and the Sears Holdings borrowings were not directly attributable to our business.

The accompanying unaudited pro forma condensed combined balance sheet as of November 1, 2013, is presented to give effect to a dividend to a subsidiary of Sears Holdings totaling $500.0 million. Additionally, the unaudited pro forma balance sheet also reflects pro forma incremental borrowing as of November 1, 2013 of $515.0 million, pursuant to our expected senior secured term loan facility in order to fund the anticipated subsequent distribution and to pay fees and expenses associated with the Facilities of $15.0 million.

NOTE 2. INCOME TAXES

Lands' End and Sears Holdings will enter into a tax sharing agreement (the "Tax Sharing Agreement") prior to the Separation which will generally govern Sears Holdings' and Lands' End's respective rights, responsibilities and obligations after the Separation with respect to liabilities for U.S. federal, state, local and foreign taxes attributable to the Lands' End business. In addition to the allocation of tax liabilities, the Tax Sharing Agreement will address the preparation and filing of tax returns for such taxes and disputes with taxing authorities regarding such taxes. Generally, Sears Holdings will be liable for all pre-separation U.S. federal, state and local income taxes. Lands' End generally will be liable for all other income taxes attributable to its business, including all foreign taxes.

As of November 1, 2013, the Company had gross unrecognized tax benefits ("UTBs") of $8.6 million. Of this amount, $5.6 million would, if recognized, impact the effective tax rate with the remaining amount being comprised of unrecognized tax benefits related to gross temporary differences. The Company does not expect that UTBs will fluctuate in the next 12 months for tax audit settlements and the expiration of the statutes of limitations for certain jurisdictions. Pursuant to the Tax Sharing Agreement, Sears Holdings will generally be responsible for UTBs through the date of the Separation and, as such, they have been classified in Net parent company investment on the Condensed Combined Balance Sheets.

The Company classifies interest expense and penalties related to UTBs and interest income on tax overpayments as components of income tax expense. As of November 1, 2013, the total amount of interest and penalties recognized on the Condensed Combined Balance Sheet was $4.6 million ($3.0 million net of federal benefit). The total amount of net interest expense recognized in the Condensed Combined Statements of Comprehensive Operations was $0.2 million and $0.3 million for the 39 weeks ended November 1, 2013 and October 26, 2012, respectively. The Company files income tax returns in both the United States and various foreign jurisdictions. The IRS has completed its examination of the 2008 and 2009 federal income tax returns of Sears Holdings. Sears Holdings is currently working with the U.S. Internal Revenue Service ("IRS") Appeals Division to resolve a single issue arising from these exams that is unrelated to the Company. Sears Holdings has resolved all matters arising from prior IRS exams. In addition, the Company is under examination by various state and foreign income tax jurisdictions for the years 2002-2012.

NOTE 3. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company determines fair value of financial assets and liabilities based on the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs—unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. An active market for the asset or liability is one in which transactions for the asset or liability occurs with sufficient frequency and volume to provide ongoing pricing information.

Level 2 inputs—inputs other than quoted market prices included in Level 1 that are observable, either directly or indirectly, for the asset or liability. Level 2 inputs include, but are not limited to, quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted market prices that are observable for the asset or liability, such as interest rate curves and yield curves observable at commonly quoted intervals, volatilities, credit risk and default rates.

Level 3 inputs—unobservable inputs for the asset or liability.

Cash, accounts receivable, accounts payable and other current liabilities are reflected on the Condensed Combined Balance Sheets at cost, which approximates fair value due to the short-term nature of these instruments.

The following table provides the fair value measurement amounts for other financial assets and liabilities recorded on the Condensed Combined Balance Sheets at fair value.

(in thousands)	**November 1, 2013**	**Level 1**	**Level 2**	**Level 3**
Restricted cash	$ 3,300	$3,300	$ —	$ —
	October 26, 2012	**Level 1**	**Level 2**	**Level 3**
Restricted cash	$ 3,303	$3,303	$ —	$ —
	February 1, 2013	**Level 1**	**Level 2**	**Level 3**
Restricted cash	$ 3,300	$3,300	$ —	$ —

Restricted cash amounts are valued based upon statements received from financial institutions. There were no nonfinancial assets or nonfinancial liabilities recognized at fair value on a nonrecurring basis as of November 1, 2013, October 26, 2012 or February 1, 2013.

