

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

**FORM 10-K**

- Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**  
For the fiscal year ended January 27, 2023  
**-OR-**
- Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**  
For the transition period from to \_\_\_\_\_ to \_\_\_\_\_.  
Commission File Number: 001-09769

**Lands' End, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**1 Lands' End Lane**  
**Dodgeville, Wisconsin**  
(Address of Principal Executive Offices)

**36-2512786**  
(I.R.S. Employer  
Identification No.)

**53595**  
(Zip Code)

**(608) 935-9341**

(Registrant's Telephone Number, Including Area Code)

**Securities registered under Section 12(b) of the Exchange Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	LE	The Nasdaq Stock Market LLC

**Securities registered under Section 12(g) of the Exchange Act: None**

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. YES  NO

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES  NO

The aggregate market value (based on the closing price of the registrant's common stock quoted on the Nasdaq Stock Market) of the registrant's common stock owned by non-affiliates, as of July 29, 2022, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$195.6 million.

As of April 5, 2023, the registrant had 32,484,443 shares of common stock, \$0.01 par value, outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Proxy Statement relating to the registrant's 2023 Annual Meeting of Stockholders (the "Proxy Statement"), to be held on June 13, 2023, are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

Auditor Firm Id:	243	Auditor Name:	BDO USA, LLP	Auditor Location:	Madison, WI, United States
Auditor Firm Id:	34	Auditor Name:	Deloitte & Touche LLP	Auditor Location:	Chicago, IL, United States

LANDS' END, INC.  
INDEX TO ANNUAL REPORT ON FORM 10-K

Table of Contents

	<b>Page</b>
<b><u>PART I</u></b>	
Item 1. <a href="#"><u>Business</u></a>	2
Item 1A. <a href="#"><u>Risk Factors</u></a>	12
Item 1B. <a href="#"><u>Unresolved Staff Comments</u></a>	24
Item 2. <a href="#"><u>Properties</u></a>	25
Item 3. <a href="#"><u>Legal Proceedings</u></a>	25
Item 4. <a href="#"><u>Mine Safety Disclosures</u></a>	25
<b><u>PART II</u></b>	
Item 5. <a href="#"><u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u></a>	26
Item 6. <a href="#"><u>[Reserved]</u></a>	27
Item 7. <a href="#"><u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u></a>	28
Item 7A. <a href="#"><u>Quantitative and Qualitative Disclosures About Market Risk</u></a>	40
Item 8. <a href="#"><u>Financial Statements and Supplementary Data</u></a>	41
Item 9. <a href="#"><u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u></a>	76
Item 9A. <a href="#"><u>Controls and Procedures</u></a>	76
Item 9B. <a href="#"><u>Other Information</u></a>	78
Item 9C. <a href="#"><u>Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</u></a>	78
<b><u>PART III</u></b>	
Item 10. <a href="#"><u>Directors, Executive Officers and Corporate Governance</u></a>	79
Item 11. <a href="#"><u>Executive Compensation</u></a>	80
Item 12. <a href="#"><u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u></a>	81
Item 13. <a href="#"><u>Certain Relationships and Related Transactions, and Director Independence</u></a>	82
Item 14. <a href="#"><u>Principal Accounting Fees and Services</u></a>	83
<b><u>PART IV</u></b>	
Item 15. <a href="#"><u>Exhibit and Financial Statement Schedules</u></a>	84
Item 16. <a href="#"><u>Form 10-K Summary</u></a>	88
<a href="#"><u>Signatures</u></a>	89

## PART I

### ITEM 1. BUSINESS

As used in this Annual Report on Form 10-K, references to the “Company”, “Lands’ End”, “we”, “us”, “our” and similar terms refer to Lands’ End, Inc. and its subsidiaries. Our fiscal year ends on the Friday preceding the Saturday closest to January 31. Other terms commonly used in this Annual Report on Form 10-K are defined as follows:

- *ABL Facility* – Asset-based senior secured credit agreements, providing for a revolving facility, dated as of November 16, 2017, with Wells Fargo, N.A. and certain other lenders, as amended to date
- *Adjusted EBITDA* – Net income/(loss) appearing on the Consolidated Statements of Operations net of Income tax expense/(benefit), Interest expense, Depreciation and amortization and certain significant items
- *Company Operated stores* – Lands’ End retail stores in the Retail distribution channel
- *COVID* – Coronavirus disease 2019 (COVID-19) caused by severe respiratory syndrome coronavirus 2 (SARS-CoV-2)
- *Debt Facilities* – Collectively, the Term Loan Facility and ABL Facility
- *First Quarter 2020* – The 13 weeks ended May 1, 2020
- *Fiscal 2023* – The Company’s next fiscal year representing the 53 weeks ending February 2, 2024
- *Fiscal 2022* – The 52 weeks ended January 27, 2023
- *Fiscal 2021* – The 52 weeks ended January 28, 2022
- *Fiscal 2020* – The 52 weeks ended January 29, 2021
- *SEC* – United States Securities and Exchange Commission
- *Term Loan Facility* – Term loan credit agreement, dated as of September 9, 2020, among the Company, Fortress Credit Corp., as Administrative Agent and Collateral Agent, and the lenders party thereto

Lands’ End is a leading digital retailer of casual clothing, swimwear, outerwear, accessories, footwear and home products. Operating out of America’s heartland, we believe our vision and values make a strong connection with our core customers. We offer products online at [www.landsend.com](http://www.landsend.com), through our own Company Operated stores and through third-party distribution channels. We are a classic American lifestyle brand with a passion for quality, legendary service and real value. We seek to deliver timeless style for women, men, kids and the home.

Lands’ End was founded in 1963 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 have one external reportable segment and identify our operating segments according to how our business activities are managed and evaluated. During Fiscal 2022, our operating segments consisted of: U.S. eCommerce, Europe eCommerce, Japan eCommerce (See Note 8, *Lands’ End Japan Closure*), Outfitters, Third Party and Retail. We have determined that each of our operating segments share similar economic and other qualitative characteristics, and therefore, the results of our operating segments are aggregated into one external reportable segment.

## Distribution Channels

Lands' End identifies five separate distribution channels for revenue reporting purposes:

- *U.S. eCommerce* offers products through our eCommerce website.
- *International* offers products primarily to consumers located in Europe and Japan through eCommerce international websites and third-party affiliates. See Note 8, *Lands' End Japan Closure*.
- *Outfitters* sells uniform and logo apparel to businesses and their employees, as well as to student households through school relationships, located primarily in the U.S.
- *Third Party* sells the same products as U.S. eCommerce direct to consumers through third-party marketplace websites and through domestic wholesale customers.
- *Retail* sells products through Company Operated stores.

In Fiscal 2022, we generated Net revenue of approximately \$1.56 billion. Net revenue was generated worldwide with operations based in the United States, United Kingdom, Germany and Japan. This network reinforces and supports sales across the distribution channels in which we do business. Net revenue is presented by distribution channel in the following table:

<i>(in thousands)</i>	<b>Fiscal 2022</b>	<b>% of Net Revenue</b>	<b>Fiscal 2021</b>	<b>% of Net Revenue</b>	<b>Fiscal 2020</b>	<b>% of Net Revenue</b>
U.S. eCommerce	\$ 955,752	61.4%	\$ 1,027,138	62.8%	\$ 961,911	67.4%
International	166,627	10.7%	220,997	13.5%	222,878	15.6%
Outfitters	265,898	17.1%	254,191	15.5%	174,260	12.2%
Third Party	118,996	7.7%	86,517	5.3%	39,945	2.8%
Retail	48,156	3.1%	47,781	2.9%	28,454	2.0%
Total Net revenue	<u>\$ 1,555,429</u>		<u>\$ 1,636,624</u>		<u>\$ 1,427,448</u>	

In Fiscal 2022, we fulfilled orders to customers in approximately 140 countries outside the United States, totaling approximately 12% of Net revenue.

Net revenue by the geographical location where the product is shipped is as follows:

<i>(in thousands)</i>	<b>Fiscal 2022</b>	<b>% of Net Revenue</b>	<b>Fiscal 2021</b>	<b>% of Net Revenue</b>	<b>Fiscal 2020</b>	<b>% of Net Revenue</b>
United States	\$ 1,368,518	88.0%	\$ 1,393,402	85.1%	\$ 1,191,346	83.4%
Europe	135,878	8.7%	179,302	11.0%	175,011	12.3%
Asia	33,451	2.2%	44,383	2.7%	49,725	3.5%
Other	17,582	1.1%	19,537	1.2%	11,366	0.8%
Total Net revenue	<u>\$ 1,555,429</u>		<u>\$ 1,636,624</u>		<u>\$ 1,427,448</u>	

Long-lived assets by geographical location, which includes Property and equipment, net, are as follows:

<i>(in thousands)</i>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>
United States	\$ 120,311	\$ 121,259	\$ 136,038
Europe	7,051	7,879	8,267
Asia	276	653	983
Total long-lived assets	<u>\$ 127,638</u>	<u>\$ 129,791</u>	<u>\$ 145,288</u>

## Strategy

We continue to leverage our iconic American brand, which was founded on the principles of delivering great quality, uncompromising service and exceptional value to our customers. We are a vertically integrated digital retailer

that manages most aspects of our design, marketing and distribution in-house. In Fiscal 2023, we plan to focus on the following five strategic pillars:

**Product to Solve Life's Issues.** High-quality products will remain the Company's engine, and we will continue to strengthen the organization's focus on key categories, such as swimwear and outerwear, where we have established our authority and believe we have value creation opportunities.

**Digitally Native.** Lands' End maintains a leading digital presence in both our business-to-consumer and business-to-business digital markets. These offerings, digital gateways to our global eCommerce consumer businesses and Outfitters business-to-business, are central to our future, as they are scaled, scalable and profitable. Through enhanced use of data and analytics, we plan to build on these digital platforms to drive deeper customer affinity and grow our share of the addressable market.

**Customer Obsessed.** At Lands' End, we are customer obsessed and strive to bring our customer what they want, when they want it and where they want it, regardless of the product category or means they use to shop our brand. Additionally, we are focused on further penetrating our existing customer base and seek to build their loyalty through cross-category shopping, as well as introducing new customers to our brand. We plan to shift our focus and market to the behavior of our customer cohorts, versus more traditional demographic approaches, and use our understanding of our customer cohorts to grow our customer database, drive loyalty and further build our brand.

**Innovation.** Lands' End has long been an innovator, epitomized as being an early adopter of eCommerce for apparel retail, through its embrace of data analytics to better organize our business and service our customers. We strive to be innovative throughout our business to drive stronger results. We are focused on advancing our technologies, challenging ourselves to think and operate differently, embracing change, testing and learning, and applying our learnings to best serve evolving customer needs.

**Stakeholder Responsibility.** Lands' End is committed to serving all of our stakeholders – our hard working and dedicated employees, the supportive communities in which we operate, our shareholders, and our customers. Our goal is to drive deep and meaningful engagement with all stakeholders to achieve our collective goals.

## History

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 and Co., a wholly-owned subsidiary of Sears Holdings Corporation and its consolidated subsidiaries ("Sears Holdings"). On April 4, 2014, Sears Holdings distributed 100 percent of the outstanding common stock of Lands' End to its stockholders ("Separation"), and our common stock was listed on the Nasdaq Stock Market.

## Competition

We operate primarily in the apparel industry which is highly competitive. We compete with a diverse group of direct-to-consumer companies and retailers, including national department store chains, women's and men'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), product attributes and innovation, our established customer file and award-winning customer service.

## Seasonality

We experience seasonal fluctuations in our net revenue and operating results and historically have realized a significant portion of our yearly net revenue and earnings during our fourth fiscal quarter. We generated 34.0%, 33.9% and 37.7% of our yearly net revenue in the fourth quarter of Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

Lower than expected fourth quarter net revenue could have an adverse impact on our annual operating results. See also Item 1A, *Risk Factors*, in this Annual Report on Form 10-K.

Working capital requirements typically increase during the second and third quarters of the fiscal year as inventory builds to support peak selling periods and, accordingly, working capital requirements typically decrease during the fourth quarter of the fiscal year as inventory is sold. Cash provided by operating activities is typically higher in the fourth quarter of the fiscal year due to reduced working capital requirements during that period.

### **Intellectual Property**

Lands' End owns or has rights to use certain word and design 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 are used both in the United States and internationally and are material to our business. Trademarks that we commonly use to identify and distinguish our products and services are Lands' End Lighthouse®, Squall®, Tugless Tank®, Drifter™, Outrigger®, Marinac®, and Beach Living®, all of which are owned by us, as well as the licensed marks Supima®, No-Gape®, and others. Other recognized trademarks owned by Lands' End includes Starfish™, Little Black Suit™, Iron Knees®, Hyde Park®, Year'Rounder®, ClassMate®, Willis & Geiger® and ThermaCheck®. Lands' End's rights to some of these trademarks are limited to select markets.

### **Product Design and Merchandising**

We seek to develop new, innovative products for our customers by utilizing modern fabrics and quality construction to create timeless, affordable styles with excellent fit. We also seek to present our products in an engaging and inspiring way. We believe that our typical customers expect quality, seek good value for their money and are looking to add classics to their wardrobe while also placing an emphasis on products that support their lifestyle. From a design and merchandising perspective, we believe that we have experienced success adding relevant items into our product assortment, many of which have become customer favorites. We devote significant time and resources to quality assurance, fit testing 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. Our product strategy includes three major themes: own the vacation; own the weather; and own the fit. These, along with our overall message on versatility, fit, comfort and great value, have resonated well with our customers.

### **Inventory Planning**

Inventory Planning seeks to determine optimal inventory levels that align with merchandising and marketing plans and initiatives. The team also supports efforts to optimize product margin through active management of in-season promotions and post-season clearance activities. In addition, Inventory Planning partners with our Global Sourcing team through long range planning efforts designed to better manage supply chain costs.

Consistent with our merchandising strategy, we make inventory investments intended to support the growth of key products. In addition, we strive to improve assortment efficiency to increase seasonal sell through. We continue to leverage technology solutions to assist us in these strategic initiatives.

### **Sourcing and Vendors**

Our products are produced globally by independent manufacturers who are selected, monitored and coordinated primarily by our Global Sourcing team based in Wisconsin and Hong Kong. In Fiscal 2022, the top five countries where our vendors are located accounted for approximately 70% of our merchandise purchases in dollars. Our products are manufactured in approximately 20 countries and the majority are imported from Asia and South America, depending on the nature of the product mix.

In Fiscal 2022, our top 10 vendors accounted for approximately 47% of our merchandise purchases in dollars and we worked with approximately 110 vendors that manufactured substantially all our products. 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. Significant areas of non-product spend include transportation, information systems, marketing, packaging and catalog paper and print. For most of our products, we assume ownership at the port of the vendor's manufacturing facility. We use third-party shipping companies to transport the product to our facilities. Our reliance on imported products has certain risks related to disruptions in countries of manufacture, port congestion, transportation delays and heightened security measures that have affected, and could in the future affect, timely deliveries of product to our points of distribution.

It is important to us that our partners share the same core values as we do. Therefore, we require that all vendors comply with applicable legal requirements, agree to our global compliance requirements and meet our product quality standards. Our vendors are required to provide us with 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. See also Item 1A, *Risk Factors*, in this Annual Report on Form 10-K.

### **Corporate Citizenship**

Lands' End is working towards improving its sustainable footprint through key practices like waste reduction, purchasing recycled consumables and corporate partnerships. Lands' End hopes to inspire customers and other corporations to increase sustainability awareness and initiatives.

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 and distribution centers. For example, we are reducing our use of office paper products and plastics, we recycle aluminum cans and glass and work with partners to reuse electronic equipment before recycling, as well as disposal of non-recyclables with an on-campus composting site. We also focus on efficient water and energy management programs.

Lands' End has formed strategic relationships to support habitats and watersheds throughout the United States and in our local area of Wisconsin. The Natural Forest Foundation and Lands' End have made an impact in the last ten years, planting over 1.5 million trees in national forests. Since 2010, Lands' End has been a founding and corporate partner of the Clean Lakes Alliance, which helps with education and protecting and improving the quality of local parks and lakes in Wisconsin.

### **Marketing**

We believe that our most important asset is our brand. Lands' End is well-recognized and has a deeply rooted tradition of excellent quality, value and service. Lands' End is an iconic American brand with a large and loyal customer base. Operating out of Wisconsin, in the heartland of the United States, we believe our vision and values make a strong connection with our core customer as evidenced by the long-term growth of our new and active customer files.

We also invest significantly in brand development through our focus on providing excellent customer service, emphasis on digital transformation and innovative product development. We believe that this commitment to our brand has helped to generate our large and loyal customer base for sixty years. We are also seeking to enhance our branding initiatives by investing in strategic relationships with other brands, public personalities and online influencers designed to showcase our brand.

We attempt to build on our brand recognition through multi-channel marketing campaigns including through our eCommerce website, [www.landsend.com](http://www.landsend.com), catalog distribution, digital marketing and social media. Creative designs for these marketing platforms are developed in-house by our creative team with supplemental work by external agencies on a project basis. We strive to be efficient in our overall spend, enabling us to invest in initiatives that we

believe will yield benefits over the longer term. We believe we will generate near-term return on investment with most of our marketing spend allocated to digital marketing and our catalog. The catalog continues to be a productive vehicle to drive customers to our websites and Company Operated stores.

## **Customer Service**

We are committed to building on Lands' End's legacy of strong customer service. We believe we have a strong track record of improving the customer service experience through innovation. Lands' End is focused on using our extensive customer data to make the shopping experience as effortless and personalized as possible, regardless of whether our customers shop online or in one of our Company Operated stores. Our operations include customer service agents who are available on the phone, via chat, email or social media, and an ever-evolving digital self-service platform as well as through Company Operated store locations. These all 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.

We have received many accolades over the years and most recently Lands' End was included in the Newsweek list of America's Best Customer Service in 2022, 2021 and 2020, ranking No. 2 for 2022 and No.1 for 2021 for best customer service in the Online Retailers: Clothing in the Apparel category.

## **Distribution**

We own and operate three distribution centers in Wisconsin. Our Dodgeville facility is approximately 1.3 million square feet, our Reedsburg facility is approximately 550,000 square feet and our Stevens Point facility is approximately 150,000 square feet. Our customer orders are shipped via third-party carriers.

We own and operate a distribution center in the United Kingdom based in Oakham, a community north of London. Our Oakham facility opened in 1998 and is approximately 185,000 square feet.

### ***Information Technology***

Our information technology systems provide comprehensive support for the design, merchandising, sourcing, marketing, distribution and sales of our Lands' End products. 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 leverages leading hardware, software and cloud-based technology firms to provide the infrastructure necessary to run and operate our systems. Our core software applications are a combination of internally developed and third-party systems. The eCommerce solutions powering [www.landsend.com](http://www.landsend.com), the 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 and industry-leading cloud providers.

We are in the process of implementing new information technology systems as part of a multi-year plan to expand and upgrade our platforms and infrastructure. We intend to build off these core systems to drive future improvements in our operations including efficiencies within our infrastructure, processes and reporting. While we focus on customer facing eCommerce system improvements, we are also implementing warehouse management tools designed to improve operational efficiencies and optimize our distribution operations. In support of our business strategies, we are implementing new solutions to enable and streamline the process in which we offer, sell and fulfill our products with wholesale partners and external marketplaces. Implementation of new systems is highly dependent on coordination of numerous software, hardware, cloud and system integration providers. See also Item 1A, *Risk Factors*, in this Annual Report on Form 10-K.

## **Human Capital Management**

### ***Philosophy and Approach***

Since our founding in 1963, Lands' End has recognized that our people are a critical asset. People, the individuals we employ, the customers we serve, and their families, are the heart of our company. We are committed



to creating an inspiring culture that is welcoming, safe and inclusive for all who work and shop with us. Our founder, Gary Comer set the foundation with this quote: “The really important thing that makes Lands’ End what it has become is people. You, me, everyone around us. It is what we do as people that makes this a great place to come to work”.

We employ approximately 5,000 employees: approximately 4,400 employees in the United States and approximately 600 employees outside the United States. This workforce consists of approximately 17% salaried employees, 33% hourly employees and 50% part-time employees. With the seasonal nature of the fourth quarter holiday shopping season in the retail industry, approximately 1,500 additional, flexible, part-time employees are hired to support our customer service and distribution centers.

#### ***Recruitment and Retention***

Lands’ End leverages a multipronged recruitment approach to source and hire top talent aligned with our corporate priorities. We maintain a strong digital presence to represent our brand and proactively target talent, in addition to a meaningful employee referral bonus program. We have annual talent reviews to evaluate and align on high potential talent with development actions that prepare employees for internal promotion and career growth opportunities, including succession planning for management positions.

Lands’ End has an open-door philosophy. We regularly seek employee feedback through both formal and informal employee survey methods from all employment classifications on a variety of topics, including confidence in company leadership, competitiveness of our compensation and benefits package, career growth opportunities and feedback on how we could improve our efforts to be an even greater place to work. Survey outcomes are utilized to drive meaningful improvements. Our efforts to retain talent and maintain strong employee engagement have been very effective, as evidenced by approximately 37% of our employee base having a tenure of 10 years or more.

Turnover within our workforce is closely monitored to alert management of potential issues aside from our normal and desired turnover. Our three-year average global salaried turnover rate is approximately 11%, and the turnover rate for our U.S. hourly full-time staff is approximately 11%. We maintain a strong focus on employee retention through regular and consistent communication, periodic pulse surveys and continued emphasis on employee personal health and safety.

#### ***Diversity, Equity and Inclusion***

As we strive to be a great place to work, we continue to focus on key initiatives to educate and support diversity and inclusion in the workplace. We believe our strength in work and life comes from the combination of our unique experiences, backgrounds and talents. We were recognized by Forbes in 2022 as one of America’s Best Employers for Diversity and one of America’s Best Employers for Women.

We maintain a Diversity, Equity and Inclusion Council (“DEI Council”) consisting of employees who come from diverse backgrounds, with Lands’ End’s Chief Executive Officer serving as the executive sponsor. The DEI Council oversees programming designed to celebrate diversity and foster awareness of all perspectives. To that end, the DEI Council maintains training modules, which are required of all employees, and hosts relevant speakers throughout the year to further employee education. The DEI Council maintains a prominent online presence within the Company’s intranet through which it communicates with all employees across a wide range of subjects, including the recognition of important days with various cultures and educational materials in support of building greater awareness and appreciation of our individual stories, experiences and lives. Each month, a Diversity Newsletter is sent company wide, which serves to further celebrate differences among us.

We maintain Business Resource Groups (“BRGs”) to provide support for our employees. The BRGs are employee-led and consist of individuals with common interests, backgrounds or demographic factors such as gender, sexual orientation, race, ethnicity or life experience. We currently have seven groups: Lands’ End PRIDE (LGTBQ+), Lands’ End Working Parents, LEEDA (Lands’ End Employees with Disabilities and Allies), Lands’ End Veterans, Lands’ End Multicultural, Lands’ End UpLift (multi-generation), and, added in 2022, the Lands’ End Women Group.

The groups are open to all employees, including our international employees and allies who want to be supportive and involved. It is our belief that by encouraging and supporting BRGs, we are reinforcing our message of inclusion and hope to further empower our employees to utilize their voice to make Lands' End welcoming, understanding and stronger.

The Human Resource team continually evolves our benefit offerings to provide more inclusive options. We extended our paid parental leave in 2022 to be more inclusive and expanded domestic partner benefits. We have also enhanced our recruitment process to support more diverse and inclusive hiring practices. Our strategies extend our reach by targeting areas of the country and industry groups that have top diverse talent and align with diverse business organizations that are reflective of our overall brand strategy. In addition, we are committed to recruitment that is free from bias and actively educate our interview panels and monitor to identify areas of improvement.