NOTE 4. GOODWILL AND INTANGIBLE ASSETS

Goodwill is the excess of the purchase price over the fair value of the net assets acquired in business combinations accounted for under the purchase method. The net carrying amount of goodwill, trade names and customer lists are within the Direct segment of reportable business segments. Total amortization expense relating to intangible assets was $2.0 million for both the 39 weeks ended November 1, 2013 and October 26, 2012. There were no impairments of goodwill or intangible assets during these periods.

The following summarizes goodwill and intangible assets:

(in thousands)	Useful Life	November 1, 2013 Gross Carrying Amount	November 1, 2013 Accumulated Amortization	October 26, 2012 Gross Carrying Amount	October 26, 2012 Accumulated Amortization	February 1, 2013 Gross Carrying Amount	February 1, 2013 Accumulated Amortization
Amortizing intangible assets:							
Customer lists	10	$ 26,300	$ 22,601	$ 26,300	$ 19,971	$ 26,300	$ 20,628
Indefinite-lived intangible assets:							
Trade names		528,300	—	528,300	—	528,300	—
Total intangible assets, net		$554,600	$ 22,601	$554,600	$ 19,971	$554,600	$ 20,628
Goodwill		$110,000		$110,000		$110,000	

Estimated Future Amortization Expense	
2013	$ 658
2014	2,630
2015	411

NOTE 5. RELATED PARTY

The Company and Sears Holdings or its subsidiaries have entered into various agreements to support the Lands' End Shops at Sears; various general corporate services; and use of intellectual property or services. Unless indicated otherwise, the fees and expenses charged are included in selling and administrative expenses in the Condensed Combined Statements of Comprehensive Operations. These allocations may not be indicative of the actual expenses we would have incurred as a standalone company or of the costs we will incur in the future.

The components of the transactions between the Company and Sears Holdings are as follows:

Lands' End Shops at Sears

Related party costs charged by Sears Holdings to the Company related to Lands' End Shops at Sears are as follows:

	39 Weeks Ended	
(in thousands)	November 1, 2013	October 26, 2012
Rent, CAM and occupancy costs	$ 21,017	$ 22,224
Retail services, store labor	25,225	29,228
Supply chain costs	1,619	1,894
Financial services and payment processing	2,220	2,171
Total expenses	$ 50,081	$ 55,517
Number of Lands' End Shops at Sears at period end	275	279

Rent, CAM and Occupancy Costs

The Company rents space in Sears Holdings store locations. The agreements include a cost per square foot for rent, common area maintenance ("CAM") and occupancy costs.

Retail Services, Store Labor

The Company contracts with Sears, Roebuck and Co. to provide hourly labor and required systems and tools to service customers in the Lands' End Shops at Sears. This includes dedicated staff to directly engage with the

customer and allocated overhead. The dedicated staff undergoes specific Lands' End brand training. Required tools include point-of-sale, price management and labor scheduling systems.

Supply Chain Costs

The Company contracts with Sears Holdings Management Corporation, a subsidiary of Sears Holdings ("SHMC"), to provide logistics, handling, transportation and other services, primarily based upon inventory units processed, to assist in the flow of merchandise from vendors to the Lands' End Shops at Sears locations. Prior to 2013, the Company also contracted with SHMC to provide third-party warehousing.

Financial Services and Payment Processing

The Company contracts with SHMC to provide retail financing and payment solutions. These costs were allocated to the Company primarily based upon customer credit card activity, including third-party payment acceptance, credit cards and gift cards.

General Corporate Services

Related party costs charged by Sears Holdings to the Company for general corporate services are as follows:

	39 Weeks Ended	
(in thousands)	**November 1, 2013**	**October 26, 2012**
Sourcing	$ 7,725	$ 7,853
Shop Your Way	5,127	3,130
Shared services	294	601
Co-location and services	19	112
Total expenses, net	$ 13,165	$ 11,696

Sourcing

The Company contracts with Sears Holdings Global Sourcing, Ltd., a subsidiary of Sears Holdings, to provide agreed upon buying agency services in foreign territories from where the Company purchases merchandise. These services, allocated to the Company primarily based upon inventory levels, include quality-control functions, regulatory compliance, delivery schedule tracking, product claims management and new vendor identification. These amounts are included in Cost of sales in the Condensed Combined Statements of Comprehensive Operations.

Shop Your Way

The Company participates in Sears Holdings' Shop Your Way ("SYW") member loyalty program. Customers earn points on purchases which may be redeemed to pay for future purchases. The expense for customer points earned is recognized as customers earn them and is recorded in Cost of sales in the Condensed Combined Statements of Comprehensive Operations.