### ***Compensation and Benefits***

We have demonstrated a history of investing in our workforce by offering a fair and competitive total rewards program that will attract, retain and reward employees at all levels and aim to pay employees equitably who are performing similar roles. We are committed to a total rewards program that is competitive for our type of business and within the markets where we operate. When making compensation decisions, Lands' End considers compensation market data primarily focused on apparel retail companies and other related industries. In addition to paying competitive salaries and wages, Lands' End has various compensation awards and programs in place for all employees based on their position, such as annual incentive plans, stock equity awards, sales incentive plans, peak incentives and discretionary bonuses based on company performance.

We offer a comprehensive benefit package to all eligible employees. In the U.S. these include the following, among other benefits:

- Comprehensive health insurance coverage that is offered to full-time employees, spouses/domestic partners and dependent children
- Parental leaves provided to all new parents for birth, adoption or foster placement
- Paid caregiver leave allowing employees to take up to 20 days off to care for a terminally ill spouse or dependent child
- Community giving programs allowing employees to give back to nonprofit organizations
- Health and wellness programs, onsite medical clinic, exercise classes, health coaching and wellness incentive programs
- Services designed to help employees balance work and life, including an Employee Assistance Plan, mental health coaching/counseling and financial education workshops

Outside of the U.S., we provide competitive benefits which align with market specific needs and regulations, including comprehensive health, dental and vision coverage, pension plans, employer-provided life insurance and paid time off benefits such as paid leave, vacation and holidays.

### ***Training and Development***

Lands' End partners with employees to discover and develop their talents and abilities through various programs. Development opportunities are available throughout the employee lifecycle, including internships, onboarding, Early in Career networking, mentorships, workshops, self-paced learning and executive coaching. Programs cover a variety of topics, including diversity and inclusion, cybersecurity, harassment free workplace, product updates, deployment of new technology and leadership development. Senior management regularly reviews organizational talent assessments to identify employees who possess the potential for advancement and to identify, recommend and address developmental needs. We provide development experiences for all levels of the organization and are committed to

performance management, offering annual reviews, goal setting, 360 feedback and formal coaching support and mentorships for employees.

### Corporate Information

Our principal executive offices are located at 1 Lands' End Lane, Dodgeville, Wisconsin 53595. Our telephone number is (608) 935-9341.

### Available Information, Internet Address and Internet Access to Current and Periodic Reports and Other Information

Our website address is [www.landsend.com](http://www.landsend.com). References to [www.landsend.com](http://www.landsend.com) do not constitute incorporation by reference of the information at [www.landsend.com](http://www.landsend.com), and such information is not part of this Annual Report on Form 10-K or any other filings with the SEC, unless otherwise explicitly stated. We file our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and all amendments to those reports, as well as proxy and information statements, electronically with the SEC, and they are available on the SEC's website ([www.sec.gov](http://www.sec.gov)), which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. We also make our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K and amendments to those reports available through the Investor Relations section of our website, free of charge, as soon as reasonably practicable after we file such material with, or furnish it to, the SEC.

Our Corporate Governance Guidelines, the charters of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee of the Board of Directors, our Related Party Transactions Policy, our Director Compensation Policy, our Code of Conduct, and our Board of Directors Code of Conduct are available at the "Corporate Governance" page in the "Investor Relations" section of [www.landsend.com](http://www.landsend.com).

### Information about our Executive Officers

The following table sets forth information regarding our executive officers, including their positions.

Name	Position	Age
Andrew J. McLean	Chief Executive Officer	54
Bernard McCracken	Interim Chief Financial Officer Vice President, Controller and Chief Accounting Officer	61
Peter L. Gray	Chief Commercial Officer, Chief Administrative Officer and General Counsel	55
Sarah Rasmusen	Chief Innovation Officer	50

*Andrew J. McLean* has served as the Chief Executive Officer since January 28, 2023. He joined Lands' End as Chief Executive Officer-Designate and member of the Board of Directors in November 2022. Prior to joining the Company, he served at American Eagle Outfitters, Inc., the parent of the American Eagle and Aerie brands, from October 2016 to September 2022, in the roles of President, International from August 2022 to September 2022, Executive Vice President, Chief Commercial Officer from April 2017 to August 2022, and Executive Vice President, International from October 2016 to April 2017. Mr. McLean served Urban Outfitters, Inc. as Chief Operating Officer and Head of International from 2014 to October 2016, and as Chief Operating Officer from 2008 to 2014. Mr. McLean held various positions at Liz Claiborne, Inc., including President, Outlet Division, from 2003 to 2008, as well as, various positions at Gap, Inc. from 2000 to 2003. Mr. McLean began his career as a strategy consultant with AT Kearney. Outside of his professional commitments, Mr. McLean has been an active supporter of the New York Fashion Tech Lab, an organization committed to supporting retail innovation among female entrepreneurs. Mr. McLean received his Bachelor's degree in Engineering from the University of Manchester, a Master's degree in Engineering Management from the University of Cambridge and an MBA from Harvard Business School. Mr. McLean brings extensive operational and strategic expertise and over 20 years of retail experience leading

organizational growth for several Fortune 500 and start-up companies. Mr. McLean has a proven track record in the areas of global brand delivery and international strategy, marketing and customer experience.

*Bernard McCracken* has been serving as the Interim Chief Financial Officer since January 2023. Mr. McCracken has served as the Vice President, Controller and Chief Accounting Officer of Lands' End since April, 2014. Mr. McCracken previously served as Vice President Corporate Controller/Business Transformation Office, Senior Director of Special Projects and Senior Director of Accounting at The Children's Place, Inc. Mr. McCracken also served in the roles of Vice President of Finance (divisional CFO), Meldisco Division, and Assistant Controller at Footstar, Inc. from 1998 to 2003. Mr. McCracken also served as a Consultant/Manager, Enterprise Risk Services-Retail Internal Audit Group at Deloitte & Touche LLP from 1997 to 1998, served as Divisional Controller at The Leslie Fay Companies, Inc. from 1994 to 1997, and Assistant Controller at Loehmann's Inc. from 1987 to 1994.

*Peter L. Gray* has served as Chief Commercial Officer of Lands' End since January 2023. He joined Lands' End as Executive Vice President, Chief Administrative Officer and General Counsel in May 2017. Mr. Gray served as Executive Vice President, General Counsel and Secretary of Tumi Holdings, Inc., a manufacturer and retailer of consumer goods including business bags, luggage, apparel and other travel-related goods, from December 2013 until November 2016. He was employed by ModusLink Global Solutions, Inc. (formerly CMGI, Inc.), a supply chain business process management company, from June 1999 to October 2013, most recently as Executive Vice President, Chief Administrative Officer and General Counsel. Earlier in his career, he was a junior partner at Hale and Dorr LLP. He also serves as Chairman of the Board of Directors of the Tufts University Hillel Foundation.

*Sarah Rasmusen* has served as Chief Innovation Officer of Lands' End since February 2023. She joined Lands' End in November 2017 as the Senior Vice President, U.S. eCommerce, becoming Chief Customer Officer in 2020 and was promoted to Executive Vice President, Chief Customer Officer in March 2021. She was also previously employed by Lands' End from 2006 to 2010. From January 2012 to October 2017, she was employed by Kohl's Corporation in a variety of capacities, most recently Vice President of Digital Merchandising & Analytics. Between 2010 and 2011, she worked for CUNA Mutual Group, leading their digital eCommerce strategy. Between 1999 and 2006, she worked in a variety of eCommerce leadership positions for Saks, Inc., Bloomingdale's and Bates Worldwide. Early in her career, she held technology roles with KPMG and Pillsbury Law.

## ITEM 1A. RISK FACTORS

*You should carefully consider the following risks and other information in this Annual Report on Form 10-K 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.*

### RISKS RELATED TO MACROECONOMIC CONDITIONS

*The impact of economic conditions on consumer discretionary spending and customers has in the past and could, in the future, adversely affect our financial performance.*

Apparel purchases are discretionary expenditures that historically have been influenced by domestic and global economic conditions. Higher prices for consumer goods may result in less discretionary spending for consumers. Changes in consumer spending have resulted and may continue to result in reduced demand for our products, increased inventories, lower revenues, higher discounts, pricing pressures and lower gross margins.

According to the U.S. Bureau of Labor Statistics, the COVID pandemic era inflation rate peaked at 9.1% in June, 2022. The U.S. Bureau of Labor Statistics published its most recent annual inflation rate of 6.0% for February 2023. If inflation increases or remains at these high levels, we may not be able to offset cost increases to our products through price increases without negatively impacting customer demand, which could adversely affect our sales and results of operations.

Global and domestic conditions that have an effect on consumer discretionary spending include but may not be limited to: unemployment, general and industry-specific inflation, consumer confidence, consumer purchasing and saving habits, credit conditions, stock market performance, home values, population growth, household incomes and tax policies. Material changes to governmental policies related to domestic and international fiscal concerns, and/or changes in central bank policies with respect to monetary policy also could affect consumer discretionary spending. Any of these additional factors affecting consumer discretionary spending may further influence our customers' purchasing preferences, potentially having a further material impact on our financial performance.

*Global economic conditions have had and could, in the future, adversely affect our business, operating results and financial condition.*

Global economic conditions have impacted, and will likely continue to impact, businesses around the world. Macroeconomic pressures in the U.S. and the global economy such as rising interest rates and energy prices have created and may continue to create a challenging economic environment. The following factors attributable to uncertain economic and financial market conditions could have a material adverse effect on our business, operating results and financial condition:

- Continued volatility in the availability and prices for commodities and raw materials that we use in our products and in our supply chain (such as cotton);
- Our interest expense could increase if prevailing interest rates increase, because a substantial portion of our debt bears interest at variable rates;
- Our International distribution channel conducts business in various currencies, which creates exposure to fluctuations in foreign currency rates relative to the U.S. Dollar. In particular, the recent strengthening of the U.S. Dollar relative to major foreign currencies, including the Pound sterling, Euro and Japanese yen, unfavorably impacted our Fiscal 2022 results. Continued significant fluctuations of foreign currencies against the U.S. Dollar may further negatively impact our business.

In the current uncertain economic environment, we cannot predict whether or when such circumstances may improve or worsen, or what impact, if any, such circumstances could have on our business, results of operations, cash flows and financial position.

***The COVID pandemic may affect our business, financial condition and results of operations in many respects.***

To the extent that COVID adversely affects the U.S. and global economy, our business, results of operations, cash flows, or financial condition may be adversely impacted. In addition, COVID may also heighten other risks described in this section, including but not limited to those related to consumer behavior and expectations, competition, brand reputation, implementation of strategic initiatives, cybersecurity threats, payment-related risks, technology systems disruption, global supply chain disruptions, labor availability and cost, litigation, operational risk as a result of remote work arrangements and regulatory requirements.

***Our business and results of operations could be negatively impacted by natural disasters, extreme weather conditions, public health or political crises or other catastrophic events.***

Our vendors are located throughout the world including in locations subject to natural disasters or extreme weather conditions, as well as other potential catastrophic events, such as public health emergencies, including COVID, terrorist attacks, political or military conflict. The occurrence of any of these events could disrupt our operations and negatively impact sales of our products.

***Climate change, unseasonal or severe weather conditions or significant weather events caused by climate change may adversely affect our merchandise sales.***

Our business is adversely affected by unseasonal weather conditions and may be affected by significant weather events due to climate change. 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 result in reduced traffic at Company Operated store locations which could lead to reduced sales of our merchandise. Severe weather events may impact our ability to deliver orders to customers in a timely manner, supply our Company Operated stores and adequately staff our distribution centers and Company Operated stores, which could have an adverse effect on our business and results of operations.

**RISKS RELATED TO MICROECONOMIC CONDITIONS**

***Our business is seasonal in nature and any decrease in our sales or margins, especially during the fourth quarter of our fiscal year, could have an adverse effect on our business and results of operations.***

Our business is seasonal, with the highest levels of sales typically occurring during the fourth quarter of our fiscal year. Our fourth quarter results in the future may fluctuate based upon factors such as the timing of holiday season dates, inventory positions, global supply chain challenges, promotions, level of markdowns, competitive factors, weather and general economic conditions. Any decrease in sales or margins, for example, as a result of increased promotional activity, increased costs, 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. 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 after the peak selling period at significantly reduced prices, which could adversely affect our business and results of operations. Furthermore, with the seasonal nature of our business, over 1,500 flexible part-time employees join us each year to support our fourth quarter holiday shopping season. An inability to attract qualified flexible part-time personnel could interrupt our sales during such peak seasons.

***Fluctuations and anticipated increases in the cost and availability of catalog paper, printing services, distribution, and postage have had and could continue to have an adverse effect on our business and results of operations.***

Catalog mailings are an important aspect of our marketing efforts. Increases in costs relating to postage, paper, and printing have increased and may continue to 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 retail prices, or by implementing more efficient printing, mailing, delivery, and order fulfillment systems, or by using alternative direct-mail formats.

Paper for catalogs and promotional mailings is an essential resource in the success of our business. The continuous changes to the global paper market have resulted in plant closures and equipment conversion and lower available volume of specialty paper grades. The market price for paper has fluctuated significantly and may continue to fluctuate in the future. In addition, future pricing and supply availability of catalog paper may be impacted in the United States and Europe. The multi-year price of paper may be subject to fluctuation under our contracts for the supply of paper and we are not guaranteed access to, or reasonable prices for, the amounts required for the operation of our business over the long term. During Fiscal 2022, we experienced the impact of these paper shortages and we took actions designed to mitigate the impact of the shortage on our business.

We also depend upon external vendors to print and mail our catalogs. Partially due to the consolidation of printing companies, there are a limited number of printers that can handle such needs which subjects us to risks if any printer fails to perform as required. The cost to print catalogs may also fluctuate based on several factors beyond our control, including commodity prices for ink and solvents, changes in supply and demand, labor costs, and energy. Also, during Fiscal 2022, some of our printing vendors could not meet their service obligations due to labor shortages and other factors which diminished their short-term volume capacity and impacted some of our catalog mailings.

We currently use the national mail carriers for distribution of substantially all our catalogs and an increasing quantity of our outbound customer deliveries. Therefore, we are vulnerable to postal rate increases, changes in discounts for bulk mailings and sorting by zip code and carrier routes which we currently leverage for cost savings.

***Our approach to merchandise 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 order to be competitive, we must offer customers compelling products at attractive prices. In recent periods, the use of promotions and markdowns, as appropriate, is a strategy we have employed to offer attractive prices. Heavy reliance on promotions and markdowns to encourage customers to purchase our merchandise could have a negative impact on our gross margins and results of operations.

***We may need additional financing in the future for our general corporate purposes or growth strategies and anticipate the need to refinance our long-term debt 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 or growth strategies. We may be unable to obtain any desired additional financing on terms favorable to us, or at all, depending on market and other conditions. The ability to raise additional 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, some of which have been and may continue to be impacted by the current macroeconomic conditions. The lenders, under our existing or any future credit facilities, may not be able to meet their commitments if they experience shortages of capital and liquidity. If we raise additional funds by issuing debt, we may be subject to limitations on our operations due to restrictive covenants. If adequate funds are not available on acceptable terms, we may be unable to fund our capital needs, successfully develop or enhance our products, or respond to competitive pressures, any of which could negatively affect our business. 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 would be adversely affected.

***Our leverage may place us at a competitive disadvantage in our industry. The agreements governing our debt contain various covenants that impose restrictions on us that may affect our ability to operate our business.***

We 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 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;
- our 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;
- the agreements governing our debt contain covenants that limit our ability to pay dividends or make other restricted payments and investments;
- the agreements governing our debt contain operating covenants that limit our ability to engage in activities that may be in our best interests in the long term, including, without limitation, by restricting our subsidiaries' ability to incur debt, create liens, enter into transactions with affiliates or prepay certain kinds of indebtedness;
- the agreements governing our debt contain certain financial covenants, including a quarterly maximum total leverage ratio test, a weekly minimum liquidity test and an annual maximum capital expenditure amount (the "financial covenants"); and
- the failure to comply with the operating and financial covenants could result in an event of default which, if not cured or waived, could result in the acceleration of the applicable debt or may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies, and in the event our creditors accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that debt and the lenders could proceed against the collateral granted to them to secure such indebtedness. Our ability to meet these covenants can be affected by events beyond our control, and we cannot assure that we will meet them.

***We could incur charges due to impairment of goodwill, other intangible assets and long-lived assets.***

As of January 27, 2023, we had goodwill and intangible asset balances totaling \$363.7 million, 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 a trade name of \$257.0 million and goodwill of \$106.7 million. Any event that impacts our reputation could result in impairment charges for our trade name. Long-lived assets, primarily property and equipment, are also subject to testing for impairment if events or changes in circumstances indicate that the asset might be impaired. A significant amount of judgment is involved in our impairment assessment. If actual results fall short of our estimates and assumptions used in estimating revenue growth, future cash flows and asset fair values, we could incur further impairment charges for intangible assets, goodwill or long-lived assets, which could have an adverse effect on our results of operations.



## RISKS RELATED TO BRAND AND BRAND EXECUTION

***If customer preference for our branded merchandise and services changes or we cannot compete effectively in the apparel industry, our business and results of operations may be adversely affected.***

Our products and services must satisfy the desires of customers, whose preferences change over time. Sales of branded merchandise account for substantially all our total revenues and the Lands' End brand 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 innovative 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 preferences change, our failure to anticipate, identify and react in a timely manner to emerging trends and appropriately provide attractive high-quality products that maintain or enhance the appeal of our brand through our websites, catalogs and Company Operated stores could have an adverse effect on our sales, operating margins and results of operations.

The apparel industry is highly competitive. We compete with a diverse group of direct-to-consumer companies and retailers, including national department store chains, women's and men's specialty apparel chains, apparel catalog businesses, sportswear marketers and online apparel businesses that sell similar lines of merchandise. Brand image, marketing, design, price, service, quality, image presentation, fulfillment and customer service are all competitive factors. Our competitors may be able to adopt more aggressive pricing policies, adapt to changes in customer preferences 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 we can. 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 business depends on our overall marketing strategies for digital marketing and direct mail catalogs and customers' use of our digital platform, including our eCommerce websites.***

The success of our business depends on customers' use of our eCommerce websites and their response to our digital marketing and direct mail catalogs. The level of customer traffic and volume of customer purchases on our eCommerce website is substantially dependent on the ability to provide attractive and accessible websites, maintain a robust customer list, provide a high-quality customer experience and reliable delivery of our merchandise. If we are unable to maintain and increase customer traffic to our eCommerce website and the volume of goods they purchase, including, as a result of changes to the level and types of marketing or amount of spend allocated to each type of marketing, or through the failure to otherwise successfully promote and maintain websites and their associated services, our revenue and results of operations could be adversely affected.

We have been increasing our investment in digital marketing and optimizing our catalog productivity. Digital marketing costs now exceed direct mail catalog costs and this shift in marketing strategy could have a negative impact if customers that previously relied on the direct mail catalog do not respond as favorably through the digital marketing channel.

Any future privacy rules or other regulations could adversely impact our business to the extent we need to limit or change our digital marketing efforts.

***If we are unable to protect or preserve the image of our brands, our reputation 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 have trouble 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.

Additionally, our efforts to pursue licensing and wholesaling activities with third parties increases risk of brand damage. If third parties do not adhere to our standards or if we fail to maintain the image of our brands due to merchandise and service quality issues, 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, pay significant damages, or enter into expensive royalty or licensing arrangements with the prevailing party, assuming these royalty or licensing arrangements are economically feasible, which they may not be.

***We rely on vendors to provide us with services in connection with certain aspects of our business, and any failure by these vendors to perform their obligations could have an adverse effect on our business and results of operations.***

We have entered into agreements with vendors for logistics services, information technology systems (including website hosting), credit card processing, onshore and offshore software development and support, catalog production, distribution and packaging and employee benefits. Services provided by any of our vendors could be interrupted as a result of many factors, such as acts of nature or contract disputes. Any failure by a vendor 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.

***Our Company Operated stores may not be successful, and as a result our business and results of operations could be adversely affected.***

Our Company Operated stores are dependent on our ability to operate all locations effectively and attract customers with a compelling assortment. Our Company Operated store operations include managing the store and recruiting and hiring store management and associates. In addition, we are required to implement retail-specific marketing plans, and enhance inventory management skills specific to retail, such as those related to allocation and replenishment of product. If customers are not receptive of our store locations and concept, customer traffic, projected store sales and profitability may suffer.

#### **RISKS RELATED TO SUPPLY CHAIN AND GLOBAL 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 merchandise suppliers and 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, including labor issues and other disruptions. From time to time, some of our factories that produce our product have experienced temporary suspension of operations due to labor issues and other disruptions.

The products that we purchase are shipped to our distribution centers in Wisconsin and the United Kingdom (and formerly Japan). Our reliance on a limited number of distribution centers makes us more vulnerable to unforeseen events that could delay or impair our ability to fulfill customer orders and/or ship merchandise to our Company Operated stores. Our ability to mitigate the adverse impacts of these events depends in part upon the effectiveness of our disaster preparedness and response planning, as well as business continuity planning.

Our utilization of imports also makes us vulnerable to risks associated with products manufactured abroad, including, among other things, transportation and other delays in ocean shipments, unexpected or significant port congestion, lack of freight availability, increased cost to secure freight availability, freight cost increases, risks of damage, destruction or confiscation of products while in transit to a distribution center, organized labor strikes and work stoppages, heightened security screening and inspection processes or other port-of-entry limitations or restrictions in the United States, the United Kingdom, including those as a result of the United Kingdom's exit from the European Union. During Fiscal 2021 and first half of Fiscal 2022, we experienced transportation cost increases as a result of the global supply chain challenges.

We rely upon 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, trucking shortages, inclement weather and increased transportation costs, associated with such carriers' ability to provide delivery services to meet outbound shipping needs. The changing mix of our outbound freight carriers may result in higher costs and customer delays. In addition, if the cost of fuel rises or surcharges increase, 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. Any increase in shipping costs and surcharges may have an adverse effect on our profitability and future financial performance.

***Fluctuations and increases in the cost, availability, and quality of raw materials as well as fluctuations in other production and distribution related costs 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 and South America. The prices of these raw materials increased in Fiscal 2022 and can be volatile due to the demand for fabrics, weather conditions, supply conditions, government regulations, general economic conditions, crop yields and other unpredictable factors. 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. Recent inflationary pressures have increased the cost of oil and raw materials. These fluctuations in cost, availability and quality of raw materials used to manufacture our merchandise may result in an increase in our costs to purchase products from our vendors and could have an adverse effect on our cost of goods. In addition, increases in raw material cost has caused us to increase our prices, which may not be acceptable to our customers.

***If we do not accurately forecast our inventory needs, efficiently manage inventory levels and have proper controls to protect our inventory, our results of operations could be adversely affected.***

We must maintain sufficient inventory levels to operate our business successfully. Sufficient inventory levels are maintained by our ability to accurately forecast the product needs for each distribution channel, our ability to accurately report our inventory levels and our ability to protect those assets. During Fiscal 2021 and the first half of Fiscal 2022, we experienced global supply chain challenges, which resulted in lower than expected levels of key merchandise in inventory at certain times during the year.

If we do not accurately anticipate the future customer demand for a particular product, report the current inventory level for a particular product, protect the physical inventory or project the time it will take to obtain new inventory, inventory levels will not be appropriate, and our results of operations could be adversely affected. We must also avoid accumulating excess inventory, which increases working capital needs, increases carrying costs of the inventory, including an increase in interest expense on variable rate debt, and could lower gross margins. On the other hand, if we underestimate demand for a particular product we may experience inventory shortages resulting in lost revenues.

We obtain substantially all our inventory from vendors located outside the United States. Some of these vendors 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, which makes responding to changing markets challenging.

Our own websites, third-party suppliers and third-party marketplaces rely on our ability to report and exchange accurate inventories by style, color and size to support customer orders. If we are not able to accurately report inventory information our results of operations could be negatively impacted.

We store high volumes of inventory and are subject to the attendant risks of inventory loss, spoilage, shrink, scrap and theft (which we collectively refer to as “shrinkage”). Although some level of inventory shrinkage is an unavoidable cost of doing business, if we were to experience higher rates of inventory shrinkage, be unable to accurately record inventory transactions or incur increased security costs to combat inventory theft, it could have a material adverse effect on our business.

***Deterioration of relationships with our vendors and/or the failure of our new merchandise sourcing initiatives could have an adverse effect on our competitive position and operational results.***

We have long standing relationships with the vendors that supply a significant portion of our merchandise but do not operate under long-term agreements. Therefore, our success relies on maintaining good relations with these vendors. 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. In the event we engage new vendors, it may cause us to encounter delays in production and added costs as a result of the time it takes to guide and educate our vendors in producing our products and adhering to our standards. During Fiscal 2021 and the first half of Fiscal 2022, global supply chain challenges resulted in delays in ocean freight, port congestion and domestic freight availability, which impacted our inventory levels. 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 products to 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.

Our merchandising sourcing strategies increase the efficiency and responsiveness of our supply chain and include both vendor rationalization and vendor productivity. In the event these strategies are unsuccessful, our business could be adversely affected.

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 and regulatory requirements relating to the conduct of their business and safety standards of materials. While we operate compliance and monitoring programs to promote ethical and lawful business practices and verify compliance with safety standards, 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 and safety standards. Violation of ethical, labor, safety, or other standards by vendors, or the divergence of a vendor’s labor practices from those generally accepted as ethical in the United States could hurt our reputation or materially impact our ability to import products manufactured by these vendors or from the regions in which they operate, which could have an adverse effect on our business and results of operations.

***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 in those markets.***

The majority of our merchandise is manufactured in Asia and South America, depending on the nature of the product mix. These products are either imported directly by us or indirectly by distributors who, in turn, sell products to us. Any increase in the cost of merchandise purchased from these vendors or restrictions on the merchandise made available by these vendors could have an adverse effect on our business and results of operations.

We also sell our products globally. Our reliance on vendors in foreign markets and the marketing of products to customers in foreign markets creates 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 instability in the countries and regions where our customers or vendors are located;
- adverse fluctuations in currency exchange rates;
- compliance with United States and other country laws relating to foreign operations, including the Foreign Corrupt Practices Act, the U.K. Modern Slavery Act, the U.K. Bribery Act, the European Union General Data Protection Regulation (the GDPR), the U.K. Data Protection Act 2018, and a growing number of customer privacy initiatives throughout the world;
- changes in United States and non-United States laws affecting the importation and taxation of goods, including duties, tariffs and quotas, enhanced security measures at United States 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 those due to the failure of vendors or distributors to comply with import regulations;
- political instability, war, such as the current conflict between Russia and Ukraine, and acts of terrorism; and
- changes in tariffs 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.

Any inability on our part to successfully operate in foreign jurisdictions and 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.

***The United Kingdom's exit from the European Union will continue to have uncertain effects and could adversely impact our business, results of operations and financial condition.***

The United Kingdom withdrew from the European Union effective January 31, 2020 (“Brexit”) and concluded a trade agreement with the European Union on December 31, 2020. The ultimate effects of Brexit on us are still difficult to predict as there remains considerable uncertainty around the impact of post-Brexit regulations as the various agencies interpret the regulations and develop enforcement practices. Adverse consequences from Brexit include greater restrictions on imports and exports between the United Kingdom and European Union members and increased regulatory complexities. As a result, we have incurred and may continue to incur additional costs and customs duties as well as delays in fulfilling orders in Europe which could adversely affect our business.

***Our efforts to expand our distribution channels and geographic reach may not be successful.***

Our strategy includes initiatives to further our reach in the United States and in several countries throughout the world through various distribution channels and brands, including through relationships with third-party eCommerce

marketplaces. We have limited experience operating in many of these locations and with third parties and face major, established competitors. We may also experience barriers to entry. We may seek additional business partners or licensees to assist us in these efforts, however we may not be successful in establishing such relationships. 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 expansion efforts are not successful or do not deliver an appropriate return on our investments, our business could be adversely affected.

#### **RISKS RELATED TO INFORMATION TECHNOLOGY, CYBERSECURITY AND DATA PRIVACY**

*If we do not maintain our current information technology systems or fail to effectively implement new information technology systems, we could experience significant disruptions to our operations.*

We rely upon sophisticated systems to operate our business including web sites, point of sale, telecommunications, email, design and merchandising, production management, inventory management, warehouse management, and financial and human resources. Some of these systems are based on end-of-life or legacy technology, operate with minimal or no vendor support and are otherwise difficult to maintain. Our systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, catastrophic events such as fires, tornadoes and hurricanes, and usage errors by our employees or vendors. Operating legacy systems subjects us to inherent costs and risks associated with maintaining, upgrading and replacing these systems and recruiting and retaining sufficiently skilled personnel to maintain and operate the systems, demands on management time, and other risks and costs. Our eCommerce websites are subject to numerous risks associated with selling merchandise, including unanticipated operating problems, reliance on third-party computer hardware and software providers system failures, credit card transactional and network risks, and cyber security threats.

Our strategic initiatives include implementing new information technology systems, support, and infrastructure enhancements to provide improved capabilities to better serve our customers and accommodate future growth. Implementation of these systems is highly dependent on coordination of numerous software, hardware and cloud-based system providers and internal business teams. Additionally, the deployment of new technology systems may require substantial investments in our infrastructure and network. As we deploy, update and make enhancements, we must, among other things, continue to update internal controls and operational processes as implementation progresses, recruit and train qualified personnel to assist with change management, and conduct, manage and control routine business functions.

We started the planning of a multi-year project during Fiscal 2021 for a new warehouse management and transportation management system. The transportation management system was implemented during Fiscal 2022 and the warehouse management system implementation is expected to begin during Fiscal 2023. Implementation of these systems is highly dependent on coordination of numerous software and system providers and internal business teams. The interdependence of these systems is a significant element for the successful completion and the failure could have a material adverse effect on our overall information technology infrastructure. We expect this implementation to drive operational efficiencies, working capital improvements, labor savings, package consolidation and optimization of third-party carrier rates. We may experience difficulties as we transition to these new systems, including inability to receive product from vendors, inability to ship or delayed shipments to customers, decreases in productivity as our personnel and third-party providers implement and become familiar with the new warehouse management system, loss or corruption of data and increased costs and lost revenues.

In addition, new technology solutions are being built and deployed to enable many of Lands' End's growth strategies including third-party marketplaces and wholesale relationships, Outfitters business-to-business customization efforts, and digital experience enhancements on our eCommerce platforms. These efforts are highly dependent on coordination across numerous internal and external technology and business teams. The interdependence of these systems and teams is a significant risk to the successful completion and the failure could have a material adverse effect on our overall business growth trajectory.

Any difficulties encountered in completing these activities, as well as problems in technical resources, system performance or system adequacy, including loss or corruption of data, could delay implementation and deployment of new technologies. Failure to successfully deploy new technologies, enhancements of the infrastructure in a cost-effective manner, and in a manner that satisfies consumers' expectations, could have an adverse impact on our capital resources, financial condition, results of operations or cash flows.

***If we do not adequately protect against cyber security threats or maintain the security and privacy of customer, employee or company information, we could experience significant business interruption, damage to our reputation, incur substantial additional costs, and become subject to litigation.***

Our information technology systems are potentially vulnerable to malicious intrusion and targeted or random cyber-attacks. Although we have invested in the protection and monitoring of our information technology network, proprietary and customer data and systems, there can be no assurance that these efforts will prevent breaches in our information technology systems that could adversely affect our business.

The regulatory environment related to information security and privacy is increasingly rigorous with new and rapidly changing requirements applicable to our business. Compliance with the European Union General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), the California Privacy Rights Act (CPRA) and other privacy laws requires and will continue to require significant management and financial resources. We could be held liable to government agencies, our customers or other parties or be subject to significant fines, regulatory or other actions for breaching privacy and information security laws and regulations, and our business and reputation could be adversely affected by any resulting loss of customer confidence, litigation, civil or criminal penalties or adverse publicity.

Any significant compromise or breach of customer, employee or company data security, could significantly damage our reputation and result in additional costs, lost sales, fines and lawsuits. There is no guarantee that the procedures that we or our third-party providers have implemented to protect against unauthorized access to secured data are adequate to safeguard against all data security breaches.

#### **RISKS RELATED TO MAJORITY OWNERSHIP**

***Edward Lampert and his investment affiliates, whose interests may be different from the interests of other stockholders, may be able to exert substantial influence over Lands' End.***

According to an amendment to Schedule 13D filed with the SEC on March 16, 2022, Edward S. Lampert beneficially owned 51.9% of our outstanding shares of common stock as of March 16, 2022. Accordingly, Mr. Lampert could have substantial influence over many, if not all, actions to be taken or approved by our stockholders, including in the election of directors and any transactions involving a change of control. The interests of Mr. Lampert, who has direct and indirect investments in other companies, including ESL Investments, Inc., may from time to time diverge from the interests of our other stockholders.

***Our common stock price may decline if Mr. Lampert decides to sell a portion of his holdings of our common stock.***

Mr. Lampert is not subject to any contractual obligation to maintain his ownership position in Lands' End, and we cannot assure you that he will. Any sale by Mr. Lampert of our common stock, or any announcement by Mr. Lampert that he has decided to sell shares of our common stock, could have an adverse impact on the price of our common stock.

#### **GENERAL RISKS**

***Failure to retain our existing workforce and to attract qualified new personnel in the current labor market and remote and hybrid work models could adversely affect our business and results of operations.***

The current U.S. labor shortage may impact our ability to hire and retain qualified personnel and impact our ability to operate our business effectively. Due to the seasonal nature of our business, we rely heavily on flexible

part-time employees to staff our distribution and customer service centers to support our peak seasons, including back-to-school shopping season and fourth quarter holiday shopping season. The COVID pandemic has changed the way businesses operate with companies allowing employees to work 100% remotely from home or in hybrid work models which allows employees to work both remotely from home and in the office. While we have developed a hybrid work model that we believe is best for operating our business, we may not be able to attract, hire or retain qualified personnel if competing companies offer a more desirable work model.

***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. The loss of 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. 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.

***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 laws and regulations and changes in their interpretation or application, including changes in accounting standards, taxation rates and requirements, product marketing application standards as well as environmental laws, including climate-change related legislation, regulations and international accords;
- differences between the fair value measurement of assets and liabilities and their actual value, particularly for intangibles and goodwill, 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, such as current inflationary pressures, 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;
- changes in business, economic and political conditions, including political instability, war, such as the current conflict with Russia and Ukraine, 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;
- negative claim experiences and higher than expected large claims under our self-insured health and workers' compensation insurance programs; and
- the failure of financial institutions in which we maintain cash deposits, including those where balances may exceed Federal Deposit Insurance Corporation ("FDIC") insurance limits.

***Our share price may be volatile.***

The market price of our common stock may fluctuate significantly due to several 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; and
- domestic and worldwide economic conditions.



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 us could cause us to incur substantial costs and could divert the time and attention of our senior management and other resources.

***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.

***Exposure 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, privacy laws, and laws relating to eCommerce. 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.

***Potential assessments for additional state taxes, which could adversely affect our business.***

In accordance with current law, we pay, collect and/or remit taxes for Federal, State and local and foreign jurisdictions where we are required by law. 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 by taxing jurisdiction.

An increasing number of taxing jurisdictions may attempt to assess additional taxes and penalties on us or assert an error in our calculation. These include new obligations to collect sales, consumption, value added, or other taxes on online marketplaces and remote sellers, or other requirements that may result in liability for third-party obligations. A change in the application of law, or an interpretation of the law that differs from our own may, if successful, adversely affect our business and results of operations.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

## ITEM 2. PROPERTIES

### Facilities and Store Locations

We own or lease domestic and international properties used as offices, customer service centers, distribution centers and Company Operated stores. We believe that our existing facilities are well maintained and are sufficient to meet our current needs. We review all leases with upcoming expiration dates in the short term to determine the appropriate action to take with respect to them, including exercising an option to renew, if any, moving or closing facilities or entering into new leases.

#### *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 1.8 million square feet of building space between multiple different buildings that are all owned by the Company. The primary functions of these buildings are customer service, distribution center and corporate headquarters. We also own customer service and distribution centers in Reedsburg and Stevens Point, Wisconsin.

#### *International Offices, Customer Service and Distribution Properties*

We own a distribution center and customer service center in Oakham, United Kingdom that supports our European business. We lease two buildings in Mettlach, Germany for offices and a customer service center supporting our European Union business. We also lease office space for a global sourcing office in Kwun Tong, Hong Kong.

#### *Lands' End Retail Properties*

As of January 27, 2023, our U.S. retail footprint consists of 28 Company Operated stores. The U.S. Company Operated stores are leased and average approximately 7,600 square feet. Additionally, we have one smaller school uniform showroom that is used for fittings.

## ITEM 3. LEGAL PROCEEDINGS

The Company is party to various claims, legal proceedings and investigations arising in the ordinary course of business. Some of these actions involve complex factual and legal issues and are subject to uncertainties. At this time, the Company is not able to either predict the outcome of these legal proceedings or reasonably estimate a potential range of loss with respect to the proceedings. While it is not feasible to predict the outcome of 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 taken as a whole.

For a description of our legal proceedings, see [Part II, Item 8, \*Financial Statements and Supplementary Data and Notes to Consolidated Financial Statements, Note 12, Commitments and Contingencies\*](#), of this Annual Report on Form 10-K, which description of legal proceedings is incorporated by reference herein.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## PART II

**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES****Market Information**

Lands' End's common stock is traded on the Nasdaq Stock Market under the ticker symbol LE. There were 6,151 stockholders of record as of April 5, 2023.

**Issuer Purchases of Equity Securities**

The following table presents a month-to-month summary of information with respect to purchases of common stock made during the fourth quarter of Fiscal 2022 pursuant to the Share Repurchase Program announced on June 28, 2022:

<u>Period</u>	<u>Total Number of Shares Purchased (1)</u>	<u>Average Price Paid per Share (2)</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)</u>	<u>Approximate Dollar Value (in thousands) of Shares that May Yet Be Purchased Under the Plans or Programs</u>
October 29 - November 25	—	\$ —	—	\$ 44,774
November 26 - December 30	263,084	\$ 8.44	263,084	\$ 42,553
December 31 - January 27	116,522	\$ 8.58	116,522	\$ 41,553
Total	<u>379,606</u>	<u>\$ 8.49</u>	<u>379,606</u>	<u>\$ 41,553</u>

(1) All shares of common stock were retired following purchase.

(2) Average price paid per share excludes broker commissions.

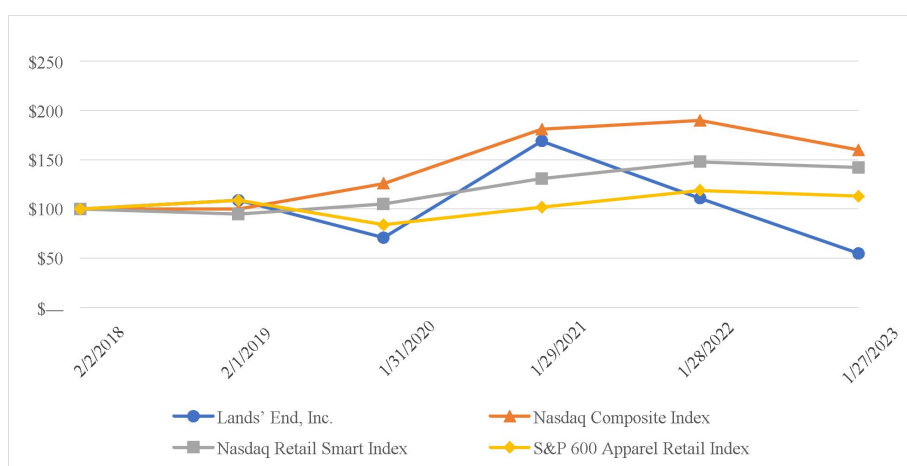
(3) On June 28, 2022, the Company announced that its Board of Directors authorized the Company to repurchase up to \$50.0 million of the Company's common stock through February 2, 2024 (the "Share Repurchase Program"). The Share Repurchase Program may be suspended or discontinued at any time.

**Stock Performance Graph**

The following graph compares the cumulative total return to stockholders on Lands' End common stock from February 2, 2018 through January 27, 2023 with the return on the Nasdaq Composite Index and S&P 600 Apparel Retail Index for the same period.

We are using the S&P 600 Apparel Retail Index for the first time in our performance graph this year because we believe the retail companies comprising that index are more closely aligned with the segment of the retail industry in which we operate, and that it provides a more relevant comparison against which to measure our stock performance. For comparison purposes and in accordance with SEC rules, we have included the Nasdaq Retail Smart Index in the performance graph below. We do not plan to include the Nasdaq Retail Smart Index in next year's performance graph.

The graph assumes an initial investment of \$100 on February 2, 2018 in each of our common stock, the Nasdaq Composite Index, the S&P 600 Apparel Retail Index and the Nasdaq Retail Smart Index.



	2/2/2018	2/1/2019	1/31/2020	1/29/2021	1/28/2022	1/27/2023
Lands' End, Inc.	\$ 100	\$ 109	\$ 71	\$ 169	\$ 111	\$ 55
Nasdaq Composite Index	\$ 100	\$ 100	\$ 126	\$ 181	\$ 190	\$ 160
S&P 600 Apparel Retail Index	\$ 100	\$ 109	\$ 84	\$ 102	\$ 119	\$ 113
Nasdaq Retail Smart Index	\$ 100	\$ 95	\$ 105	\$ 131	\$ 148	\$ 142

This performance graph shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act or incorporated by reference into any of our filings, as amended, with the SEC, except as shall be expressly set forth by specific reference in such filing.

**Dividends**

We have not paid and we do not expect to pay in the foreseeable future, dividends on our common stock. 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. Additionally, the Debt 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 make dividends or distributions with respect to capital stock.

**ITEM 6. [Reserved]**

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

You should read the following discussion in conjunction with the Consolidated Financial Statements and accompanying notes included elsewhere in this Annual Report on Form 10-K. 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 risks, uncertainties, and other factors that could cause actual results to differ materially from those made, projected or implied in the forward-looking statements. See "Cautionary Statements Concerning Forward-Looking Statements" below and Item 1A, Risk Factors, in this Annual Report on Form 10-K for a discussion of the uncertainties, risks and assumptions associated with these statements.

This section discusses our results of operations for the year ended January 27, 2023 as compared to the year ended January 28, 2022. For a discussion and analysis of the year ended January 28, 2022 compared to January 29, 2021, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of our Annual Report on Form 10-K for the year ended January 28, 2022, filed with the SEC on March 24, 2022.

As used in this Annual Report on Form 10-K, references to the "Company", "Lands' End", "we", "us", "our" and similar terms refer to Lands' End, Inc. and its subsidiaries. Our fiscal year ends on the Friday preceding the Saturday closest to January 31.

### Executive Overview

#### *Description of the Company*

Lands' End is a leading digital retailer of casual clothing, swimwear, outerwear, accessories, footwear and home products. Operating out of America's heartland, we believe our vision and values make a strong connection with our core customers. We offer products online at [www.landsend.com](http://www.landsend.com), through our own Company Operated stores and through third-party distribution channels. We are a classic American lifestyle brand with a passion for quality, legendary service and real value. We seek to deliver timeless style for women, men, kids and the home.

Lands' End was founded in 1963 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 have one external reportable segment and identify our operating segments according to how our business activities are managed and evaluated. During Fiscal 2022, our operating segments consisted of: U.S. eCommerce, Europe eCommerce, Japan eCommerce (see Note 8, *Lands' End Japan Closure*), Outfitters, Third Party and Retail. We have determined that each of our operating segments share similar economic and other qualitative characteristics, and therefore, the results of our operating segments are aggregated into one external reportable segment.

#### *Distribution Channels*

We identify five separate distribution channels for revenue reporting purposes:

- *U.S. eCommerce* offers products through our eCommerce website.
- *International* offers products primarily to consumers located in Europe and Japan through eCommerce international websites and third-party affiliates. See Note 8, *Lands' End Japan Closure*.
- *Outfitters* sells uniform and logo apparel to businesses and their employees, as well as to student households through school relationships, located primarily in the U.S.
- *Third Party* sells the same products as U.S. eCommerce direct to consumers through third-party marketplace websites and through domestic wholesale customers.

- *Retail* sells products through Company Operated stores.

### ***Macroeconomic Challenges***

Macroeconomic issues, such as recent inflationary pressures, have had an impact on our business. Since apparel purchases are discretionary expenditures that historically have been influenced by domestic and global economic conditions, higher prices of consumer goods due to inflation may result in less discretionary spending for consumers which may negatively impact customer demand and require higher levels of promotion in order to attract and retain customers. These macroeconomic challenges have led to increased cost of raw materials, packaging materials, labor, transportation, energy, fuel and other inputs necessary for the production and distribution of our products which have negatively impacted our gross margin.

### ***Global Supply Chain Challenges***

Like many industries, we experienced global supply chain challenges that impacted our distribution process, third-party manufacturing partners and logistics partners, including shipping delays due to port congestion and closure of certain third-party manufacturing facilities and production lines. These global supply chain challenges caused manufacturing, transport and receipt of inbound product delays that began to normalize in the second half of Fiscal 2022. The Company experienced increased transportation costs during the second half of Fiscal 2021 and the first half of Fiscal 2022.

### ***Basis of Presentation***

The Consolidated Financial Statements have been prepared in accordance with GAAP and include the accounts of Lands' End, Inc. and its subsidiaries. All intercompany transactions and balances have been eliminated.

### ***Seasonality***

We experience seasonal fluctuations in our net revenue and operating results and historically have realized a significant portion of our yearly net revenue and earnings during our fourth fiscal quarter. We generated 34.0% and 33.9% of our yearly net revenue in the fourth quarter of Fiscal 2022 and Fiscal 2021, respectively. Thus, lower than expected fourth quarter net revenue may 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 selling periods and typically decrease during the fourth quarter of the fiscal year as inventory is sold. Cash provided by operating activities is typically higher in the fourth quarter of the fiscal year due to reduced working capital requirements during that period.

### ***Results of Operations***

*Fiscal Year:* Our fiscal year end is on the Friday preceding the Saturday closest to January 31 each year. The fiscal periods in this report are presented as follows, unless the context otherwise requires:

<b>Fiscal Year</b>	<b>Ended</b>	<b>Weeks</b>
2022	January 27, 2023	52
2021	January 28, 2022	52

The following table sets forth, for the periods indicated, selected income statement data:

<i>(in thousands)</i>	Fiscal 2022		Fiscal 2021	
	\$'s	% of Net Revenue	\$'s	% of Net Revenue
Net revenue	\$ 1,555,429	100.0%	\$ 1,636,624	100.0%
Cost of sales (excluding depreciation and amortization)	961,663	61.8%	945,164	57.7%
Gross profit	593,766	38.2%	691,460	42.3%
Selling and administrative	527,374	33.9%	571,767	35.0%
Depreciation and amortization	38,741	2.5%	39,166	2.4%
Other operating expense, net	2,926	0.2%	741	0.0%
Operating income	24,725	1.6%	79,786	4.9%
Interest expense	39,768	2.6%	34,445	2.1%
Other (income), net	(364)	(0.0)%	(628)	(0.0)%
(Loss) income before income taxes	(14,679)	(0.9)%	45,969	2.8%
Income tax (benefit) expense	(2,149)	(0.1)%	12,600	0.8%
Net (loss) income	\$ (12,530)	(0.8)%	\$ 33,369	2.0%

Depreciation and amortization are 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, gross profit may not be comparable to other entities that include depreciation and amortization related to the sale of their product in their gross profit measure.