Shared Services

Sears Holdings provides the Company with certain shared corporate services. These shared services include financing services (which includes use of the Private Label Letter of Credit program), treasury services (including tax and risk management), insurance coverage, shipping costs, legal counseling and compliance.

Co-Location and Services

The Company contracts with SHMC to host and support certain redundant information technology hardware, software and operations for disaster mitigation and recovery efforts at the Sears Data Center in Troy, Michigan.

Use of Intellectual Property or Services

Related party revenue charged by the Company to Sears Holdings for the use of intellectual property or services is as follows:

(in thousands)	39 Weeks Ended	
	November 1, 2013	October 26, 2012
Royalty income	$ 77	$ 80
Call center services	890	900
Gift card revenue	772	582
Credit card revenue	863	826
Total income	$ 2,602	$ 2,388

Royalty Income

The Company entered into a licensing agreement with a subsidiary of Sears Holdings whereby royalties are paid in consideration for sharing or use of intellectual property. Royalties received under this agreement are included in Merchandise sales and services, net in the Condensed Combined Statements of Comprehensive Operations.

Call Center Services

The Company has entered into a contract with SHMC to provide call center services in support of Sears Holdings' SYW program. This income is net of agreed upon costs directly attributable for the Company providing these services. The income is included in Merchandise sales and services, net and costs are included in Selling and administrative expenses in the Condensed Combined Statements of Comprehensive Operations.

Gift Card Revenue

The Company has entered into a contract with SHC Promotions LLC, a subsidiary of Sears Holdings ("SHCP"), to provide gift certificates, gift cards and store credits ("Credits") for use by the Company. The Company offers Credits for sale on behalf of SHCP and redeems such Credits via the Company's Internet websites, retail stores and other retail outlets for merchandise. The Company receives a commission fee on the face value for each card sold. SHCP receives a transaction/redemption fee for each card the Company redeems. The income is included in Merchandise sales and services, net in the Condensed Combined Statements of Comprehensive Operations.

Credit Card Revenue

The Company has entered into a contract with SHMC to provide credit cards for customer sales transactions. The Company earns revenue based on the dollar volume of merchandise sales and receives a fee based on the generation of new credit card accounts. This income is included in Merchandise sales and services, net in the Condensed Combined Statements of Comprehensive Operations.

NOTE 6. SEGMENT REPORTING

The Company is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products, and has two reportable segments: Direct and Retail. Both segments sell similar products—apparel, which includes accessories and footwear, and products for the home. Apparel and home revenues constituted over 99% of total revenues during each of the 39 weeks ended November 1, 2013 and October 26, 2012. The Company identifies reportable segments according to how business activities are managed

and evaluated. Each of the Company's operating segments are reportable segments and are strategic business units that offer similar products and services but are sold either directly from our warehouses (Direct) or through our retail stores (Retail). Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is the primary measure used to make decisions on allocating resources and assessing performance of each operating segment. Adjusted EBITDA is computed as Income before taxes appearing on the Condensed Combined Statements of Comprehensive Operations net of interest expense, depreciation and amortization and other significant items which, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of results. Reportable segment assets are those directly used in or clearly allocable to an operating segment's operations. Depreciation, amortization, and property and equipment expenditures are recognized in each respective segment. There were no material transactions between reporting segments for the 39 weeks ended November 1, 2013 and October 26, 2012.

- The Direct segment sells products through the Company's e-commerce websites and direct mail catalogs. Operating costs consist primarily of direct marketing costs (catalog and e-commerce advertising costs); order processing and shipping costs; direct labor and benefit costs and facility costs. Assets primarily include goodwill and trade name intangible assets, inventory, accounts receivable, prepaid expenses (deferred catalog costs), technology infrastructure, and property and equipment.
- The Retail segment sells products and services through the Company's standalone Lands' End Inlet stores and dedicated Lands' End Shops at Sears across the United States. Operating costs consist primarily of labor and benefit costs; rent, CAM and occupancy costs; distribution costs; and in-store marketing costs. Assets primarily include inventory in the retail stores, fixtures and leasehold improvements.

The Corporate overhead and other expenses include unallocated shared-service costs, which primarily consist of employee services and financial services, legal and corporate expenses. These expenses include labor and benefit costs, corporate headquarters occupancy costs and other administrative expenses. Assets include corporate headquarters and facilities, corporate cash and deferred income taxes. Financial information by segment is presented in the following tables for the 39 weeks ended November 1, 2013 and October 26, 2012.