#### *Net Income (Loss) and Adjusted EBITDA*

We recorded a Net loss of \$12.5 million and Net income of \$33.4 million for Fiscal 2022 and Fiscal 2021, respectively. In addition to our Net income (loss) determined in accordance with GAAP, for purposes of evaluating operating performance, we use an Adjusted EBITDA measurement. Adjusted EBITDA is computed as Net income (loss) appearing on the Consolidated Statements of Operations net of Income tax expense/(benefit), Interest expense, Depreciation and amortization and certain significant items set forth below. Our management uses Adjusted EBITDA to evaluate the operating performance of our business for comparable periods and as a basis for an executive compensation metric. The methods we use to calculate our non-GAAP financial measures may differ significantly from methods other companies use to compute similar measures. As a result, any non-GAAP financial measures presented herein may not be comparable to similar measures provided by other companies. 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 operating performance, and useful to investors, because:

- EBITDA excludes the effects of financings, investing activities and tax structure by eliminating the effects of interest, depreciation and income tax.
- 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.
  - Lands' End Japan closure – \$3.1 million net operating loss related to the liquidation of product commencing September 2022 through the end of Fiscal 2022 and \$3.0 million of one-time closing costs recorded in Fiscal 2022.
  - Long-lived assets impairment – non-cash write-down of certain long-lived assets in Fiscal 2022.

- (Gain) loss on disposal of property and equipment – disposal of property and equipment in Fiscal 2022 and Fiscal 2021.
- Other – amortization of transaction related costs associated with our Third Party distribution channel in Fiscal 2022 and Fiscal 2021.

	Fiscal 2022		Fiscal 2021	
	\$'s	% of Net Revenue	\$'s	% of Net Revenue
<i>(in thousands)</i>				
Net (loss) income	\$ (12,530)	(0.8)%	\$ 33,369	2.0%
Income tax (benefit) expense	(2,149)	(0.1)%	12,600	0.8%
Other (income), net	(364)	(0.0)%	(628)	(0.0)%
Interest expense	39,768	2.6%	34,445	2.1%
Operating income	24,725	1.6%	79,786	4.9%
Depreciation and amortization	38,741	2.5%	39,166	2.4%
Lands' End Japan closure	6,133	0.4%	—	—%
Long-lived asset impairment	468	0.0%	—	—%
(Gain) loss on disposal of property and equipment	(530)	(0.0)%	741	0.0%
Other	960	0.1%	1,189	0.1%
Adjusted EBITDA	\$ 70,497	4.5%	\$ 120,882	7.4%

In assessing the operational performance of our business, we consider a variety of financial measures. We operate in five separate distribution channels for revenue reporting purposes: U.S. eCommerce, International, Outfitters, Third Party and Retail. A key measure in the evaluation of our business is revenue performance by distribution channel. We also consider Gross profit and Selling and administrative expenses in evaluating the performance of our business.

We use Net revenue to evaluate revenue performance for the U.S. eCommerce, International, Outfitters and Third Party distribution channels. For our Retail distribution channel, we use Company Operated stores Same Store Sales as a key measure to evaluate performance. A store is included in Same Store Sales calculations when it has been open for at least 14 months. Online sales and sales generated through our in-store web portal are considered revenue in our U.S. eCommerce and International distribution channels and are excluded from Same Store Sales.

## Discussion and Analysis

### Fiscal 2022 Compared to Fiscal 2021

#### Net Revenue

Total Net revenue was \$1.56 billion in Fiscal 2022, a decrease of \$81.2 million or 5.0% from \$1.64 billion in Fiscal 2021.

Net revenue is presented by distribution channel in the following table:

	Fiscal 2022		Fiscal 2021	
	\$'s	% of Net Revenue	\$'s	% of Net Revenue
<i>(in thousands)</i>				
U.S. eCommerce	\$ 955,752	61.4%	\$ 1,027,138	62.8%
International	166,627	10.7%	220,997	13.5%
Outfitters	265,898	17.1%	254,191	15.5%
Third Party	118,996	7.7%	86,517	5.3%
Retail	48,156	3.1%	47,781	2.9%
Total Net revenue	\$ 1,555,429		\$ 1,636,624	

U.S. eCommerce Net revenue was \$955.8 million in Fiscal 2022, a decrease of \$71.4 million or 7.0% from \$1.03 billion in Fiscal 2021. The decrease in U.S. eCommerce was caused by lower consumer demand as a result of



delayed receipts of key products caused by the global supply chain challenges in the first half of Fiscal 2022, macroeconomic challenges impacting consumer discretionary spending and industry-wide promotional activity in the second half of Fiscal 2022.

International Net revenue was \$166.6 million in Fiscal 2022, a decrease of \$54.4 million or 24.6% from \$221.0 million in Fiscal 2021. The decrease in International was driven by lower demand in Europe resulting from macroeconomic and geopolitical challenges impacting consumer discretionary spending, the closure of the Japan eCommerce distribution channel in the fourth quarter of Fiscal 2022 and foreign currency translation exposure.

Outfitters Net revenue was \$265.9 million in Fiscal 2022, an increase of \$11.7 million or 4.6% from \$254.2 million in Fiscal 2021. The increase was primarily attributed to stronger demand within our travel-based national accounts and school uniforms households returning to historical purchasing patterns.

Third Party Net revenue was \$119.0 million in Fiscal 2022, an increase of \$32.5 million or 37.5% from \$86.5 million in Fiscal 2021. The increase was driven by growth in the Kohl's marketplace and existing and new online marketplaces.

Retail Net revenue was \$48.2 million in Fiscal 2022, an increase of \$0.4 million or 0.8% from \$47.8 million in Fiscal 2021. Our U.S. Company Operated Stores experienced an increase of 1.5% in Same Store Sales as compared to Fiscal 2021. On January 27, 2023, there were 28 U.S. Company Operated stores compared to 30 U.S. Company Operated stores on January 28, 2022.

### ***Gross Profit***

In Fiscal 2022, total Gross profit decreased 14.1% to \$593.8 million compared to \$691.5 million for Fiscal 2021. Gross margin decreased 410 basis points to 38.2% of total Net revenue in Fiscal 2022 from 42.3% of total Net revenue in Fiscal 2021. The decrease was attributable to incremental transportation costs due to the global supply chain challenges in addition to increased industry-wide promotional activity in the second half of Fiscal 2022.

### ***Selling and Administrative Expenses***

Selling and administrative expenses were \$527.4 million, or 33.9% of total Net revenue in Fiscal 2022 compared to \$571.8 million, or 35.0% of total Net revenue in Fiscal 2021. The approximately 110 basis points improvement was driven by continued expense controls across the business.

### ***Depreciation and Amortization***

Depreciation and amortization were \$38.7 million in Fiscal 2022, a decrease of \$0.5 million or 1.3%, compared to \$39.2 million in Fiscal 2021.

### ***Other Operating Expense, Net***

Other operating expense, net was \$2.9 million in Fiscal 2022 compared to \$0.7 million in Fiscal 2021. The \$2.2 million increase was primarily attributed to \$3.0 million of recorded Lands' End Japan one-time closing costs offset by the change in net gain/loss from disposal of property and equipment and non-cash write down of certain long-lived assets in Fiscal 2022 compared to Fiscal 2021.

### ***Operating Income***

Operating income was \$24.8 million in Fiscal 2022, compared to \$79.8 million in Fiscal 2021. The decrease of \$55.0 million was driven by the decrease in Gross profit offset by lower Selling and administrative expenses.

### ***Interest Expense***

Interest expense was \$39.8 million in Fiscal 2022, compared to \$34.4 million in Fiscal 2021. The \$5.4 million increase was driven by higher applicable interest rates under the Debt Facilities and higher outstanding balances on the revolving ABL Facility.

***Other (Income) Expense***

Other income was \$0.4 million in Fiscal 2022 compared to Other income of \$0.6 million in Fiscal 2021.

***Income Tax (Benefit) Expense***

Income tax benefit of \$2.1 million was recorded for Fiscal 2022 which resulted in an effective tax rate of 14.6%. This compared to Income tax expense of \$12.6 million in Fiscal 2021 which resulted in an effective tax rate of 27.4%. The Fiscal 2021 tax rate was higher than Fiscal 2022 due to a pretax loss in Fiscal 2022 compared to a pretax income in Fiscal 2021.

***Net (Loss) Income***

As a result of the above factors, Net loss was \$12.5 million, or diluted loss per share of \$0.38 in Fiscal 2022 compared to \$33.4 million, or diluted earnings per share of \$0.99 in Fiscal 2021.

***Adjusted EBITDA***

As a result of the above factors, Adjusted EBITDA was \$70.5 million in Fiscal 2022, compared to \$120.9 million in Fiscal 2021.

**Liquidity and Capital Resources**

Our primary need for liquidity is to fund working capital requirements of our business, capital expenditures, debt service and for general corporate purposes. Our cash and cash equivalents and the ABL Facility serve as sources of liquidity for short-term working capital needs and general corporate purposes. The ABL Facility had a balance outstanding of \$100.0 million as of January 27, 2023, other than for letters of credit. Cash generated from our net revenue and profitability, and somewhat to a lesser extent our changes in working capital, are driven by the seasonality of our business, with a significant amount of net revenue and operating cash flows generally occurring in the fourth fiscal quarter of each year. We expect that our cash on hand and cash flows from operations, along with borrowings on the ABL Facility, will be adequate to meet our capital requirements and operational needs for at least the next 12 months.

***Description of Material Indebtedness***

***Debt Arrangements***

Our \$275.0 million revolving ABL Facility includes a \$70.0 million sublimit for letters of credit and is available for working capital and other general corporate liquidity needs. The amount available to borrow is the lesser of the \$275.0 million facility limit and the Borrowing Base which is calculated from Eligible Inventory, Trade Receivables and Credit Card Receivables, all terms as defined in the ABL Facility. The balance outstanding as of January 27, 2023 was \$100.0 million. There was no balance outstanding as of January 28, 2022. The balance of outstanding letters of credit was \$10.6 million and \$23.5 million as of January 27, 2023 and January 28, 2022, respectively.

On July 29, 2021, we executed the Third Amendment to the ABL Facility resulting in favorable financial terms compared to the Second Amendment to the ABL Facility and extension of the maturity date of the ABL Facility, as discussed below.

On September 9, 2020, we entered into the Term Loan Facility which provided borrowings of \$275.0 million. Origination costs, including an Original Issue Discount (OID) of 3% and \$5.1 million in debt origination fees were paid in connection with entering into the Term Loan Facility.

***Interest; Fees***

The Third Amendment to the ABL Facility, effective July 31, 2021, lowered the applicable margin interest rates applicable to the referenced rate, selected at the borrower's election, either (1) adjusted LIBOR or (2) a base rate which is the greater of (a) the federal funds rate plus 0.50%, (b) the one-month LIBOR rate plus 1.00%, or (c) the Wells

Fargo “prime rate”. For all loans, the borrowing margin is based upon the average daily total loans outstanding for the previous quarter. The applicable borrowing margin for LIBOR loans is (i) less than \$95.0 million, 1.25%, (ii) equal to or greater than \$95.0 million but less than \$180.0 million, 1.50%, and (iii) greater than or equal to \$180.0 million, 1.75%. For base rate loans, the applicable borrowing margin is (i) less than \$95.0 million, 0.50%, (ii) equal to or greater than \$95.0 million but less than \$180.0 million, 0.75%, and (iii) greater than or equal to \$180.0 million, 1.00%. The Third Amendment to the ABL Facility replaced the 0.75% LIBOR floor with a 0.00% LIBOR floor.

The interest rates per annum applicable to the loans under the Term Loan Facility are based on a fluctuating rate of interest measured by reference to, at the borrower’s election, either (1) an adjusted LIBOR (with a minimum rate of 1.00%) plus 9.75% or (2) an alternative base rate (which is the greater of (i) the prime rate published in the Wall Street Journal, (ii) the federal funds rate, which shall be no lower than 0.00% plus ½ of 1.00%, or (iii) the one month LIBOR rate plus 1.00% per annum) plus 8.75%.

The ABL Facility fees include (i) commitment fees of 0.25% based upon the average daily unused commitment (aggregate commitment less loans and letter of credit outstanding) under the ABL Facility for the preceding fiscal quarter and (ii) customary letter of credit fees.

Customary agency fees are payable in respect of the Debt Facilities.

*Maturity; Amortization and Prepayments*

The Third Amendment to the ABL Facility extended the maturity from November 16, 2022 to the earlier of (a) July 29, 2026 and (b) June 9, 2025 if, on or prior to such date, the Term Loan Facility has not been refinanced, extended or repaid in full in accordance with the terms thereof and not replaced with other indebtedness.

The Term Loan Facility matures on September 9, 2025 and amortizes at a rate equal to 1.25% per quarter. It is subject to mandatory prepayments in an amount equal to a percentage of the borrower’s excess cash flows in each fiscal year, ranging from 0% to 75% depending on our total leverage ratio, and with the proceeds of certain asset sales, casualty events and extraordinary receipts. The loan could not be voluntarily prepaid during the first two years of its term, without significant penalties. A prepayment premium of 3% applies to voluntary prepayments and certain mandatory prepayments made after September 9, 2022 and on or prior to September 9, 2023, 1% for such prepayments made after September 9, 2023 and on or prior to September 9, 2024, and no premium on such prepayments thereafter.

*Guarantees; Security*

All obligations under the Debt Facilities are unconditionally guaranteed by Lands’ End, Inc. and, subject to certain exceptions, each of its existing and future direct and indirect subsidiaries. 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 is secured by a first priority security interest in certain property and assets of the borrowers and guarantors, including certain fixed assets such as real estate, stock of the subsidiaries and intellectual property, in each case, subject to certain exceptions. The ABL Facility is secured by a second priority interest in the same collateral, with certain exceptions.

*Representations and Warranties; Covenants*

Subject to specified exceptions, the Debt Facilities contain various representations and warranties and restrictive covenants that, among other things, restrict Lands’ End, Inc.’s and its subsidiaries’ ability 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.

The Term Loan Facility contains certain financial covenants, including a quarterly maximum total leverage ratio test, a weekly minimum liquidity test and an annual maximum capital expenditure amount.

Under the ABL Facility, if excess availability falls below the greater of 10% of the Loan Cap amount or \$15.0 million, we will be required to comply with a minimum fixed charge coverage ratio of 1.0 to 1.0.

The Debt 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.

As of January 27, 2023, we were in compliance with all of our covenants in the Debt Facilities.

#### *Events of Default*

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

#### *Cash Flows from Operating Activities*

Operating activities used net cash of \$36.4 million and generated \$70.6 million in Fiscal 2022 and Fiscal 2021, 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 Fiscal 2022, net cash generated by operating activities decreased \$106.9 million compared to Fiscal 2021 as a result of the decrease in operating income and an increase in changes in working capital, primarily inventory. The increase in inventory was primarily driven by early receipts of swim product for the spring and summer selling seasons and carry over full price swim product driven by late receipts last year due to the supply chain challenges.

#### *Cash Flows from Investing Activities*

Net cash used in investing activities was \$29.8 million and \$25.2 million during Fiscal 2022 and Fiscal 2021, respectively. Cash used in investing activities for both years was primarily used for investments to update our digital information technology infrastructure.

For Fiscal 2023, we plan to invest approximately \$35.0 million in capital expenditures for strategic investments and infrastructure, primarily in technology and general corporate needs.

#### *Cash Flows from Financing Activities*

Net cash provided by financing activities was \$73.5 million during Fiscal 2022 compared to \$45.1 million used in financing activities during Fiscal 2021. The \$118.6 million increase in net cash provided by financing activities is attributed to the reduction in earnings and increased borrowings under the ABL Facility to cover the higher than normal inventory levels throughout the year due to the receipt timing of seasonal inventory compared to prior years as well as carried over basics inventory from prior seasons.

#### **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 other contingent commitments, as of January 27, 2023, is aggregated in the following table:

<i>(in thousands)</i>	Payments Due by Period				
	Total	1 Year or less	2-3 Years	3-4 Years	After 5 years
Operating leases <sup>(1)</sup>	\$ 45,301	\$ 7,516	\$ 13,215	\$ 12,720	\$ 11,850
Principal payments on long-term debt	344,063	13,750	330,313	—	—
Interest on Term Loan Facility and ABL Facility fees	86,736	34,907	51,829	—	—
Purchase obligations <sup>(2)</sup>	201,874	201,874	—	—	—
Total contractual obligations	\$ 677,974	\$ 258,047	\$ 395,357	\$ 12,720	\$ 11,850

<sup>(1)</sup> Operating lease obligations consist primarily of future minimum lease commitments related to our operating leases (refer to Note 4, *Leases*, of the Consolidated Financial Statements for further details).

<sup>(2)</sup> Purchase obligations primarily represent open purchase orders for inventory.

### Financial Instruments with Off-Balance-Sheet Risk

The \$275.0 million ABL Facility includes a \$70.0 million sublimit for letters of credit and the Third Amendment to the ABL Facility extended the maturity from November 16, 2022 to the earlier of (a) July 29, 2026 and (b) June 9, 2025 if, on or prior to such date, the Term Loan Facility has not been refinanced, extended or repaid in full in accordance with the terms thereof and not replaced with other indebtedness. The ABL Facility is available for working capital and other general corporate liquidity needs. The balance outstanding as of January 27, 2023 was \$100.0 million. There was no balance outstanding as of January 28, 2022. The balance of outstanding letters of credit was \$10.6 million and \$23.5 million as of January 27, 2023 and January 28, 2022, respectively.

### Application of Critical Accounting Policies and Estimates

Our Consolidated Financial Statements have been prepared in accordance with GAAP, which requires management to make estimates and judgments that affect amounts reported in the Consolidated 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 Consolidated Financial Statements. We believe the accounting policies discussed below represent the accounting policies we apply that are the most critical to understanding our Consolidated Financial Statements.

#### *Inventory Valuation*

Our inventories consist of merchandise purchased for resale and are recorded at the lower of cost or net realizable value. 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 trends and influences, and an assessment of likely economic conditions and various competitive factors.

For financial reporting and tax purposes, our United States inventory, primarily merchandise held for sale, is stated at last-in, first-out (“LIFO”) cost, which is adjusted to the lower of cost or market. We account for our non-United States inventory on the first-in, first-out (“FIFO”) method. The United States inventory accounted for using the LIFO method as of percentage of the total inventory was 92% at January 27, 2023 and 86% at January 28, 2022.

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 normal course of business. Based on historical results experienced through various methods of disposition, we will 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 \$13.9 million and \$15.2 million as of January 27, 2023, and January 28, 2022, respectively. For the inventory marked down to net realizable value, a one percentage point increase in our assumed recovery rates at January 27, 2023, would have had an immaterial impact on our Consolidated Financial Statements.

#### ***Goodwill and Trade Name Impairment Assessments***

Goodwill and the trade name indefinite-lived intangible asset are tested separately for impairment annually, during the fourth quarter, or are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Frequently our impairment loss calculations contain multiple uncertainties because the calculation requires management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting cash flows under different scenarios. We perform goodwill and indefinite-lived intangible asset impairment tests on an annual basis and update these annual impairment tests mid-year 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. If actual results fall short of our estimates and assumptions used in estimating future cash flows and asset fair values, we may be exposed to future impairment losses that could be material.

#### ***Goodwill impairment assessments***

We test goodwill for impairment using a one-step quantitative test. The quantitative test compares the reporting unit's fair value to its carrying value. An impairment is recorded for any excess carrying value above the reporting unit's fair value, not to exceed the amount of goodwill. We estimate fair value of our reporting units using a discounted cash flow model, commonly referred to as the income approach. 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. Estimated discount rates were determined using the weighted average cost of capital for each reporting unit at the time of the analysis, taking into consideration the risks inherent within each reporting unit individually. The discounted cash flow model uses projections based on management's best estimates of economic and market conditions over the projected period using the best information available, including growth rates in revenues, costs and estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, weighted average cost of capital and changes in future working capital requirements.

During First Quarter 2020, in response to the COVID pandemic, we recorded full impairment of the \$3.3 million of goodwill allocated to our Japan eCommerce reporting unit.

We completed our Fiscal 2022 and Fiscal 2021 annual goodwill impairment analysis during the fourth quarter of each year and determined that the fair value of the U.S. eCommerce and Outfitters reporting units exceeded their carrying values by 13.2% and 26.7%, respectively in Fiscal 2022 and 91.2% and 65.5%, respectively in Fiscal 2021, and as such, we did not record a goodwill impairment charge. The discount rates used in our Fiscal 2022 annual impairment testing for U.S. eCommerce and Outfitters were 18% and 16%, respectively. Changes in certain of our key assumptions may affect testing results. For example, keeping all other assumptions constant, a 200 and 600 basis point increase in the discount rates for the U.S. eCommerce and Outfitters reporting units, respectively, would have resulted in the reporting units estimated fair values to approximate carrying value.

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 the reporting unit.

### *Indefinite-lived intangible asset impairment assessments*

Our indefinite-lived intangible asset is the Lands' End trade name. We review the trade name for impairment on an annual basis during our fourth fiscal quarter or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The fair value of the trade name indefinite-lived intangible asset is estimated using the relief from royalty valuation method. The relief from royalty method of the income approach 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 forecasted net revenue stream and discounting the resulting cash flows to determine a present value. We multiplied the selected royalty rate by the forecasted net revenue stream to calculate the cost savings (relief from royalty payment) associated with the asset. The cash flows are then discounted to present value using the selected discount rate and compared to the carrying value of the asset.

In Fiscal 2022 and Fiscal 2021 we performed the annual testing of the indefinite-lived intangible asset, the Lands' End trade name. The fair value exceeded the carrying value by 13.3% and 68.9% in Fiscal 2022 and Fiscal 2021, respectively, and as such, no trade name impairment charges were recorded.

See Note 2, *Summary of Significant Accounting Policies*, and Note 10, *Goodwill and Indefinite-Lived Intangible Asset*, of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for more information about these assets and the related impairment charges.

### ***Revenue Recognition***

While revenue recognition for us does not involve significant judgment, it represents an important accounting policy. For sales shipped from our distribution centers, we recognize revenue and the related cost of goods sold at the time the products are expected to be received by the customers. For sales transacted at stores, revenue is recognized when the customer receives and pays for the merchandise at the register. We record an allowance for estimated returns based on our historical return patterns and various other assumptions that management believes to be reasonable.

We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to calculate our sales return allowance. However, if the actual rate of sales returns increases significantly, our operating results could be adversely affected. We have not made any material changes in the accounting methodology used to estimate future sales returns in the past three fiscal years.

### ***Provision for Income Taxes***

We record a valuation allowance against our deferred tax assets when it is more likely than not that some portion or all of such deferred tax assets will not be realized. In determining the need for a valuation allowance, management is required to make assumptions and to apply judgment, including forecasting future income, taxable income and the mix of income or losses in the jurisdictions in which we operate. Our effective tax rate in a given financial statement period may also be materially impacted by changes in the mix and level of income or losses, changes in the expected outcome of audits, or changes in the deferred tax valuation allowance.

At any point in time, many tax years are subject to or in the process of being audited by various taxing authorities. To the extent our estimates of settlements change, or the final tax outcome of these matters is different from the amounts recorded, such differences will impact the income tax provision in the period in which such determinations are made. Our income tax expense includes changes in our estimated liability for exposures associated with our various tax filing positions. Determining the income tax expense for these potential assessments requires management to make assumptions that are subject to factors such as proposed assessments by tax authorities, changes in facts and circumstances, issuance of new regulations, and resolution of tax audits. We performed an evaluation over our deferred tax assets and determined that a valuation allowance is considered necessary. See Note 11, *Income Taxes*, for further details on the valuation allowance.

We believe the judgments and estimates discussed above are reasonable. However, if actual results fall short of our estimates or assumptions, we may be exposed to losses or gains that could be material.

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This document contains forward-looking statements. Forward-looking statements reflect our current views with respect to, among other things, future events and performance. These statements may discuss, among other things, our net sales, gross margin, operating expenses, operating income, net income, cash flow, financial condition, financings, impairments, expenditures, growth, strategies, plans, achievements, dividends, capital structure, organizational structure, future store openings, market opportunities and general market and industry conditions. We generally identify forward-looking statements by words such as “anticipate,” “estimate,” “expect,” “intend,” “project,” “plan,” “predict,” “believe,” “seek,” “continue,” “outlook,” “may,” “might,” “will,” “should,” “can have,” “likely,” “targeting” or the negative version of these words or comparable words. Forward-looking statements are based on beliefs and assumptions made by management using currently available information. These statements are only predictions and are not guarantees of future performance, actions or events. Forward-looking statements are subject to risks and uncertainties. If one or more of these risks or uncertainties materialize, or if management’s underlying beliefs and assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. These risks and uncertainties include those set forth under Item 1A, *Risk Factors*, in this Annual Report on Form 10-K. Forward-looking statements speak only as of the date on which they are made. We expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable securities laws and regulations.



## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### Foreign Currency Exchange Risk

The Company's international subsidiaries operate with functional currencies other than the U.S. dollar. Since the Company's Consolidated Financial Statements are presented in U.S. dollars, the Company must translate all components of these financial statements from the functional currencies into U.S. dollars at exchange rates in effect during or at the end of the reporting period. Net revenue generated from the International distribution channel represented 11% of our total net revenue in Fiscal 2022. The fluctuation in the value of the U.S. dollar against other currencies affects the reported amounts of net revenues, expenses, assets and liabilities. Assuming a 10% change in foreign currency exchange rates, Fiscal 2022 net revenue would have increased or decreased by approximately \$16.7 million. Translation gains or losses, which are recorded in other comprehensive income or loss, result from translation of the assets and liabilities of our international subsidiaries into U.S. dollars. Foreign currency translation losses, net, for Fiscal 2022 totaled approximately \$4.4 million related to our international subsidiaries in United Kingdom, Germany and Japan. Additionally, the Company has foreign currency denominated intercompany receivables and payables that when settled result in a transaction gain or loss. A 10% change in foreign currency exchange rates would not result in a significant transaction gain or loss in earnings. The Company does not utilize financial instruments for trading purposes or hedging and have not used any derivative financial instruments to limit foreign currency exchange rate exposures. The Company does not consider our foreign earnings to be permanently reinvested.

As of January 27, 2023, the Company had \$6.4 million of cash and cash equivalents denominated in foreign currency, principally in British pound sterling, Japanese yen and Euro.

### Interest Rate Risk

The Company is subject to interest rate risk with the Term Loan Facility and the ABL Facility, as both require the Company to pay interest on outstanding borrowings at variable rates. Each one percentage point change in interest rates (above the 1% LIBOR floor) associated with the Term Loan Facility would result in a \$2.4 million change in our annual cash interest expenses. Assuming our ABL Facility was fully drawn to a principal amount equal to \$275.0 million, each one percentage point change in interest rates would result in a \$2.8 million change in our annual cash interest expense.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

<a href="#">Reports of Independent Registered Public Accounting Firms</a>	42
<a href="#">Consolidated Statements of Operations for Fiscal Years Ended January 27, 2023, January 28, 2022 and January 29, 2021</a>	46
<a href="#">Consolidated Statements of Comprehensive Operations for Fiscal Years Ended January 27, 2023, January 28, 2022 and January 29, 2021</a>	47
<a href="#">Consolidated Balance Sheets at January 27, 2023 and January 28, 2022</a>	48
<a href="#">Consolidated Statements of Cash Flows for Fiscal Years Ended January 27, 2023, January 28, 2022 and January 29, 2021</a>	49
<a href="#">Consolidated Statements of Changes in Stockholders' Equity for Fiscal Years Ended January 27, 2023, January 28, 2022 and January 29, 2021</a>	50
<a href="#">Notes to Consolidated Financial Statements</a>	51

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Shareholders and Board of Directors

Lands' End, Inc.

Dodgeville, Wisconsin

**Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheet of Lands' End, Inc. and subsidiaries (the "Company") as of January 27, 2023, the related consolidated statements of operations, comprehensive operations, changes in stockholders' equity, and cash flows for the year ended January 27, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at January 27, 2023, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of January 27, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated April 10, 2023 expressed an unqualified opinion thereon.

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

### ***Goodwill and Indefinite-Lived Intangible Asset Valuation***

As described in Note 2 and Note 10 of the consolidated financial statements, the Company's indefinite-lived intangible assets consist of goodwill and trade name. As of January 27, 2023, the consolidated carrying value of the goodwill, is \$106.7 million, with \$70.4 million and \$36.3 million allocated to the U.S. eCommerce and Outfitters reporting units, respectively. The consolidated carrying value of the trade name is \$257 million. The Company tests goodwill and the trade name separately for impairment on an annual basis during the fourth fiscal quarter, or more frequently as defined by Accounting Standards Codification Topic 350.

The fair value of the reporting unit equity used in the goodwill impairment test is estimated using a discounted cash flow model (income approach). This approach uses forecasts based on the Company's best estimates regarding economic and market conditions over the forecasted period. These estimates include revenue growth rates, changes in costs, and changes in operating margins. Other estimates and assumptions include weighted averages cost of capital, changes in future working capital requirements, and terminal value growth rates.

The fair value of the trade name is estimated using a relief-from-royalty valuation method, based on the assumption that, in lieu of ownership, a firm would be willing to pay a royalty in order to take part in the related benefit of the asset class. There are two key steps related to the relief from royalty method, which include: (a) estimating a reasonable royalty rate for the asset class, and (b) applying the estimated royalty rate to forecasted net revenue and discounting the resulting cash flows to arrive at present value.

We identified goodwill and indefinite-lived intangible asset valuation as a critical audit matter due to the heightened amount of management judgement and expertise required to estimate the fair value of the U.S. eCommerce and Outfitters reporting units and the Company's trade name. There is heightened judgement required in the determination of revenue growth rates and changes in gross margin. Other management assumptions require expertise to arrive at the weighted average cost of capital and royalty rate. Auditing these estimates and assumptions involved subjective and complex auditor judgement, including the involvement of individuals with specialized knowledge and skills in valuation.

Our audit procedures performed to address the revenue growth rates, changes in gross margin, and the selection of the weighted-average cost of capital for the U.S. eCommerce and Outfitters reporting units and the selection of the royalty rate and weighted-average cost of capital for the trade name include:

- Testing the design, implementation, and operating effectiveness of internal controls over goodwill and indefinite-lived intangible asset, specifically, the Company's controls over forecasted revenues and gross margin and the selection of the weighted average cost of capital and royalty rate.
- Evaluating the reasonableness of management's forecasts over revenue growth and changes in gross margin by (a) comparing current and historical performance to prior period projections, (b) reviewing prior period actual financial results and external market and industry data to evaluate management's considerations over contradictory evidence, and (c) comparing forecasted information with previously communicated press releases, internal communications to management, and communications with the Board of Directors.
- Evaluating the changes in management's forecasts related to revenue growth and changes in gross margin from the testing date to fiscal year end to determine the impact on the impairment assessment.
- Assessing the mathematical accuracy of the financial projections utilized in the fair value calculation.
- Utilizing personnel with specialized skills in valuation to perform an evaluation of management's estimates and assumptions, specifically, the selection of the weighted average cost of capital, royalty rate, and valuation methodologies used. These procedures included developing independent estimates and comparing those to rates selected by management.

/s/ BDO USA, LLP

We have served as the Company's auditor since 2022.

Madison, Wisconsin

April 10, 2023

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the stockholders and the Board of Directors of Lands' End, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheet of Lands' End, Inc. and subsidiaries (the "Company") as of January 28, 2022, the related consolidated statements of operations, comprehensive operations, cash flows, and changes in stockholders' equity, for each of the two fiscal years in the period ended January 28, 2022, and the related notes (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of January 28, 2022, and the results of its operations and its cash flows for each of the two years in the period ended January 28, 2022, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

Chicago, Illinois

March 24, 2022

We began serving as the Company's auditor in 2012. In 2022 we became the predecessor auditor.

**LANDS' END, INC.**  
**Consolidated Statements of Operations**  
**for Fiscal Years Ended January 27, 2023, January 28, 2022 and January 29, 2021**

*(in thousands except per share data)*

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>			
Net revenue	\$ 1,555,429	\$ 1,636,624	\$ 1,427,448
Cost of sales (excluding depreciation and amortization)	961,663	945,164	821,595
<b>Gross profit</b>	<u>593,766</u>	<u>691,460</u>	<u>605,853</u>
Selling and administrative	527,374	571,767	518,897
Depreciation and amortization	38,741	39,166	37,343
Other operating expense, net	2,926	741	8,471
Total costs and expenses	<u>569,041</u>	<u>611,674</u>	<u>564,711</u>
Operating income	<u>24,725</u>	<u>79,786</u>	<u>41,142</u>
Interest expense	39,768	34,445	27,754
Other (income) expense, net	(364)	(628)	796
(Loss) income before income taxes	<u>(14,679)</u>	<u>45,969</u>	<u>12,592</u>
Income tax (benefit) expense	(2,149)	12,600	1,756
<b>NET (LOSS) INCOME</b>	<u>\$ (12,530)</u>	<u>\$ 33,369</u>	<u>\$ 10,836</u>
<b>NET (LOSS) INCOME PER COMMON SHARE</b>			
<b>ATTRIBUTABLE TO STOCKHOLDERS</b>			
Basic:	<u>\$ (0.38)</u>	<u>\$ 1.01</u>	<u>\$ 0.33</u>
Diluted:	<u>\$ (0.38)</u>	<u>\$ 0.99</u>	<u>\$ 0.33</u>
Basic weighted average common shares outstanding	33,108	32,929	32,566
Diluted weighted average common shares outstanding	33,108	33,681	32,652

See accompanying Notes to Consolidated Financial Statements.

**LANDS' END, INC.**  
**Consolidated Statements of Comprehensive Operations**  
**for Fiscal Years Ended January 27, 2023, January 28, 2022 and January 29, 2021**

<i>(in thousands)</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>NET (LOSS) INCOME</b>	\$ (12,530)	\$ 33,369	\$ 10,836
Other comprehensive (loss) income, net of tax			
Foreign currency translation (loss) gain	(4,380)	(1,421)	1,767
<b>COMPREHENSIVE (LOSS) INCOME</b>	<u>\$ (16,910)</u>	<u>\$ 31,948</u>	<u>\$ 12,603</u>

See accompanying Notes to Consolidated Financial Statements.



**LANDS' END, INC.**  
**Consolidated Balance Sheets**

(in thousands except per share data)

	<u>January 27, 2023</u>	<u>January 28, 2022</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 39,557	\$ 34,301
Restricted cash	1,834	1,834
Accounts receivable, net	44,928	49,668
Inventories, net	425,513	384,241
Prepaid expenses and other current assets	44,894	36,905
<b>Total current assets</b>	<u>556,726</u>	<u>506,949</u>
Property and equipment, net	127,638	129,791
Operating lease right-of-use asset	30,325	31,492
Goodwill	106,700	106,700
Intangible asset, net	257,000	257,000
Other assets	3,759	4,702
<b>TOTAL ASSETS</b>	<u>\$ 1,082,148</u>	<u>\$ 1,036,634</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Current portion of long-term debt	\$ 13,750	\$ 13,750
Accounts payable	171,557	145,802
Lease liability – current	5,414	5,617
Accrued expenses and other current liabilities	106,756	146,263
<b>Total current liabilities</b>	<u>297,477</u>	<u>311,432</u>
Long-term borrowings on ABL Facility	100,000	—
Long-term debt, net	223,506	234,474
Lease liability – long-term	31,095	32,731
Deferred tax liabilities	45,953	46,191
Other liabilities	3,365	5,110
<b>TOTAL LIABILITIES</b>	<u>701,396</u>	<u>629,938</u>
Commitments and contingencies		
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, par value \$0.01 - authorized: 480,000 shares; issued and outstanding: 32,626 and 32,985, respectively	326	330
Additional paid-in capital	366,181	374,413
Retained earnings	31,267	44,595
Accumulated other comprehensive loss	(17,022)	(12,642)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<u>380,752</u>	<u>406,696</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 1,082,148</u>	<u>\$ 1,036,634</u>

See accompanying Notes to Consolidated Financial Statements.

**LANDS' END, INC.**  
**Consolidated Statements of Cash Flows**  
**for Fiscal Years Ended January 27, 2023, January 28, 2022 and January 29, 2021**

<i>(in thousands)</i>	2022	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (loss) income	\$ (12,530)	\$ 33,369	\$ 10,836
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Depreciation and amortization	38,741	39,166	37,343
Amortization of debt issuance costs	3,176	3,194	3,110
(Gain) loss on disposal of property and equipment	(530)	741	1,303
Stock-based compensation	3,753	10,156	9,201
Deferred income taxes	927	(782)	(10,770)
Goodwill impairment	—	—	3,300
Long-lived asset impairment	468	—	400
Other	(775)	(661)	1,452
Change in operating assets and liabilities:			
Accounts receivable, net	4,503	(13,170)	15,012
Inventories, net	(45,873)	(4,213)	(4,081)
Accounts payable	19,938	13,089	(21,208)
Other operating assets	(8,105)	4,080	(376)
Other operating liabilities	(40,060)	(14,400)	46,111
Net cash (used in) provided by operating activities	(36,367)	70,569	91,633
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sales of property and equipment	1,967	—	—
Purchases of property and equipment	(31,806)	(25,238)	(30,149)
Net cash used in investing activities	(29,839)	(25,238)	(30,149)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings under ABL Facility	264,000	143,000	235,000
Payments of borrowings under ABL Facility	(164,000)	(168,000)	(210,000)
Proceeds from issuance on long-term debt, net	—	—	266,750
Payments on term loan	(13,750)	(13,750)	(388,825)
Payments for taxes related to net share settlement of equity awards	(4,324)	(5,111)	(483)
Purchases and retirement of common stock	(8,463)	—	—
Payment of debt issuance costs	—	(1,232)	(5,517)
Net cash provided by (used in) financing activities	73,463	(45,093)	(103,075)
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(2,001)	103	(1,912)
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	5,256	341	(43,503)
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR</b>	36,135	35,794	79,297
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR</b>	\$ 41,391	\$ 36,135	\$ 35,794
<b>SUPPLEMENTAL CASH FLOW DATA</b>			
Unpaid liability to acquire property and equipment	\$ 9,998	\$ 2,627	\$ 3,245
Income taxes paid, net of refunds	\$ 4,763	\$ 24,868	\$ 288
Interest paid	\$ 34,485	\$ 31,421	\$ 21,595

See accompanying Notes to Consolidated Financial Statements.

**LANDS' END, INC.**  
**Consolidated Statements of Changes in Stockholders' Equity**

<i>(in thousands)</i>	Common Stock Issued		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
<b>Balance at January 31, 2020</b>	32,382	\$ 324	\$ 360,656	\$ 390	\$ (12,988)	\$ 348,382
Net income	—	—	—	10,836	—	10,836
Cumulative translation adjustment, net of tax	—	—	—	—	1,767	1,767
Stock-based compensation expense	—	—	9,201	—	—	9,201
Vesting of restricted shares	299	2	(2)	—	—	—
Common stock withheld related to net share settlement of equity awards	(67)	—	(483)	—	—	(483)
<b>Balance at January 29, 2021</b>	32,614	326	369,372	11,226	(11,221)	369,703
Net income	—	—	—	33,369	—	33,369
Cumulative translation adjustment, net of tax	—	—	—	—	(1,421)	(1,421)
Stock-based compensation expense	—	—	10,156	—	—	10,156
Vesting of restricted shares	567	4	(4)	—	—	—
Common stock withheld related to net share settlement of equity awards	(196)	—	(5,111)	—	—	(5,111)
<b>Balance at January 28, 2022</b>	32,985	330	374,413	44,595	(12,642)	406,696
Net loss	—	—	—	(12,530)	—	(12,530)
Cumulative translation adjustment, net of tax	—	—	—	—	(4,380)	(4,380)
Stock-based compensation expense	—	—	3,753	—	—	3,753
Vesting of restricted shares	673	4	(4)	—	—	—
Common stock withheld related to net share settlement of equity awards	(236)	—	(4,324)	—	—	(4,324)
Purchases and retirement of common stock	(796)	(8)	(7,657)	(798)	—	(8,463)
<b>Balance at January 27, 2023</b>	32,626	\$ 326	\$ 366,181	\$ 31,267	\$ (17,022)	\$ 380,752

See accompanying Notes to Consolidated Financial Statements.

**LANDS' END, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. BACKGROUND AND BASIS OF PRESENTATION**

**Description of Business**

*Lands' End, Inc. ("Lands' End" or the "Company") is a leading digital retailer of casual clothing, swimwear, outerwear, accessories, footwear and home products. Lands' End offers products online at [www.landsend.com](http://www.landsend.com), through Company Operated stores and through third-party distribution channels.*

*Terms that are commonly used in the Company's Notes to the Consolidated Financial Statements are defined as follows:*

- *ABL Facility – Asset-based senior secured credit agreements, providing for a revolving facility, dated as of November 16, 2017, with Wells Fargo, N.A. and certain other lenders, as amended to date*
- *Adjusted EBITDA – Net income/(loss) appearing on the Consolidated Statements of Operations net of Income tax expense/(benefit), Interest expense, Depreciation and amortization and certain significant items*
- *ASC – Financial Accounting Standards Board Accounting Standards Codification, which serves as the source for authoritative GAAP, as supplemented by rules and interpretive releases by the SEC which are also sources of authoritative GAAP for SEC registrants*
- *CARES Act – The Coronavirus Aid, Relief and Economic Security Act signed into law on March 27, 2020*
- *Company Operated stores – Lands' End retail stores in the Retail distribution channel*
- *COVID – Coronavirus disease 2019 (COVID-19) caused by severe respiratory syndrome coronavirus 2 (SARS-CoV-2)*
- *Debt Facilities – Collectively, the Term Loan Facility and ABL Facility*
- *Deferred Awards – Time vesting stock awards*
- *EPS – Earnings per share*
- *FASB – Financial Accounting Standards Board*
- *Fiscal 2022 – The 52 weeks ended January 27, 2023*
- *Fiscal 2021 – The 52 weeks ended January 28, 2022*
- *Fiscal 2020 – The 52 weeks ended January 29, 2021*
- *First Quarter 2020 – The 13 weeks ended May 1, 2020*
- *GAAP – Accounting principles generally accepted in the United States*
- *LIBOR – London inter-bank offered rate*
- *Option Awards – Stock option awards*
- *Performance Awards – Performance-based stock awards*
- *SEC – United States Securities and Exchange Commission*
- *Second Quarter 2022 – The 13 weeks ended July 29, 2022*

- *Second Quarter 2020 – The 13 weeks ended July 31, 2020*
- *Target Shares – Number of restricted stock units awarded to a recipient which reflects the number of shares to be delivered based on achievement of target performance goals*
- *Term Loan Facility – Term loan credit agreement, dated as of September 9, 2020, among the Company, Fortress Credit Corp., as Administrative Agent and Collateral Agent, and the lenders party thereto*

## **Basis of Presentation**

The Consolidated Financial Statements include the accounts of Lands' End, Inc. and its subsidiaries. All intercompany transactions and balances have been eliminated.

The accompanying Consolidated Financial Statements have been prepared in accordance with GAAP. In the opinion of management, all material adjustments are of a normal and recurring nature necessary for a fair presentation of the results have been reflected for the periods presented. Dollar amounts are reported in thousands, except per share data, unless otherwise noted.

### ***Macroeconomic Challenges***

Macroeconomic issues, such as recent inflationary pressures, have had an impact on the Company's business. Since apparel purchases are discretionary expenditures that historically have been influenced by domestic and global economic conditions, higher prices of consumer goods due to inflation may result in less discretionary spending for consumers which may negatively impact customer demand and require higher levels of promotion in order to attract and retain customers. These macroeconomic challenges have led to increased cost of raw materials, packaging materials, labor, transportation, energy, fuel and other inputs necessary for the production and distribution of the Company's products and have negatively impacted the Company's gross margin.

### ***Global Supply Chain Challenges***

Like many industries, the Company experienced global supply chain challenges that impacted our distribution process, third-party manufacturing partners and logistics partners, including shipping delays due to port congestion and closure of certain third-party manufacturing facilities and production lines. These global supply chain challenges caused manufacturing, transport and receipt of inbound product delays that began to normalize in the second half of Fiscal 2022. The Company experienced increased transportation costs during Fiscal 2021 and the first half of Fiscal 2022.

### ***Corporate Restructuring***

During Second Quarter 2022, the Board of Directors approved a plan to wind down and cease operations of Lands' End Japan KK. Lands' End Japan KK represents the Japan eCommerce operating segment. For a discussion on this operating segment, see Note 14, *Segment Reporting*. The Company incurred one-time closing costs of approximately \$3.0 million which was recorded in Other operating expense, net in the Consolidated Statements of Operations. See Note 8, *Lands' End Japan Closure*.

During Second Quarter 2020, the Company reduced approximately 10% of corporate positions. The Company incurred total severance costs of approximately \$2.9 million related to the reduction of corporate positions which was recorded in Other operating expense, net in the Consolidated Statements of Operations.

**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. The fiscal periods in this report are presented as follows, unless the context otherwise requires:

<u>Fiscal Year</u>	<u>Ended</u>	<u>Weeks</u>
2022	January 27, 2023	52
2021	January 28, 2022	52
2020	January 29, 2021	52

**Seasonality**

The Company's operations have historically been seasonal, with a disproportionate amount of net revenue occurring in the fourth fiscal quarter, reflecting increased customer 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 season dates and promotions, the amount of net revenue contributed by new and existing stores, the timing and level of markdowns, competitive factors, weather and general economic conditions.

Working capital requirements typically increase during the second and third quarters of the fiscal year as inventory builds to support peak selling periods and, accordingly, typically decrease during the fourth quarter of the fiscal year as inventory is sold. Cash provided by operating activities is typically higher in the fourth quarter of the fiscal year due to reduced working capital requirements during that period.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reportable amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period. Significant accounting estimates inherent in the preparation of the consolidated financial statements include revenue recognition, including gift card breakage and estimated merchandise returns, inventory valuation, impairment assessments for goodwill, indefinite intangible assets and long-lived assets and income taxes. Actual results could differ from those estimates made by management, which could have a material impact on the Company's financial position or results of operations.

**Cash and cash equivalents**

Cash and cash equivalents consist of highly liquid temporary instruments purchased with original maturities of three months or less. It also includes deposits in-transit from banks for payments related to third-party credit card and debit card transactions. The Company maintains a portion of its cash in Federal Deposit Insurance Corporation ("FDIC") insured bank deposit accounts which, at times, may exceed federally insured limits. To date, the Company has not experienced any losses in such accounts. The Company does not believe, based on the size and strength of the banking institutions used, it is exposed to any significant credit risks in cash.