SUMMARY OF SEGMENT DATA

(in thousands)	Direct	Retail	Corporate/ Other	Total
39 Weeks Ended November 1, 2013				
Merchandise sales and services, net	$ 860,774	$171,596	$ 77	$1,032,447
Costs and expenses:				
Cost of sales (excluding depreciation and amortization)	455,794	97,941	—	553,735
Selling and administrative	316,882	75,476	16,424	408,782
Depreciation and amortization	12,590	2,655	1,008	16,253
Other operating expense, net	—	—	59	59
Total costs and expenses	785,266	176,072	17,491	978,829
Operating income (loss)	75,508	(4,476)	(17,414)	53,618
Other income, net	—	—	33	33
Income (loss) before income taxes	75,508	(4,476)	(17,381)	53,651
Other income, net	—	—	33	33
Depreciation and amortization	12,590	2,655	1,008	16,253
Loss on sale of property and equipment	—	—	59	59
Adjusted EBITDA	$ 88,098	$ (1,821)	$ (16,347)	$ 69,930
Total assets	$1,176,621	$ 90,149	$ 34,846	$1,301,616
Capital expenditures	$ 3,356	$ —	$ 273	$ 3,629

(in thousands)	Direct	Retail	Corporate/ Other	Total
39 Weeks Ended October 26, 2012				
Merchandise sales and services, net	$ 852,063	$188,278	$ 80	$1,040,421
Costs and expenses:				
Cost of sales (excluding depreciation and amortization)	445,716	107,506	—	553,222
Selling and administrative	325,422	83,032	22,358	430,812
Depreciation and amortization	12,023	3,591	1,004	16,618
Other operating expense, net	—	—	65	65
Total costs and expenses	783,161	194,129	23,427	1,000,717
Operating income (loss)	68,902	(5,851)	(23,347)	39,704
Other income, net	—	—	66	66
Income (loss) before income taxes	68,902	(5,851)	(23,281)	39,770
Other income, net	—	—	66	66
Depreciation and amortization	12,023	3,591	1,004	16,618
Restructuring costs	1,951	—	—	1,951
Loss on sale of property and equipment	—	—	65	65
Adjusted EBITDA	$ 82,876	$ (2,260)	$ (22,278)	$ 58,338
Total assets	$1,215,895	$103,242	$ 30,798	$1,349,935
Capital expenditures	$ 8,710	$ 84	$ 100	$ 8,894

NOTE 7. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is party to various legal proceedings arising in the ordinary course of business. These actions include commercial, intellectual property, employment, regulatory and product liability claims. Some of these actions involve complex factual and legal issues and are subject to uncertainties. There are no material legal proceedings presently pending, except for routine litigation incidental to the business to which the Company is a party or of which any of its property is the subject, and the matters described below. The Company does not believe that the outcome of any current legal proceeding would have a material adverse effect on results of operations, cash flows or financial position taken as a whole.

Beginning in 2005, the Company initiated the first of several claims in Iowa County Circuit Court against the City of Dodgeville to recover overpaid taxes resulting from the city's excessive assessment of the Company's headquarters campus. As of January 10, 2014, the courts reviewing these claims have ordered the city to return, and the city has refunded, over $3.2 million in excessive taxes and interest to the Company, including approximately $1.6 million for the case involving the 2005 and 2006 tax years that was recognized in 2009, and a partial recovery of approximately $1.6 million for the consolidated cases, involving the 2007, 2009 and 2010 tax years, recognized in 2013 within Selling and administrative costs in the Condensed Combined Statement of Comprehensive Operations and for which the Company has appealed seeking the remainder of our claim of $1.2 million plus additional interest. In September 2013, the Wisconsin Court of Appeals awarded the Company $725,000 in tax reimbursement plus an as-yet uncalculated amount of interest on the Company's claim relating to the 2008 tax year, which the City of Dodgeville has not yet paid and has appealed. Excluding the claim relating to the 2005 and 2006 tax years for which all appeals have been exhausted, the Company believes its outstanding claims covering the still-disputed tax years from 2007 through 2012 may yield a potential aggregate recovery from the City of Dodgeville of up to $4.6 million, none of which has been recorded in the Condensed Combined Financial Statements.