**Restricted cash**

The Company classifies cash balances pledged as collateral as Restricted cash on the Consolidated Balance Sheets.

**Allowance for Credit Losses**

The Company provides an allowance for credit losses based on historical loss experience, collection experience, delinquency trends, economic conditions and specific identification. The Accounts receivable balance on the

Consolidated Balance Sheets is presented net of the Company's allowance for credit losses and is comprised of various customer-related accounts receivable.

Changes in the balance of the allowance for credit losses are as follows:

<i>(in thousands)</i>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>
Beginning balance	\$ 625	\$ 680
Provision	295	158
Write-offs	(192)	(213)
Ending balance	<u>\$ 728</u>	<u>\$ 625</u>

### Inventory

Inventories primarily consist of merchandise purchased for resale. For financial reporting and tax purposes, the Company's United States inventory, primarily merchandise held for sale, is stated at last-in, first-out ("LIFO") cost, which is lower than net realizable value. The Company accounts for its non-United States inventory on the first-in, first-out ("FIFO") method. The United States inventory accounted for using the LIFO method was 92% of total inventory as of January 27, 2023 and 86% as of January 28, 2022. If the FIFO method of accounting for inventory had been used, the effect on inventory would have been an increase of \$1.2 million and \$0.8 million as of January 27, 2023 and January 28, 2022, respectively.

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 \$13.9 million and \$15.2 million as of January 27, 2023 and January 28, 2022, respectively.

### Deferred Catalog Costs and Marketing

Costs incurred for direct response marketing consist primarily of catalog production and mailing costs that are generally amortized within two months from the date catalogs are mailed. Unamortized marketing costs reported as prepaid assets were \$10.4 million and \$10.8 million as of January 27, 2023 and January 28, 2022, respectively. The Company expenses the costs of marketing for website, magazine, newspaper, radio and other general media when the marketing takes place. Marketing expenses, including catalog costs amortization, digital-related costs and other print media were \$205.6 million, \$220.0 million and \$195.4 million for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. These costs are included within Selling and administrative expenses in the accompanying Consolidated Statements of 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. As of the balance sheet dates, Property and equipment, net consisted of the following:

<i>(in thousands)</i>	<u>Asset Lives (years)</u>	<u>January 27, 2023</u>	<u>January 28, 2022</u>
Land	—	\$ 3,440	\$ 3,468
Buildings and improvements	15-30	99,545	102,077
Furniture, fixtures and equipment	3-10	59,992	61,751
Computer hardware and software	3-10	232,799	211,726
Leasehold improvements	3-7	12,761	12,818
Construction in progress		27,235	15,278
Gross property and equipment		<u>435,772</u>	<u>407,118</u>
Less: Accumulated depreciation		<u>(308,134)</u>	<u>(277,327)</u>
Total property and equipment, net		<u>\$ 127,638</u>	<u>\$ 129,791</u>

As of both January 27, 2023 and January 28, 2022, construction in progress relates primarily to technological investments.

Depreciation expense is recorded over the estimated useful lives of the respective assets using the straight-line method. Leasehold improvements are depreciated over the shorter of the associated lease term or the estimated useful life of the asset. Depreciation expense was \$38.7 million, \$39.2 million and \$37.3 million for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

## **Leases**

The Company is a lessee under various lease agreements for its Company Operated store locations and certain international distribution and office facilities. All leases are classified as operating leases. The Company's leases have remaining lease terms ranging from less than one year up to ten years with renewal options. The lease term is defined as the noncancelable portion of the lease term plus any periods covered by an option to extend the lease, if it is reasonably certain that the option will be exercised.

The determination of whether an arrangement contains a lease and the classification of a lease, if applicable, is made at lease inception. Lease commencement is the date in which the lessor provides the Company access to, and the right to control, the identified asset. At lease commencement, the Company recognizes a right-of-use asset and a corresponding lease liability measured at the present value of the future minimum lease payments. Minimum lease payments include the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. The right-of-use asset is recorded at the amount of the lease liability, increased for prepaid lease and initial direct costs paid and reduced by any lease incentives.

The Company has elected the practical expedient of not recognizing a right-of-use asset or lease liability for short-term leases, which are leases with a term of twelve months or less. Lease payments on short-term leases are expensed as incurred. The Company has lease agreements with lease and non-lease components. The Company has elected the practical expedient to combine lease and non-lease components. The Company does not have any leases with residual value guarantees or restrictions or covenants imposed by the lease.

Due to the absence of an implicit rate in the Company's lease agreements, the Company estimates its incremental borrowing rate at lease commencement in determining the present value of lease payments for each lease based on the lease term, lease currency and the Company's credit spread. The yield curve selected at the lease commencement date represents one notch above the Company's unsecured credit rating, and therefore is considered a close proxy for the incremental borrowing rate the Company would incur for secured debt.

In addition to rent payments, the lease agreements contain payments for real estate taxes, insurance, common area maintenance and utilities that are not fixed. The Company accounts for these costs as variable payments and does not include such costs as a lease component.

The Company's leases are classified as operating leases, which are included in the Operating lease right-of-use asset, Lease liability – current and Lease liability – long-term on the Company's Consolidated Balance Sheets. Lease expense is recognized on a straight-line basis over the lease term and is included in Selling and administrative expense in the Consolidated Statements of Operations. See Note 4, *Leases*.

## **Impairment of Property and Equipment**

Property and equipment 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. Company Operated store long-lived assets, including right-of-use assets, are regularly reviewed for impairment indicators. Impairment is assessed at the individual store level which is the lowest level of identifiable cash flows and considers the estimated undiscounted cash flows over the asset's remaining life. If estimated undiscounted cash flows are insufficient to recover the investment, an impairment loss is recognized equal to the difference between the estimated fair value of the asset and its carrying



value, net of salvage, and any costs of disposition. The fair value estimate is generally the discounted amount of estimated store-specific cash flows. During Fiscal 2022, Fiscal 2021 and Fiscal 2020, the Company recognized impairment of \$0.5 million, no impairment and \$0.4 million, respectively, for right-of-use assets and property and equipment of Company Operated store locations.

### **Goodwill and Indefinite-lived Intangible Asset Impairment Assessments**

Goodwill and the indefinite-lived trade name intangible asset are tested separately for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Frequently, impairment assessments contain multiple uncertainties because the calculation requires management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting cash flows under different scenarios. The Company performs goodwill and indefinite-lived intangible asset impairment tests on an annual basis and updates these annual impairment tests mid-year 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. If actual results fall short of the Company's estimates and assumptions used in estimating future cash flows and asset fair values, the Company may be exposed to future impairment losses that could be material.

#### ***Goodwill impairment assessments***

The Company tests goodwill for impairment using a one-step quantitative test. The quantitative test compares the reporting unit's fair value to its carrying value. An impairment is recorded for any excess carrying value above the reporting unit's fair value, not to exceed the amount of goodwill. The Company estimates fair value of its reporting units using a discounted cash flow model, commonly referred to as the income approach. 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 the Company's reporting unit. The discounted cash flow model uses management's best estimates of economic and market conditions over the projected period using the best information available, including growth rates in revenues, costs and estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, weighted average cost of capital and changes in future working capital requirements.

During First Quarter 2020, in response to the COVID pandemic, the Company recorded full impairment of the \$3.3 million of goodwill allocated to the Company's Japan eCommerce reporting unit in Other operating expense, net in the Consolidated Statements of Operations. As of January 27, 2023, the total \$106.7 million of goodwill recorded relates to the Company's U.S. eCommerce and Outfitters reporting units, in the amount of \$70.4 million and \$36.3 million, respectively. At the end of Fiscal 2022, the fair value of the U.S. eCommerce and Outfitters reporting units exceeded the carrying value by 13.2% and 26.7%, respectively, and 91.2% and 65.5%, respectively at the end of Fiscal 2021.

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 performance or future projections, or changes in plans for the reporting unit.

#### ***Indefinite-lived intangible asset impairment assessments***

The Company's indefinite-lived intangible asset is the Lands' End trade name. The Company reviews the trade name for impairment on an annual basis during the fourth fiscal quarter, or whenever events or changes in circumstances indicate the carrying value may not be recoverable. The fair value of the trade name indefinite-lived intangible asset is estimated using the relief from royalty method. The relief from royalty 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 forecasted net revenue stream and discounting the resulting cash flows to determine a present value. The Company multiplied the selected royalty rate by the forecasted net

revenue stream to calculate the cost savings (relief from royalty payment) associated with the asset. The cash flows are then discounted to present value using the selected discount rate and compared to the carrying value of the asset.

In Fiscal 2022, Fiscal 2021 and Fiscal 2020, the Company tested the indefinite-lived intangible asset as required resulting in the fair value exceeding the carrying value by 13.3%, 68.9% and 61.2%, respectively. As such, no trade name impairment charges were recorded in any of the periods presented.

#### **Financial Instruments with Off-Balance-Sheet Risk**

The \$275.0 million ABL Facility includes a \$70.0 million sublimit for letters of credit and the Third Amendment to the ABL Facility extended the maturity from November 16, 2022 to the earlier of (a) July 29, 2026 or (b) June 9, 2025 if, on or prior to such date, the Term Loan Facility has not been refinanced, extended or repaid in full in accordance with the terms thereof and not replaced with other indebtedness. The ABL Facility is available for working capital and other general corporate liquidity needs. The balance outstanding as of January 27, 2023 was \$100.0 million. There was no balance outstanding as of January 28, 2022. The balance of outstanding letters of credit was \$10.6 million and \$23.5 million on January 27, 2023 and January 28, 2022, respectively.

#### **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 or discloses 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. Total accounts receivable, net was \$44.9 million and \$49.7 million as of January 27, 2023 and January 28, 2022, respectively.

Cash and cash equivalents, accounts receivable, net, accounts payable, accrued expenses and other current liabilities and revolving long-term borrowings on ABL Facility are reflected in the Consolidated Balance Sheets at cost, which approximates fair value due to the short-term nature of these instruments.

Long-term debt, net is reflected in the Consolidated Balance Sheets at amortized cost. The fair value of debt was determined utilizing Level 3 valuation techniques as of January 27, 2023 and January 28, 2022. See Note 9, *Fair Value of Financial Assets and Liabilities*.

#### **Foreign Currency Translations and Transactions**

The Company translates the assets and liabilities of foreign subsidiaries from their respective functional currencies to United States dollars at the appropriate spot rates as of the balance sheet date. Revenue and expenses of operations are translated to United States 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 Consolidated Statements of Changes in Stockholders' Equity. Foreign currency translation losses, net, for Fiscal 2022 and Fiscal 2021 totaled approximately \$4.4 million and \$1.4 million, respectively. The Company recognized a foreign exchange transaction loss of \$1.0 million in Fiscal 2022, a gain of \$0.8 million in Fiscal 2021 and a gain of \$3.4 million in Fiscal 2020. These are recorded in either Cost of sales (excluding depreciation and amortization) or Selling and administrative in the accompanying Consolidated Statements of Operations based on the underlying nature of the transactions giving rise to the gain or loss.

**Revenue Recognition**

Revenue includes sales of merchandise and delivery revenue related to merchandise sold. Substantially all of the Company's revenue is recognized when control of product passes to customers, which for the U.S. eCommerce, International, Outfitters and Third Party distribution channels is when the merchandise is expected to be received by the customer and for the Retail distribution channel is at the time of sale in the store. The Company recognizes revenue, including shipping and handling fees billed to customers, in the amount expected to be received when control of the Company's products transfers to customers, and is presented net of various forms of promotions, which range from contractually-fixed percentage price reductions to sales returns, discounts, and other incentives that may vary in amount. Variable amounts are estimated based on an analysis of historical experience and adjusted as better estimates become available. The Company's revenue is disaggregated by distribution channel and geographic location.

The Company excludes from revenue, taxes assessed by governmental authorities, including value-added and other sales-related taxes, that are imposed on and concurrent with revenue-producing activities.

**Contract Liabilities**

Contract liabilities consist of payments received in advance of the transfer of control to the customer. As products are delivered and control transfers, the Company recognizes the deferred revenue in Net revenue in the Consolidated Statements of Operations. The following table summarizes the deferred revenue associated with payments received in advance of the transfer of control to the customer reported in Accrued expenses and other current liabilities in the Consolidated Balance Sheets and amounts recognized through Net revenue for each period presented. The majority of deferred revenue as of January 27, 2023 is expected to be recognized in Net revenue in the fiscal quarter ending April 28, 2023, as products are delivered to customers.

<i>(in thousands)</i>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>
Deferred revenue beginning of period	\$ 8,560	\$ 17,187
Deferred revenue recognized in period	(8,346)	(16,973)
Revenue deferred in period	<u>7,270</u>	<u>8,346</u>
Deferred revenue end of period	<u>\$ 7,484</u>	<u>\$ 8,560</u>

Revenue from gift cards is recognized when (i) the gift card is redeemed by the customer for merchandise, or (ii) as gift card breakage, an estimate of gift cards which will not be redeemed where the Company does not have a legal obligation to remit the value of the unredeemed gift cards to the relevant jurisdictions. Gift card breakage is recorded within Net revenue in the Consolidated Statements of Operations. Prior to their redemption, gift cards are recorded as a liability, included within Accrued expenses and other current liabilities in the Consolidated Balance Sheets. The liability is estimated based on expected breakage that considers historical patterns of redemption. The following table provides the reconciliation of the contract liability related to gift cards:

<i>(in thousands)</i>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>
Balance as of beginning of period	\$ 33,070	\$ 26,798
Gift cards sold	65,877	55,107
Gift cards redeemed	(64,637)	(44,391)
Gift card breakage	<u>(1,281)</u>	<u>(4,444)</u>
Balance as of end of period	<u>\$ 33,029</u>	<u>\$ 33,070</u>

The decrease in gift card breakage in Fiscal 2022 was attributed to a change in accounting estimate recorded in Fiscal 2021 which resulted in an increase in the gift card breakage rate creating a more appropriate rate for the various

gift card programs. Gift card breakage in Fiscal 2021 includes a cumulative effect of the change in accounting estimate for prior periods.

#### ***Refund Liabilities***

Refund liabilities, primarily associated with product sales returns and retrospective volume rebates, represent variable consideration and are estimated and recorded as a reduction to Net revenue based on historical experience. As of January 27, 2023 and January 28, 2022, \$25.0 million and \$23.4 million, respectively, of refund liabilities, primarily associated with estimated product returns, were reported in Accrued expenses and other current liabilities in the Consolidated Balance Sheets.

#### **Cost of Sales**

Cost of sales are comprised principally of the costs of merchandise sold, inbound shipping and handling, duty, warehousing and distribution (including receiving, picking, packing, store delivery and value-added costs), customer shipping and handling costs and physical inventory losses. Depreciation and amortization are not included in the Company's Cost of sales.

#### **Selling and Administrative Expenses**

Selling and administrative expenses are comprised principally of payroll and benefits costs, marketing, information technology expenses, third-party services, occupancy costs of Company Operated stores and corporate facilities, and other administrative expenses. All stock-based compensation is recorded in Selling and administrative expenses. See Note 5, *Stock-Based Compensation*.

#### **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.

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 United States Internal Revenue Service 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 Consolidated Statements of Operations. See Note 11, *Income Taxes*, for further details.

The Company performed an evaluation over its deferred tax assets and determined that a valuation allowance is considered necessary for certain jurisdictions. See Note 11, *Income Taxes*, for further details on the valuation allowance.

**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, net of employee contributions, were \$17.7 million, \$17.3 million and \$17.1 million for Fiscal 2022, Fiscal 2021 and Fiscal 2020, 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 this workers' compensation self-insured risk.

**Retirement Benefit 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 expenses incurred under this plan were \$3.9 million, \$3.9 million and \$0.7 million for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. The decrease in Fiscal 2020 and was attributed to the temporary suspension of the Company's 401(k) matching contribution in Fiscal 2020.

**Other Comprehensive (Loss) Income**

Other comprehensive (loss) income encompasses all changes in equity other than those arising from transactions with stockholders and is comprised solely of foreign currency translation adjustments and net income (loss).

	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
Beginning balance: Accumulated other comprehensive loss (net of tax of \$3,361, \$2,987, and \$3,453, respectively)	\$ (12,642)	\$ (11,221)	\$ (12,988)
Other comprehensive (loss) income			
Foreign currency translation adjustments (net of tax of \$1,164, \$374, and \$(466), respectively)	<u>(4,380)</u>	<u>(1,421)</u>	<u>1,767</u>
Ending balance: Accumulated other comprehensive loss (net of tax of \$4,525, \$3,361, and \$2,987, respectively)	<u>\$ (17,022)</u>	<u>\$ (12,642)</u>	<u>\$ (11,221)</u>

**Stock-Based Compensation**

Stock-based compensation expense for restricted stock units, comprised of both Deferred Awards and Performance Awards, is determined based on the grant date fair value. The fair value is determined based on the Company's stock price on the date of the grant. Performance Awards have, in addition to a service requirement, performance criteria that must be achieved for the awards to be earned. Option Awards provide the recipient with the option to purchase a set number of shares at a stated exercise price over the term of the contract, which is ten years for all Option Awards currently outstanding. Options are granted with a strike price equal to the stock price on the date of grant and vest over the requisite service period of the award.

The Company recognizes stock-based compensation cost net of estimated forfeitures and revises the estimated forfeitures in subsequent periods if actual forfeitures differ from the estimates. The Company estimates the forfeiture rate based on historical data as well as expected future behavior. Stock-based compensation is recorded in Selling and administrative expense in the Consolidated Statements of Operations over the period in which the employee is required to provide service in exchange for the Deferred Awards and Option awards.

**Earnings (Loss) per Share**

The numerator for both basic and diluted EPS is net income (loss) attributable to the Company. The denominator for basic EPS is based upon the number of weighted average shares of the Company's common stock outstanding during the reporting periods. The denominator for diluted EPS is based upon the number of weighted average shares of the Company's common stock and common stock equivalents outstanding during the reporting periods using the treasury stock method in accordance with *ASC 260, Earnings Per Share*.

The following table summarizes the components of basic and diluted EPS:

<i>(in thousands)</i>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
Net (loss) income	\$ (12,530)	\$ 33,369	\$ 10,836
Basic weighted average shares outstanding	33,108	32,929	32,566
Dilutive impact of stock awards	—	752	86
Diluted weighted average shares outstanding	<u>33,108</u>	<u>33,681</u>	<u>32,652</u>
Basic (loss) earnings per share	\$ (0.38)	\$ 1.01	\$ 0.33
Diluted (loss) earnings per share	\$ (0.38)	\$ 0.99	\$ 0.33

Stock awards are considered anti-dilutive based on the application of the treasury stock method or in the event of a net loss. There were 1,186,739, 93 and 1,093,274 anti-dilutive shares excluded from the diluted weighted average shares outstanding in Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

**Repurchases of Common Stock**

Shares of the Company's common stock are repurchased by the Company through open market transactions. The par value of the shares retired is charged against Common stock and the remaining purchase price is allocated between Additional paid-in capital and Retained earnings. The portion charged against Additional paid-in capital is determined based on the Additional paid-in capital per share amount recorded in the initial issuance of the shares with the remaining to Retained earnings. For transactions in which the purchase price is less than the price at initial issuance, the full amount is charged against Additional paid-in capital. The total cost of the broker commissions is charged directly to Retained earnings. The Company plans to periodically retire all shares repurchased under the Share Repurchase Program. All shares repurchased prior to the end of Fiscal 2022 have been retired.

**Recently Adopted Accounting Pronouncements**

There were no new accounting standards adopted that had an impact on the Company's financial statements during the 52 weeks ended January 27, 2023.

### NOTE 3. DEBT

#### ABL Facility

The Company's \$275.0 million revolving ABL Facility includes \$70.0 million sublimit for letters of credit and is available for working capital and other general corporate liquidity needs. The amount available to borrow is the lesser of the \$275.0 million facility limit and the Borrowing Base which is calculated from Eligible Inventory, Trade Receivables and Credit Card Receivables, all terms as defined in the ABL Facility. The balance outstanding as of January 27, 2023 was \$100.0 million. There was no balance outstanding as of January 28, 2022. The balance of outstanding letters of credit was \$10.6 million and \$23.5 million as of January 27, 2023 and January 28, 2022, respectively.

On July 29, 2021, the Company executed the Third Amendment to the ABL Facility resulting in favorable financial terms compared to the Second Amendment to the ABL Facility and extension of the maturity date of the ABL Facility, as discussed below.

The following table summarizes the Company's maximum borrowing availability under the ABL Facility, before consideration of the Borrowing Base calculation:

<i>(in thousands)</i>	January 27, 2023		January 28, 2022	
	Amount	Interest Rate	Amount	Interest Rate
ABL Facility limit	\$ 275,000		\$ 275,000	
Less: Outstanding borrowings	100,000	6.27%	—	—%
Less: Outstanding letters of credit	10,557		23,521	
Maximum borrowing availability under ABL Facility	<u>\$ 164,443</u>		<u>\$ 251,479</u>	

As of January 27, 2023, the amount available to borrow under the ABL Facility, based upon the Borrowing Base calculation, was \$163.8 million.

#### Long-Term Debt

On September 9, 2020, the Company entered into the Term Loan Facility which provided borrowings of \$275 million. Origination costs, including an Original Issue Discount ("OID") of 3% and \$5.1 million in debt origination fees, were paid in connection with entering into the Term Loan Facility. The OID and the debt origination fees are presented as a direct deduction from the carrying value of the Term Loan Facility and are amortized over the term of the loan to Interest expense in the Consolidated Statements of Operations.

The Company's long-term debt consisted of the following:

<i>(in thousands)</i>	January 27, 2023		January 28, 2022	
	Amount	Interest Rate	Amount	Interest Rate
Term Loan Facility	\$ 244,063	14.13%	\$ 257,813	10.75%
Less: Current portion of long-term debt	13,750		13,750	
Less: Unamortized debt issuance costs	6,807		9,589	
Long-term debt, net	<u>\$ 223,506</u>		<u>\$ 234,474</u>	

#### Interest; Fees

The Third Amendment to the ABL Facility, effective July 31, 2021, lowered the applicable margin interest rates applicable to the referenced rate, selected at the borrower's election, either (1) adjusted LIBOR or (2) a base rate which is the greater of (a) the federal funds rate plus 0.50%, (b) the one-month LIBOR rate plus 1.00%, or (c) the Wells Fargo "prime rate". For all loans, the borrowing margin is based upon the average daily total loans outstanding for the

previous quarter. The applicable borrowing margin for LIBOR loans is (i) less than \$95.0 million, 1.25%, (ii) equal to or greater than \$95.0 million but less than \$180.0 million, 1.50%, and (iii) greater than or equal to \$180.0 million, 1.75%. For base rate loans, the applicable borrowing margin is (i) less than \$95.0 million, 0.50%, (ii) equal to or greater than \$95.0 million but less than \$180.0 million, 0.75%, and (iii) greater than or equal to \$180.0 million, 1.00%. The Third Amendment to the ABL Facility replaced the 0.75% LIBOR floor with a 0.00% LIBOR floor.

The interest rates per annum applicable to the loans under the Term Loan Facility are based on a fluctuating rate of interest measured by reference to, at the borrower's election, either (1) an adjusted LIBOR rate (with a minimum rate of 1.00%) plus 9.75%, or (2) an alternative base rate (which is the greater of (i) the prime rate published in the Wall Street Journal, (ii) the federal funds rate, which shall be no lower than 0.00% plus ½ of 1.00%, or (iii) the one month LIBOR rate plus 1.00% per annum) plus 8.75%.