Tax Contingencies

While the Company believes all taxes have been paid or accrued based on correct interpretations of applicable law, tax laws are complex and interpretations differ from state to state. It is possible that taxing authorities may make additional assessments in the future. In addition to taxes, penalties and interest, these assessments could cause the Company to incur legal fees associated with resolving disputes with taxing authorities.

Lands' End and Sears Holdings will enter into a Tax Sharing Agreement prior to the Separation which will generally govern Sears Holdings' and Lands' End's respective rights, responsibilities and obligations after the Separation with respect to liabilities for U.S. federal, state, local and foreign taxes attributable to the Lands' End business. In addition to the allocation of tax liabilities, the Tax Sharing Agreement will address the preparation and filing of tax returns for such taxes and disputes with taxing authorities regarding such taxes. Generally, Sears Holdings will be liable for all pre-separation U.S. federal, state and local taxes, other than non-income taxes that are accrued and unpaid as of the distribution date. Lands' End generally will be liable for all other taxes attributable to its business, including all foreign taxes.

Pledged Assets

Sears Holdings' domestic credit facility and senior secured notes are (1) secured, in part, by a first lien on certain of the Company's assets consisting primarily of the inventory and credit card receivables directly or indirectly owned by the Company and one of its subsidiaries; and (2) guaranteed by the Company and such subsidiary. The asset balances were $391.6 million, $297.5 million and $416.5 million as of November 1, 2013, February 1, 2013 and October 26, 2012, respectively. The Company expects that this lien and these guarantee obligations will be released prior to the completion of the Separation.

NOTE 8. SUPPLEMENTAL FINANCIAL INFORMATION

Prepaid expenses and other current assets consisted of the following at the periods ended:

(in thousands)	November 1, 2013	October 26, 2012	February 1, 2013
Prepaid advertising costs	$ 25,299	$ 22,568	$ 18,641
Other prepaid expenses	12,303	13,679	7,379
Total prepaid expenses and other current assets	$ 37,602	$ 36,247	$ 26,020

Other current liabilities consisted of the following at the periods ended:

(in thousands)	November 1, 2013	October 26, 2012	February 1, 2013
Deferred gift card revenue	$ 25,983	$ 24,560	$ 25,984
Accrued employee compensation and benefits	15,233	13,129	13,406
Reserve for sales returns and allowances	16,463	10,379	13,524
Deferred revenue	24,030	20,223	14,559
Accrued property, sales and other taxes	3,911	1,430	2,909
Other	11,466	16,101	9,368
Total other current liabilities	$ 97,086	$ 85,822	$ 79,750

Comprehensive income—no amounts were reclassified out of Accumulated other comprehensive loss during any of the periods presented.

In the third quarter of 2012, the Company incurred approximately $2.0 million of restructuring costs related to the reduction of call center staff and streamlining overall business operations. These actions were taken to address consumer needs and the continued growth in digital commerce in the Company's Direct segment and were completed in the fourth quarter of 2012 with the overall cost being approximately $2.5 million. These costs were primarily severance and related costs recognized in Selling and administrative expense in the Condensed Combined Statement of Comprehensive Operations. Approximately $1.6 million of remaining payments were included in Accounts payable in the Condensed Combined Balance Sheet as of October 26, 2012. There were no remaining payments in the Condensed Combined Balance Sheet as of November 1, 2013.

NOTE 9. NEW ACCOUNTING PRONOUNCEMENTS

Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss or a Tax Credit Carryforward Exists

In July 2013, the Financial Accounting Standards Board ("FASB") issued Auditing Standards Update ("ASU") 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss or a Tax Credit Carryforward Exists, which requires an unrecognized tax benefit to be presented as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss or a tax credit carryforward that the entity intends to use and is available for settlement at the reporting date. The update will be effective for the Company in the first quarter of 2014 and is not expected to have a material impact on the Company's combined financial position, results of operations or cash flows.

Disclosures about Reclassification Adjustments out of Accumulated Other Comprehensive Income

In February 2013, the FASB issued ASU 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income, which requires entities to disclose additional information about reclassification adjustments, including changes in accumulated other comprehensive income balances by component and significant items reclassified out of accumulated other comprehensive income. The update was effective in the first quarter of 2013 and did not have a material impact on the Company's combined financial position, results of operations or cash flows.