The ABL Facility fees include (i) commitment fees of 0.25% based upon the average daily unused commitment (aggregate commitment less loans and letter of credit outstanding) under the ABL Facility for the preceding fiscal quarter and (ii) customary letter of credit fees. As of the end of Fiscal 2022, the Company had borrowings of \$100.0 million under the ABL Facility.

Customary agency fees are payable in respect of the Debt Facilities.

### **Maturity; Amortization and Prepayments**

The Third Amendment to the ABL Facility extended the maturity from November 16, 2022 to the earlier of (a) July 29, 2026 and (b) June 9, 2025 if, on or prior to such date, the Term Loan Facility has not been refinanced, extended or repaid in full in accordance with the terms thereof and not replaced with other indebtedness.

The Term Loan Facility matures on September 9, 2025 and amortizes at a rate equal to 1.25% per quarter. It is subject to mandatory prepayments in an amount equal to a percentage of the borrower's excess cash flows in each fiscal year, ranging from 0% to 75% depending on the Company's total leverage ratio, and with the proceeds of certain asset sales, casualty events and extraordinary receipts. The loan could not be voluntarily prepaid during the first two years of its term, without significant penalties. A prepayment premium of 3% applies to voluntary prepayments and certain mandatory prepayments made after September 9, 2022 and on or prior to September 9, 2023, 1% for such prepayments made after September 9, 2023 and on or prior to September 9, 2024, and no premium on such prepayments thereafter.

The Company's aggregate scheduled maturities of the Term Loan Facility and ABL Facility as of January 27, 2023 are as follows:

#### **Scheduled maturities**

<i>(in thousands)</i>		
2023	\$	13,750
2024		13,750
2025		316,563
2026		—
2027		—
Total	\$	<u>344,063</u>

### **Guarantees; Security**

All obligations under the Debt Facilities are unconditionally guaranteed by Lands' End, Inc. and, subject to certain exceptions, each of its existing and future direct and indirect subsidiaries. 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 is secured by a first priority security interest in certain property and assets of the borrowers and guarantors, including certain fixed assets such as real estate, stock of the subsidiaries and intellectual property, in each case, subject to certain exceptions. The ABL Facility is secured by a second priority interest in the same collateral, with certain exceptions.

### Representations and Warranties; Covenants

Subject to specified exceptions, the Debt Facilities contain various representations and warranties and restrictive covenants that, among other things, restrict Lands' End, Inc.'s and its subsidiaries' ability 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.

The Term Loan Facility contains certain financial covenants, including a quarterly maximum total leverage ratio test, a weekly minimum liquidity test and an annual maximum capital expenditure amount.

Under the ABL Facility, if excess availability falls below the greater of 10% of the Loan Cap amount or \$15.0 million, the Company will be required to comply with a minimum fixed charge coverage ratio of 1.0 to 1.0.

The Debt 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.

As of January 27, 2023, the Company was in compliance with all covenants related to the Debt Facilities.

### Events of Default

The Debt 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.

### NOTE 4. LEASES

The following table summarizes the Company's components of lease expense, primarily related to Company Operated stores, which is included in Selling and administrative expense in the Consolidated Statements of Operations:

<i>(in thousands)</i>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
Operating lease expense	\$ 7,466	\$ 8,273	\$ 8,516
Variable lease expense	2,714	2,312	2,303
Ending balance	<u>\$ 10,180</u>	<u>\$ 10,585</u>	<u>\$ 10,819</u>

Short-term lease cost was not material for Fiscal 2022 or Fiscal 2021.

Supplemental balance sheet information related to operating leases are as follows:

<i>(in thousands)</i>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>
Operating lease right-of-use asset	\$ 30,325	\$ 31,492
Lease liability – current	5,414	5,617
Lease liability – long-term	31,095	32,731
Weighted average remaining lease term in years	6.6	6.8
Weighted average discount rate	6.36%	6.55%

Supplemental cash flow information related to operating leases are as follows:

<i>(in thousands)</i>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
Operating cash outflows from operating leases	\$ 9,154	\$ 10,509	\$ 8,710
Operating lease right-of-use-assets obtained in exchange for lease liabilities	4,440	1,409	3,406

Maturities of operating lease liabilities as of January 27, 2023 are as follows:

<i>(in thousands)</i>		
2023	\$	7,516
2024		6,815
2025		6,400
2026		6,343
2027		6,377
Thereafter		11,850
Total operating lease payments	\$	45,301
Less imputed interest		8,792
Present value of lease liabilities	\$	<u>36,509</u>

#### NOTE 5. STOCK-BASED COMPENSATION

The Company expenses the fair value of all stock awards over their requisite service period, ensuring that the amount of cumulative stock-based compensation expense recognized at any date is at least equal to the portion of the grant-date fair value of the award that is vested at that date. The Company has elected to adjust stock-based compensation expense for an estimated forfeiture rate for those shares not expected to vest and to recognize stock-based compensation expense on a straight-line basis for awards that only have a service requirement with multiple vest dates.

The Company has granted the following types of stock awards to employees at management levels and above, each of which are granted under the Company's stockholder approved stock plans, other than inducement grants outside of the Company's stockholder approved stock plans in accordance with Nasdaq Listing Rule 5635(c)(4):

- i. Deferred Awards are in the form of restricted stock units and only require each recipient to complete a service period for the awards to be earned. Deferred Awards generally vest over three years. The fair value of Deferred Awards is based on the closing price of the Company's common stock on the grant date. Stock-based compensation expense is recognized ratably over the service period and is reduced for estimated forfeitures of those awards not expected to vest due to employee turnover.
- ii. Performance Awards are in the form of restricted stock units and have, in addition to a service requirement, performance criteria that must be achieved for the awards to be earned. For Performance Awards granted, the Target Shares earned can range from 50% to 200% once minimum thresholds have been reached and depend on the achievement of Adjusted EBITDA and revenue performance measures for the cumulative period comprised of three-consecutive fiscal years beginning with the fiscal year of the grant date. The applicable percentage of the Target Shares, as determined by performance, vest after the completion of the applicable three-year performance period and upon determination of achievement of the performance measures by the Compensation Committee of the Board of Directors, and unearned Target Shares are forfeited. The fair value of the Performance Awards granted are based on the closing price of the Company's common stock on the grant date. Stock-based compensation expense is recognized ratably over the related service period reduced for estimated forfeitures of those awards not expected to vest due to employee turnover and adjusted based on the Company's estimate of the percentage of the aggregate Target Shares expected to be earned. Typically, the Company accrues for Performance Awards on a 100%

payout unless it becomes probable that the outcome will be significantly different, or the performance can be accurately measured.

- iii. Option Awards provide the recipient with the option to purchase a set number of shares at a stated exercise price over the term of the contract, which is ten years for all Option Awards currently outstanding. Options are granted with a strike price equal to the stock price on the date of grant and vest over the requisite service period of the award. The fair value of each Option Award is estimated on the grant date using the Black-Scholes option pricing model.

The following table summarizes the Company's stock-based compensation expense, which is included in Selling and administrative expense in the Consolidated Statements of Operations:

<i>(in thousands)</i>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
Deferred Awards	\$ 5,744	\$ 5,683	\$ 5,752
Performance Awards <sup>(1)</sup>	(2,090)	4,370	2,701
Option Awards	99	103	748
Total stock-based compensation expense	<u>\$ 3,753</u>	<u>\$ 10,156</u>	<u>\$ 9,201</u>

<sup>(1)</sup> Net credit expense for Fiscal 2022 includes a reduction of the accrual for Performance Awards based on actual and projected results relative to performance measures.

### Deferred Awards

The following table summarizes of the Deferred Awards activity for Fiscal 2022 and Fiscal 2021:

<i>(in thousands, except per share amounts)</i>	Fiscal Year Ended			
	January 27, 2023		January 28, 2022	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Unvested Deferred Awards at beginning of year	913	\$ 14.60	1,093	\$ 10.86
Granted	503	18.09	247	29.90
Vested	(398)	14.14	(401)	13.89
Forfeited	(112)	16.94	(26)	13.46
Unvested Deferred Awards at end of year	<u>906</u>	<u>\$ 16.46</u>	<u>913</u>	<u>\$ 14.60</u>

Total unrecognized stock-based compensation expense related to unvested Deferred Awards was approximately \$8.1 million as of January 27, 2023, which is expected to be recognized ratably over a weighted average period of 1.9 years. Deferred Awards granted to employees during Fiscal 2022 vest ratably over a period of three years. The total fair value of Deferred Awards vested during Fiscal 2022 was \$5.6 million.

## Performance Awards

The following table provides a summary of the Performance Awards activity for Fiscal 2022 and Fiscal 2021:

	Fiscal Year Ended			
	January 27, 2023		January 28, 2022	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
<i>(in thousands, except per share amounts)</i>				
Unvested Performance Awards at beginning of year	436	\$ 21.15	393	\$ 18.32
Granted	248	20.65	166	29.95
Change in estimate - performance	—	—	42	15.73
Vested	(270)	15.73	(165)	21.90
Forfeited	(59)	24.39	—	—
Unvested Performance Awards at end of year	<u>355</u>	<u>\$ 24.39</u>	<u>436</u>	<u>\$ 21.15</u>

There was no unrecognized stock-based compensation expense related to unvested Performance Awards as of January 27, 2023 based on actual and projected results relative to performance measures. Performance Awards granted to employees during Fiscal 2022 and Fiscal 2021 vest, if earned, after completion of the applicable three-year performance period. The total fair value of Performance Awards vested during Fiscal 2022 was \$4.2 million.

## Options Awards

The following table provides a summary of the changes in outstanding Options Awards for Fiscal 2022. There was no Option Awards activity during Fiscal 2021:

	Fiscal Year Ended	
	January 27, 2023	
	Option Awards	Weighted Average Exercise Price per Share
<i>(in thousands, except per share amounts)</i>		
Option Awards outstanding at beginning of year	343	\$ 18.66
Granted	168	10.81
Exercised	—	—
Forfeited	—	—
Option Awards outstanding at end of year	<u>511</u>	<u>\$ 16.08</u>

The following table provides a summary of information about the Option Awards vested and expected to vest during the contractual term, as well as Option Awards exercisable as of January 27, 2023:

	Option Awards	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value
<i>(in thousands, except per share and contractual life amounts)</i>				
Option Awards vested and expected to vest	<u>511</u>	<u>6.0</u>	<u>\$ 16.08</u>	<u>—</u>
Option Awards exercisable	<u>343</u>	<u>4.1</u>	<u>\$ 18.66</u>	<u>—</u>

Total unrecognized stock-based compensation expense related to Option Awards was approximately \$1.2 million as of January 27, 2023, which is expected to be recognized over a weighted average period of 2.8 years.

The grant date fair value of the Option Award granted during Fiscal 2022 was estimated at the grant date using the Black Scholes option pricing model with the following assumptions:

Risk-free interest rate <sup>(1)</sup>	4.2%
Expected dividend yield	0.0%
Expected volatility <sup>(2)</sup>	75.5%
Expected term (in years) <sup>(3)</sup>	6.0
Grant date fair value per share	\$7.44

<sup>(1)</sup> The Risk-free interest rate is based on the U.S. Treasury constant maturity interest rate with a term consistent with the expected term of the stock option award.

<sup>(2)</sup> The Expected volatility is estimated based on the historical volatility of the Company's common stock with a term consistent with the expected term of the stock option award.

<sup>(3)</sup> The Expected term (in years) of the stock option award represents the estimated period of time until exercise and is calculated using the simplified method. The simplified method was used to calculate the Expected term (in years) as the Company does not have sufficient historical experience exercise data to provide a reasonable basis upon which to estimate the expected term of the Option Award.

## NOTE 6. STOCKHOLDERS' EQUITY

### Share Repurchase Program

On June 28, 2022, the Company announced that its Board of Directors authorized the Company to repurchase up to \$50.0 million of the Company's common stock through February 2, 2024 (the "Share Repurchase Program"). Under the Share Repurchase Program, the Company may repurchase its common stock through open market purchases, in privately negotiated transactions, or by other means in accordance with federal securities laws, including Rule 10b-18 of the Exchange Act. The amount and timing of purchases will be determined by the Company's management depending upon market conditions and other factors and may be made pursuant to a Rule 10b5-1 trading plan. The Share Repurchase Program may be suspended or discontinued at any time. As of January 27, 2023, additional purchases of up to \$41.6 million could be made under the Share Repurchase Program.

The following table summarizes the Company's share repurchases through January 27, 2023:

<i>(Shares and \$ in thousands except average per share cost)</i>	<u>January 27, 2023</u>	<u>January 28, 2022</u>
Number of shares repurchased	796	—
Total cost	\$ 8,447	\$ —
Average per share cost	\$ 10.61	\$ —

The Company retired all shares that were repurchased through the Share Repurchase Program through January 27, 2023. In accordance with the FASB ASC 505—Equity, the par value of the shares retired was charged against Common stock and the remaining purchase price was allocated between Additional paid-in capital and Retained earnings. The portion charged against Additional paid-in capital is determined based on the Additional paid-in capital per share amount recorded in the initial issuance of the shares with the remaining to Retained earnings. Shares repurchased at a price less than that of initial issuance is charged only against Additional paid-in capital. In addition, the total cost of the broker commissions is charged directly to Retained earnings. For all shares retired during the 52 weeks ended January 27, 2023, \$7.7 million was charged to Retained earnings.

**NOTE 7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

Accrued expenses and other current liabilities consisted of the following:

<i>(in thousands)</i>	January 27, 2023	January 28, 2022
Deferred gift card revenue	\$ 33,029	\$ 33,070
Reserve for sales returns and allowances	25,030	23,421
Accrued employee compensation and benefits	18,125	58,833
Deferred revenue	7,484	8,560
Accrued property, sales and other taxes	9,780	11,999
Accrued interest	4,456	2,366
Other	8,852	8,014
Total accrued expenses and other current liabilities	<u>\$ 106,756</u>	<u>\$ 146,263</u>

**NOTE 8. LANDS' END JAPAN CLOSURE**

In July 2022, the Board of Directors approved a plan to cease operations of Lands' End Japan KK, a subsidiary of Lands' End, Inc. ("Lands' End Japan") by the end of Fiscal 2022. Lands' End Japan comprises the Japan eCommerce operating segment. For a discussion of this operating segment, see Note 14, *Segment Reporting*. The closing and subsequent disposal of the assets does not represent a strategic shift with a major effect on the consolidated financial condition. Accordingly, the closing of Lands' End Japan was not presented in the Consolidated Financial Statements as discontinued operations.

In August 2022, the Company notified all employees of the closure and commenced closing activities. Liquidation sales commenced in the month of September 2022 through the end of Fiscal 2022. The dissolution of Lands' End Japan was authorized and approved on January 31, 2023. The Company recorded one-time closing costs for employee severance and benefit costs, early termination and restoration costs of lease facilities and contract cancellation and other costs.

The following table summarizes the one-time closing costs of Lands' End Japan recognized in Other operating expense, net in the Consolidated Statement of Operations for the 52 weeks ended January 27, 2023.

<i>(in thousands)</i>	January 27, 2023
Employee severance and benefit costs <sup>(1)</sup>	\$ 1,795
Early termination and restoration costs of leased facilities	744
Contract cancellation and other costs	448
Total one-time closing costs	<u>\$ 2,987</u>

<sup>(1)</sup> Employee severance and benefit costs are approximately \$1.0 million lower than actual payments due to the reversal of a previously recorded compensation-related accrual.

The following table summarizes the accrued closing cost activity related to Lands' End Japan included in Accrued expenses and other current liabilities in the Consolidated Balance Sheets:

<i>(in thousands)</i>	Employee Severance and Benefit Costs	Leased Facilities Costs	Other Closing Costs	Total
Balance as of July 29, 2022	\$ —	\$ —	\$ —	\$ —
Estimated costs payable in cash	2,812	749	347	3,908
Cash payments	(2,076)	(381)	(379)	(2,836)
Foreign currency translation	331	104	49	484
Balance as of January 27, 2023	<u>\$ 1,067</u>	<u>\$ 472</u>	<u>\$ 17</u>	<u>\$ 1,556</u>

**NOTE 9. 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.

Restricted cash is reflected on the Consolidated Balance Sheets at fair value. The fair value of Restricted cash was \$1.8 million as of both January 27, 2023 and January 28, 2022, based on Level 1 inputs. Restricted cash amounts are valued based upon statements received from financial institutions.

Carrying values and fair values of other financial instruments in the Consolidated Balance Sheets are as follows:

	January 27, 2023		January 28, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<i>(in thousands)</i>				
Long-term debt, including current portion	\$ 244,063	\$ 241,728	\$ 257,813	\$ 256,439

Long-term debt, net is reflected in the Consolidated Balance Sheets at amortized cost. The fair value of debt was determined by management utilizing Level 3 valuation techniques as of January 27, 2023 and January 28, 2022. There were no nonfinancial assets or nonfinancial liabilities recognized at fair value on a nonrecurring basis as of January 27, 2023 and January 28, 2022.

**NOTE 10. GOODWILL AND INDEFINITE-LIVED INTANGIBLE ASSET**

The Company's intangible assets, consisting of a goodwill and trade name, were originally valued in connection with a business combination accounted for under the purchase accounting method. Goodwill represents the excess of the purchase price over the fair value of the net assets acquired.

The following table summarizes the Company's goodwill and indefinite-lived intangible asset:

	January 27, 2023	January 28, 2022
<i>(in thousands)</i>		
Goodwill balance	\$ 106,700	\$ 106,700
Trade name balance	\$ 257,000	\$ 257,000

ASC 350, *Intangibles - Goodwill and Other*, requires companies to test goodwill and indefinite-lived intangible assets for impairment annually, or more often if an event or circumstance indicates that the carrying amount may not be recoverable. During First Quarter 2020, in response to the COVID pandemic, the Company recorded goodwill impairment of \$3.3 million allocated to the Japan eCommerce reporting unit, which is recorded in Other operating expense, net in the Consolidated Statements of Operations. The Company completed its annual impairment test for all reporting units in Fiscal 2022, Fiscal 2021 and Fiscal 2020 and no further impairment charges were recorded. As of January 27, 2023, the total \$106.7 million of goodwill recorded relates to the Company's U.S. eCommerce and Outfitters reporting units, in the amount of \$70.4 million and \$36.3 million, respectively.

In Fiscal 2022, Fiscal 2021 and Fiscal 2020, the Company conducted the annual impairment testing of its indefinite-lived intangible asset. There was no impairment of the trade name during any period presented.

## NOTE 11. INCOME TAXES

The Company's income (loss) before income taxes in the United States and in foreign jurisdictions is as follows:

<i>(in thousands)</i>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
Income (loss) before income taxes			
United States	\$ 4,646	\$ 52,963	\$ 173
Foreign	(19,325)	(6,994)	12,419
Total (loss) income before income taxes	<u>\$ (14,679)</u>	<u>\$ 45,969</u>	<u>\$ 12,592</u>

Certain foreign operations are branches of Lands' End and are subject to U.S. as well as foreign income tax. The pretax income (loss) by location and the analysis of the income tax provision by taxing jurisdiction are not directly related.

The components of the provision for (benefit from) income taxes are as follows:

<i>(in thousands)</i>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
United States	\$ (3,258)	\$ 12,215	\$ 725
Foreign	1,109	385	1,031
Total (benefit) provision	<u>\$ (2,149)</u>	<u>\$ 12,600</u>	<u>\$ 1,756</u>

<i>(in thousands)</i>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
Current:			
Federal	\$ (3,928)	\$ 11,370	\$ 8,334
State	(273)	1,627	3,675
Foreign	1,125	385	517
Total current	<u>(3,076)</u>	<u>13,382</u>	<u>12,526</u>
Deferred:			
Federal	682	(1,426)	(8,413)
State	261	644	(2,871)
Foreign	(16)	—	514
Total deferred	<u>927</u>	<u>(782)</u>	<u>(10,770)</u>
Total (benefit) provision	<u>\$ (2,149)</u>	<u>\$ 12,600</u>	<u>\$ 1,756</u>

A reconciliation of the statutory federal income tax rate to the effective income tax rate is as follows:

	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
Tax at statutory federal tax rate	21.0%	21.0%	21.0%
State income taxes, net of federal tax benefit	0.1%	3.9%	5.0%
Foreign differential	27.2%	(5.2)%	2.7%
Permanent differences	(3.4)%	1.9%	16.8%
CARES Act	—%	—%	(24.6)%
Uncertain tax benefits	1.1%	1.1%	(1.6)%
Change in foreign valuation allowance	(32.4)%	4.9%	(3.8)%
Foreign branches	—%	—%	—%
Other, net	1.0%	(0.2)%	(1.6)%
Total	<u>14.6%</u>	<u>27.4%</u>	<u>13.9%</u>



Deferred tax assets and liabilities consisted of the following:

<i>(in thousands)</i>	<u>January 27, 2023</u>	<u>January 28, 2022</u>	<u>January 29, 2021</u>
<b>Deferred tax assets</b>			
Deferred revenue	\$ 5,946	\$ 6,528	\$ 4,882
Legal accruals	2,053	2,461	3,551
Deferred compensation	10,246	18,328	16,147
Deferred interest	10,011	—	—
Reserve for returns	2,938	2,958	3,072
Inventory	4,303	3,730	6,390
CTA investment in foreign subsidiaries	4,525	3,361	2,987
Operating lease liabilities	8,112	8,677	9,677
Other	1,980	2,402	2,668
Net operating loss carryforward	11,057	5,211	3,093
Total deferred tax assets	<u>61,171</u>	<u>53,656</u>	<u>52,467</u>
Less valuation allowance	(11,207)	(6,009)	(3,896)
Net deferred tax assets	<u>\$ 49,964</u>	<u>\$ 47,647</u>	<u>\$ 48,571</u>
<b>Deferred tax liabilities</b>			
Intangible assets	\$ 61,715	\$ 62,295	\$ 62,372
LIFO reserve	21,263	18,118	15,191
Property and equipment	4,461	4,396	8,660
Operating lease right-of-use assets	6,670	7,089	7,882
Catalog advertising	1,808	1,940	1,812
Total deferred tax liabilities	<u>95,917</u>	<u>93,838</u>	<u>95,917</u>
Net deferred tax liability	<u>\$ 45,953</u>	<u>\$ 46,191</u>	<u>\$ 47,346</u>

As of January 27, 2023, the Company had \$37.2 million of state net operating loss (“NOL”) carryforwards (generating a \$1.8 million deferred tax asset) available to offset future taxable income. The state NOL carryforwards generally expire between 2024 and 2042 with certain state NOLs generated after 2017 having indefinite carryforward. The Company’s foreign subsidiaries had \$31.8 million of NOL carryforwards (generating a \$9.3 million deferred tax asset) available to offset future taxable income. These foreign NOLs can be carried forward indefinitely, however, a valuation allowance was established since the future utilization of these NOLs is uncertain.

A reconciliation of the beginning and ending gross amount of unrecognized tax benefits (“UTBs”) is as follows:

	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
Gross UTBs balance at beginning of period	\$ 1,477	\$ 1,012	\$ 1,202
Tax positions related to the prior periods - gross (decreases) increases	(180)	539	(190)
Settlements	—	(74)	—
Gross UTBs balance at end of period	<u>\$ 1,297</u>	<u>\$ 1,477</u>	<u>\$ 1,012</u>

As of January 27, 2023, the Company had gross UTBs of \$1.3 million. Of this amount, \$1.2 million would, if recognized, impact its effective tax rate. The Company does not expect that UTBs will fluctuate significantly in the next 12 months for tax audit settlements and the expiration of the statute of limitations for certain jurisdictions. Tax years 2018 through 2022 remain open for examination by the Internal Revenue Service as well as various state and foreign jurisdictions.