Testing Indefinite-Lived Intangible Assets for Impairment

In July 2012, the FASB issued ASU No. 2012-02, Intangibles—Goodwill and Other: Testing Indefinite-Lived Intangible Assets for Impairment, which provides, subject to certain conditions, the option to perform a qualitative, rather than quantitative, assessment to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. The update was effective in the first quarter of 2013 and may, under certain circumstances, reduce the complexity and costs of testing indefinite-lived intangible assets for impairment, but otherwise did not have a material impact on the Company's combined financial position, results of operations or cash flows.

NOTE 10. SUBSEQUENT EVENTS

Lands' End evaluated subsequent events for recognition or disclosure through January 10, 2014, the date the Condensed Combined Financial Statements were available to be issued.

Exhibit 99.2

NEWS MEDIA CONTACT:
Sears Holdings Public Relations
(847) 286-8371

FOR IMMEDIATE RELEASE:
April 4, 2014

Sears Holdings Corporation Completes Separation of its Lands' End Business

Receives $500 Million in Gross Proceeds

HOFFMAN ESTATES, Ill. — Sears Holdings Corporation (NASDAQ: SHLD) today announced that its pro-rata spin-off of Lands' End, Inc. ("Lands' End") from Sears Holdings closed on April 4, 2014. Lands' End has now been separated from Sears Holdings and its common stock is expected to begin regular-way trading on the Nasdaq Capital Market under the symbol "LE" on April 7, 2014. Sears Holdings will continue to be listed on the Nasdaq Global Select Market under the symbol "SHLD." Sears Holdings received aggregate gross proceeds from the spin-off of $500 million, consisting of a cash dividend paid by Lands' End prior to the spin-off to a subsidiary of Sears Holdings.

In the spin-off, Sears Holdings distributed a total of approximately 32 million shares of Lands' End common stock to the holders of Sears Holdings common stock as of 5:30 p.m. Eastern time on March 24, 2014, the record date. Each share of Sears Holdings common stock outstanding as of the record date entitles the holder thereof to receive 0.300795 shares of Lands' End common stock, except that holders of Sears Holdings' restricted stock that was unvested as of the record date will receive cash awards in lieu of shares. Fractional shares of Lands' End common stock will not be distributed. Instead, fractional shares that Sears Holdings stockholders would otherwise have been entitled to receive after application of the foregoing ratio will be aggregated and sold in the public market by the distribution agent and the aggregate cash proceeds of these sales, net of brokerage fees and other expenses, will be distributed pro rata to those stockholders who would otherwise have been entitled to receive fractional shares.

In addition, as part of the spin-off, Lands' End entered into an asset-based senior secured revolving credit facility, which provides for maximum borrowings of approximately $175 million with a letter of credit sub-limit, and a senior secured term loan facility of approximately $515 million. The proceeds of the term loan facility were used to pay the $500 million dividend to the Sears Holdings subsidiary and to pay fees and expenses associated with the foregoing facilities of approximately $10 million, with the remaining proceeds to be used by Lands' End for general corporate purposes.

The shares of common stock of Lands' End were distributed by the distribution agent for the spin-off by way of direct registration in book-entry form. No physical share certificates were issued.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy shares of Lands' End common stock, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state.

About Sears Holdings Corporation

Sears Holdings Corporation (NASDAQ: SHLD) is a leading integrated retailer with more than 2,400 full-line and specialty retail stores in the United States and Canada and the home of Shop Your Way®, a social shopping experience where members have the ability to earn points and receive benefits across a wide variety of physical and digital formats through shopyourway.com and mobile apps. Sears Holdings is the leading home appliance retailer as well as a leader in tools, lawn and garden, fitness equipment and automotive repair and maintenance. Key proprietary brands include Kenmore®, Craftsman® and DieHard®, with a broad apparel offering, including such well-known labels as Lands' End®, the Kardashian Kollection®, Jaclyn Smith® and Joe Boxer®, as well as Sofia by Sofia Vergara and The Country Living Home Collection. We are the nation's largest provider of home services, with more than 14 million service and installation calls made annually, and have a long-established commitment to those who serve in the military through initiatives like the Heroes at Home® program. We have been named the 2011 Mobile Retailer of the Year, Recipient of the 2014 Energy Star® "Partner of the Year—Sustained Excellence Award" for Product Retailing and Energy Management and one of the Top 20 Best Places to Work for Recent Grads. Sears Holdings Corporation operates through its subsidiaries, including Sears, Roebuck and Co. and Kmart Corporation. For more information, visit Sears Holdings' website at www.searsholdings.com. Twitter: @searsholdings | Facebook: http://www.facebook.com/SHCCareers.