The Company classifies interest expense and penalties related to UTBs and interest income on tax overpayments as components of income tax expense. As of January 27, 2023, the total amount of interest expense and penalties recognized on the balance sheet was \$0.6 million (\$0.5 million net of federal benefit). As of January 28, 2022, the total amount of accrued interest and penalties recognized on the balance sheet was \$0.6 million (\$0.5 million net of

federal benefit). The total amount of net interest expense recognized in the Consolidated Statements of Operations was insignificant for all periods presented. The Company files income tax returns in both the United States and various foreign jurisdictions.

### **Impacts of the CARES Act**

In response to the COVID pandemic, the CARES Act was signed into law on March 27, 2020. The CARES Act, among other things, includes provisions related to refundable payroll tax credits, deferment of employer side social security payments, net operating loss utilization and carryback periods, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. In Fiscal 2020, the Company recorded a \$3.1 million benefit related to the technical corrections aspect of the CARES Act related to carryback of net operating losses in years beginning in 2017.

## **NOTE 12. COMMITMENTS AND CONTINGENCIES**

### **Legal Proceedings**

The Company is party to various claims, legal proceedings and investigations arising in the ordinary course of business. Some of these actions involve complex factual and legal issues and are subject to uncertainties. At this time, the Company is not able to either predict the outcome of these legal proceedings or reasonably estimate a potential range of loss with respect to the proceedings. 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 results of operations, cash flows or financial position taken as a whole.

Lands' End is the defendant in three separate lawsuits, each of which allege adverse health events and personal property damage as a result of wearing uniforms manufactured by Lands' End: (1) *Gilbert et al. v. Lands' End, Inc.*, United States District Court for the Western District of Wisconsin, Civil Action No. 3:19-cv-00823-JDP, complaint filed October 3, 2019; (2) *Andrews et al. v. Lands' End, Inc.*, United States District Court for the Western District of Wisconsin, Civil Action No. 3:19-cv-01066-JDP, complaint filed on December 31, 2019, on behalf of 521 named plaintiffs, later amended to include 1,089 named plaintiffs; and (3) *Davis et al. v. Lands' End, Inc. and Lands' End Business Outfitters, Inc.*, United States District Court for the Western District of Wisconsin, Case No. 3:20-cv-00195, complaint filed on March 4, 2020. Plaintiffs in *Gilbert, Andrews, and Davis* seek nationwide class certification on behalf of similarly situated Delta employees.

By order dated April 20, 2020, the Court consolidated the *Gilbert* and *Andrews* cases (the "Consolidated Wisconsin Action") and stayed the *Davis* case. Plaintiffs in the Consolidated Wisconsin Action and *Davis* each assert that the damages sustained by the members of the proposed class exceed \$5,000,000. Plaintiffs in each case seek damages for personal injuries, pain and suffering, severe emotional distress, financial or economic loss, including medical services and expenses, lost income and other compensable injuries. Plaintiffs in the Consolidated Wisconsin Action seek class certification with respect to performance of the uniforms and warranty claims and maintain individual claims for personal injury by numerous named plaintiffs.

On August 18, 2021, the Court ruled on several pending motions in the Consolidated Wisconsin Action. The Court denied Plaintiffs' motion for class certification with respect to performance of the uniforms and warranty claims. The Court denied Plaintiffs' motion for partial summary judgment regarding crocking claims and granted Lands' End's motion for partial summary judgment related to certain warranty claims. In addition, giving effect to both the addition and voluntary dismissal of individual plaintiffs over the course of the litigation, the number of individual plaintiffs had been reduced from 1,089 to 603 as of August 18, 2021. On September 1, 2021, Plaintiffs filed a Rule 23(f) petition, seeking interlocutory review of the Court's decision denying class certification. On September 22, 2021, the U.S. Court of Appeals for the Seventh Circuit denied plaintiffs' petition.

On July 8, 2022, the Court issued an Opinion and Order in the Consolidated Wisconsin Action (the “July 8 Opinion”), ruling in the Company’s favor on several additional pending motions. The Court granted the Company’s motion to exclude Plaintiffs’ expert opinions because the opinions were not based on reliably applied and scientifically valid methods. Accordingly, because Plaintiffs failed to submit evidence sufficient to show that the uniforms were defective or that a defect in the uniforms caused Plaintiffs’ alleged health problems, the Court granted the Company’s motion for summary judgement on Plaintiffs’ personal injury claims.

After giving effect to the July 8 Opinion, the remaining claims under the Consolidated Wisconsin Action related to claims for property damage and breach of warranty. Following these rulings and an order of the court dated December 1, 2022, 277 named Plaintiffs remain in the case who claim they have suffered personal property damage as a result of dye transferring to personal items, with aggregate claims of approximately \$110,000 in damages. The Court has set a deadline for the parties to voluntarily resolve the outstanding claims. Lands’ End continues to vigorously defend these lawsuits and believes they are without merit.

#### **NOTE 13. RELATED PARTY AGREEMENTS AND TRANSACTIONS**

At the time Sears Holdings Corporation and its consolidated subsidiaries (“Sears Holdings”) distributed 100% of the outstanding common stock of Lands’ End to its stockholders on April 4, 2014 (“Separation”), ESL Investments, Inc. (“ESL”) beneficially owned significant portions of both the Company’s and Sears Holdings’ outstanding shares of common stock and therefore, Sears Holdings, the Company’s former parent company, was considered a related party.

On February 11, 2019, Transform Holdco LLC, an affiliate of ESL, acquired from Sears Holdings substantially all of the go-forward retail footprint and other assets and component businesses of Sears Holdings as a going concern. The Company believes that ESL holds a significant portion of the membership interests of Transform Holdco and therefore considers that entity to be a related party as well.

In connection with and subsequent to the Separation, the Company entered into various agreements with Sears Holdings which, among other things, (i) governed specified aspects of the Company’s relationship following the Separation, especially with regards to the Lands’ End Shops at Sears, and (ii) established terms pursuant to which subsidiaries of Sears Holdings provided services to the Company. Some of these agreements were assumed by and assigned to Transform Holdco. None of these agreements remain in effect or are material to the Company.

#### **Sourcing**

The Company contracted with a subsidiary of Sears Holdings, which became a subsidiary of Transform Holdco, to provide agreed upon buying agency services, on a non-exclusive basis, in foreign territories from where the Company purchases merchandise. These sourcing services, primarily based upon quantities purchased, included quality-control functions, regulatory compliance, product claims management and new vendor selection and setup assistance. The Company’s contract for these services expired on June 30, 2020. There was no expense from these sourcing services in Fiscal 2022 or Fiscal 2021 and \$2.2 million in Fiscal 2020. These amounts were capitalized into inventory and expensed through cost of goods sold over the course of inventory turns and included in Cost of sales in the Consolidated Statements of Operations.

#### **NOTE 14. SEGMENT REPORTING**

During Fiscal 2022, the Company’s operating segments consisted of U.S. eCommerce, Europe eCommerce, Japan eCommerce (see Note 8, *Lands’ End Japan Closure*), Outfitters, Third Party and Retail. The Company determined that each of the operating segments have similar economic and other qualitative characteristics, thus the results of the operating segments are aggregated into one external reportable segment.

Lands' End identifies five separate distribution channels for revenue reporting purposes:

- *U.S. eCommerce* offers products through the Company's eCommerce website.
- *International* offers products primarily to consumers located in Europe and Japan through eCommerce international websites and third-party affiliates. See Note 8, *Lands' End Japan Closure*.
- *Outfitters* sells uniform and logo apparel to businesses and their employees, as well as to student households through school relationships, located primarily in the U.S.
- *Third Party* sells the same products as U.S. eCommerce direct to consumers through third-party marketplace websites and through domestic wholesale customers.
- *Retail* sells products through Company Operated stores.

Net revenue is presented by distribution channel in the following table:

<i>(in thousands)</i>	<b>Fiscal 2022</b>	<b>% of Net Revenue</b>	<b>Fiscal 2021</b>	<b>% of Net Revenue</b>	<b>Fiscal 2020</b>	<b>% of Net Revenue</b>
U.S. eCommerce	\$ 955,752	61.4%	\$ 1,027,138	62.8%	\$ 961,911	67.4%
International	166,627	10.7%	220,997	13.5%	222,878	15.6%
Outfitters	265,898	17.1%	254,191	15.5%	174,260	12.2%
Third Party	118,996	7.7%	86,517	5.3%	39,945	2.8%
Retail	48,156	3.1%	47,781	2.9%	28,454	2.0%
Total Net revenue	<u>\$ 1,555,429</u>		<u>\$ 1,636,624</u>		<u>\$ 1,427,448</u>	

The geographical allocation of Net revenue is based upon where the product is shipped. The following presents summarized geographical information:

<i>(in thousands)</i>	<b>Fiscal 2022</b>	<b>% of Net Revenue</b>	<b>Fiscal 2021</b>	<b>% of Net Revenue</b>	<b>Fiscal 2020</b>	<b>% of Net Revenue</b>
United States	\$ 1,368,518	88.0%	\$ 1,393,402	85.1%	\$ 1,191,346	83.4%
Europe	135,878	8.7%	179,302	11.0%	175,011	12.3%
Asia	33,451	2.2%	44,383	2.7%	49,725	3.5%
Other	17,582	1.1%	19,537	1.2%	11,366	0.8%
Total Net revenue	<u>\$ 1,555,429</u>		<u>\$ 1,636,624</u>		<u>\$ 1,427,448</u>	

Other than the United States and Europe, no geographic region represented more than 10% of Net revenue.

Property and equipment, net by geographical location are as follows:

<i>(in thousands)</i>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>
United States	\$ 120,311	\$ 121,259	\$ 136,038
Europe	7,051	7,879	8,267
Asia	276	653	983
Total long-lived assets	<u>\$ 127,638</u>	<u>\$ 129,791</u>	<u>\$ 145,288</u>

Other than the United States, no geographic region is greater than 10% of total Property and equipment, net.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

***Evaluation of Disclosure Controls and Procedures***

We have established disclosure controls and procedures to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and that such information is accumulated and communicated to the officers who certify the Company's financial reports and to other members of senior management and the Board of Directors as appropriate to allow timely decisions regarding required disclosure.

Based on their evaluation, the Chief Executive Officer and the Interim Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15-d-15(e) under the Securities Exchange Act of 1934, as amended) are effective as of January 27, 2023.

***Management's Annual Report on Internal Control over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed under the supervision of the Chief Executive Officer and the Interim Chief Financial Officer to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected on a timely basis.

Management, including our Chief Executive Officer and our Interim Chief Financial Officer conducted an evaluation of the design and effectiveness of our internal control over financial reporting based on the criteria set forth in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation our management concluded that our internal control over financial reporting was effective as of January 27, 2023.

Item 9A includes the audit report of BDO USA, LLP on the Company's internal control over financial reporting as of January 27, 2023.

***Changes in Internal Control over Financial Reporting***

Regulations under the Exchange Act require public companies including our Company, to evaluate any change in our "internal control over financial reporting" as such term is defined in Rule 13a-15(f) and Rule 15d-15(f) of the Exchange Act. There have not been any changes in our internal control over financial reporting that occurred during the fourth fiscal quarter ended January 27, 2023 that have materially impacted, or are reasonably likely to materially affect, our internal control over financial reporting.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Directors  
Lands' End, Inc.  
Dodgeville, Wisconsin

### Opinion on Internal Control over Financial Reporting

We have audited Lands' End, Inc.'s (the "Company's") internal control over financial reporting as of January 27, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 27, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheet as of January 27, 2023, the related consolidated statements of operations, comprehensive operations, changes in stockholders' equity, and cash flows for the year ended January 27, 2023, and the related notes, and our report dated April 10, 2023 expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Controls and Procedures. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ BDO USA, LLP

Madison, Wisconsin

April 10, 2023

**ITEM 9B. OTHER INFORMATION**

None.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by Item 10 with respect to directors, the audit committee, audit committee financial experts and Section 16(a) beneficial ownership reporting compliance is included under the headings “Item 1. Election of Directors - Committees of the Board,” “Corporate Governance - Director Independence” and in the biographies of the directors contained in “Item 1. Election of Directors,” in our definitive proxy statement for our annual meeting of stockholders to be held on June 13, 2023 (the “2023 Proxy Statement”) which are incorporated herein by reference. With regard to the information required by this item regarding compliance with Section 16(a) of the Exchange Act, we will provide disclosure of delinquent Section 16(a) reports, if any, in our 2023 Proxy Statement under the heading “Other Information - Delinquent Section 16(a) Reports”, and such disclosure, if any, is incorporated herein by reference. The 2023 Proxy Statement will be filed within 120 days after the end of our fiscal year.

The information required by this Item 10 regarding the Company’s executive officers is set forth under the heading “[Information about our Executive Officers](#)” in Part I of this Form 10-K and is incorporated herein by reference.

Lands’ End has adopted a Code of Conduct, which applies to all employees, including our principal executive officer, principal financial officer and principal accounting officer, and a Code of Conduct for its Board of Directors. Directors who are also officers of Lands’ End are subject to both codes of conduct. Each code of conduct is a code of ethics as defined in Item 406 of SEC Regulation S-K. The codes of conduct are available on the Corporate Governance section under Investor Relations on our website at [www.landsend.com](http://www.landsend.com). Any amendment to, or waiver from, a provision of either code of conduct will be posted to the above-referenced website.

There were no changes to the process by which stockholders may recommend nominees to the Board of Directors during the last year.



## **ITEM 11. EXECUTIVE COMPENSATION**

The information required by this item is set forth in our 2023 Proxy Statement under Item 1. Election of Directors (i) under the heading “Compensation of Directors,” and (ii) under the heading “Executive Compensation,” under the subheadings “Compensation Discussion and Analysis,” “Compensation Committee Report,” and “Compensation Committee Interlocks and Insider Participation,” “Summary Compensation Table,” “Grants of Plan-Based Awards,” “Outstanding Equity Awards at 2022 Fiscal Year End,” “Option Exercises and Stock Vested,” “Employment Arrangements,” “Potential Payments upon Termination of Employment,” and “CEO Pay Ratio” and is incorporated herein by reference. The material incorporated herein by reference to the information set forth under the heading “Executive Compensation - Compensation Committee Report” of the 2023 Proxy Statement shall be deemed furnished, and not filed, in this Annual Report on Form 10-K and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, as a result of this furnishing except to the extent that it is specifically incorporated by reference by the Company.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

Information regarding security ownership of certain beneficial owners and management is incorporated herein by reference to the material under the heading “Item 1. Election of Directors - Beneficial Ownership of the Company’s Common Stock” of the 2023 Proxy Statement.

**Equity Compensation Plan Information**

The following table sets forth certain information regarding the Company’s equity compensation plans as of January 27, 2023:

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights (in thousands)</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights*</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))** (in thousands)</u>
	(a)	(b)	(c)
Equity compensation plans approved by security holders	1,194	22.00	1,056
Equity compensation plans not approved by security holders***	578	15.45	—
Total	<u>1,772</u>	<u>16.08</u>	<u>1,056</u>

\* The weighted-average exercise price does not take into account the shares issuable upon vesting of outstanding awards of RSUs, which have no exercise price.

\*\* Represents shares of common stock that may be issued pursuant to the Lands’ End, Inc. Amended and Restated 2017 Stock Plan (the “2017 Stock Plan”). Awards under the 2017 Stock Plan may be restricted stock, stock unit awards, incentive stock options, nonqualified stock options, stock appreciation rights, or certain other stock-based awards.

\*\*\* In connection with commencing employment, our current CEO was granted options on November 1, 2022 to purchase 168,081 shares of the Company’s common stock all of which were unvested, and 115,633 restricted stock units all of which were unvested as of January 27, 2023. Our former CEO was granted options on March 6, 2017 to purchase 294,118 shares of the Company’s common stock all of which were outstanding and exercisable as of January 27, 2023. These awards were made as inducement grants outside of our stockholder approved stock plans in accordance with Nasdaq Listing Rule 5635(c)(4).

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

Information regarding certain relationships and related transactions and director independence is incorporated herein by reference to the material under the headings “Certain Relationships and Transactions” and “Corporate Governance” of the 2023 Proxy Statement.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

Information regarding principal accountant fees and services is incorporated herein by reference to the material under the heading “Item 4. Ratification of Appointment of Independent Registered Public Accounting Firm - Independent Registered Public Accounting Firm Fees” of the 2023 Proxy Statement.

**PART IV****ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES**

The following information required under this item is filed as part of this report:

1. Financial Statements

See the listing of Financial Statements included as a part of this Form 10-K in Item 8 of Part II on page 41 of this report.

2. Financial Statement Schedules

All financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements and accompanying notes included in this Form 10-K.

3. Exhibits required by Item 601 of Regulation S-K.

The following documents are filed (or furnished, where indicated) as exhibits hereto:

<b><u>Exhibit Number</u></b>	<b><u>Exhibit Description</u></b>
<a href="#">2.1</a>	Separation and Distribution Agreement, dated as of April 4, 2014, by and between Sears Holdings Corporation and Lands' End, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
<a href="#">3.1</a>	Amended and Restated Certificate of Incorporation of Lands' End, Inc. (incorporated by reference to Exhibit 3.1 of the Annual Report on Form 10-K filed by Lands' End, Inc. on March 24, 2022 (File No. 001-09769))
<a href="#">3.2</a>	Amended and Restated Bylaws of Lands' End, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
<a href="#">4.1</a>	ABL Credit Agreement, dated as of November 16, 2017, by and between Lands' End, Inc. (as the Lead Borrower), Wells Fargo Bank, N.A. (as Agent, L/C Issuer and Swing Line Lender), the Other Lenders party thereto, Wells Fargo Bank, N.A. (as Sole Lead Arranger and Sole Bookrunner) and BMO Harris Bank, N.A. (as Syndication Agent), and SunTrust Bank (as Documentation Agent) (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2018 (File No. 001-09769)).
<a href="#">4.2</a>	First Amendment to ABL Credit Agreement, dated December 3, 2019, by and between Lands' End, Inc. (as the Lead Borrower), Wells Fargo Bank, N.A. (as Agent, L/C Issuer and Swing Line Lender), the Other Lenders party thereto, Citizens Bank, N.A. (as Lender) and Suntrust Bank (as Lender), BMO Harris Bank N.A. (as Lender), and JPMorgan Chase Bank N.A. (as Lender) (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2020 (File No. 001-09769)).
<a href="#">4.3</a>	Second Amendment to ABL Credit Agreement, dated August 12, 2020, by and among Lands' End, Inc. (as the Lead Borrower), the guarantors party thereto, the lenders party thereto and Wells Fargo Bank, National Association (as Agent, L/C Issuer and Swing Line Lender) (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2020 (File No. 001-09769)).

- [4.4](#) Third Amendment to ABL Credit Agreement, dated July 29, 2021, by and among Lands' End, Inc. (as the Lead Borrower), the guarantors party thereto, the lenders party thereto and Wells Fargo Bank, National Association (as administrative agent and collateral agent) (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on August 4, 2021 (File No. 001-09769)).
- [4.5](#) Term Loan Credit Agreement, dated September 9, 2020, among Lands' End Inc., as the Borrower, Fortress Credit Corp., as Administrative Agent and Collateral Agent, and the lenders party thereto (incorporated by reference to Exhibit 4.1 of the Company's Form 8-K filed on September 15, 2020 (File No. 001-09769)).
- [4.6](#) Guaranty and Security Agreement, dated September 9, 2020, by Lands' End, Inc., as the Borrower, and the other grantors party thereto and Fortress Credit Corp., as Agent (incorporated by reference to Exhibit 4.2 of the Company's Form 8-K filed on September 15, 2020 (File No. 001-09769)).
- [\\*4.7](#) Description of Securities Registered Under Section 12 of the Exchange Act.
- [10.1](#) Lands' End, Inc. Amended and Restated 2017 Stock Plan (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by Lands' End, Inc. on May 13, 2019 (File No. 001-09769)).\*\*
- [10.2](#) Director Compensation Policy effective as of March 19, 2019 (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2019 (File No. 001-09769)).\*\*
- [10.3](#) Lands' End, Inc. Umbrella Incentive Program (As Amended and Restated) (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).\*\*
- [10.4](#) Lands' End, Inc. 2014 Stock Plan (As Amended and Restated) (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).\*\*
- [\\*10.5](#) Form of Time-Based Restricted Stock Unit Agreement.\*\*
- [\\*10.6](#) Form of Performance-Based Restricted Stock Unit Agreement.\*\*
- [\\*10.7](#) Form of Nonqualified Stock Option Agreement.\*\*
- [10.8](#) Lands' End, Inc. Annual Incentive Plan (As Amended and Restated) (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).\*\*
- [10.9](#) Lands' End, Inc. Long-Term Incentive Program (As Amended and Restated) (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).\*\*
- [10.10](#) Lands' End, Inc. Cash Long-Term Incentive Plan (As Amended and Restated) (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).\*\*
- [10.11](#) Letter from Lands' End, Inc. to Andrew J. McLean relating to employment, dated September 6, 2022 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 28, 2022 (File No. 001-09769)).\*\*
- [10.12](#) Executive Severance Agreement by and between Lands' End, Inc. and Andrew J. McLean, dated September 6, 2022 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 22, 2022 (File No. 001-09769)).\*\*

- [10.13](#) Sign-On Nonqualified Stock Option Agreement dated November 1, 2022, by and between Lands' End, Inc. and Andrew J. McLean (incorporated by reference to Exhibit 99.2 to the Form S-8 filed by Lands' End, Inc. on November 4, 2022 (File No. 333-268170)).\*\*
- [10.14](#) Sign-On Restricted Stock Unit Agreement dated November 1, 2022, by and between Lands' End, Inc. and Andrew J. McLean (incorporated by reference to Exhibit 99.3 to the Form S-8 filed by Lands' End, Inc. on November 4, 2022 (File No. 333-268170)).\*\*
- [10.15](#) Letter from Lands' End, Inc. to Jerome S. Griffith relating to employment, dated December 19, 2016 (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2017 (File No. 001-09769)).\*\*
- [10.16](#) Executive Severance Agreement by and between Lands' End, Inc. and Jerome S. Griffith, dated December 19, 2016 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 30, 2021 (File No. 001-09769)).\*\*
- [10.17](#) Sign-on Restricted Stock Unit Agreement dated March 6, 2017 between Lands' End, Inc. and Jerome S. Griffith (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2017 (File No. 001-09769)).\*\*
- [10.18](#) Sign-on Nonqualified Stock Option Agreement dated March 6, 2017 between Lands' End, Inc. and Jerome S. Griffith (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2017 (File No. 001-09769)).\*\*
- [10.19](#) Letter from Lands' End, Inc. to Jerome S. Griffith relating to employment, dated September 9, 2022 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 22, 2022 (File No. 001-09769)).\*\*
- [10.20](#) Letter from Lands' End, Inc. to James Gooch relating to employment, dated January 26, 2016 (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2016 (File No. 001-09769)).\*\*
- [10.21](#) Letter from Lands' End, Inc. to James Gooch relating to employment, dated December 20, 2016 (incorporated by reference to Exhibit 10.31 to the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2017 (File No. 001-09769)).\*\*
- [10.22](#) Letter from Lands' End, Inc. to James Gooch relating to employment, dated March 29, 2017 (incorporated by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2017 (File No. 001-09769)).\*\*
- [10.23](#) Amended and Restated Executive Severance Agreement by and between Lands' End, Inc. and James Gooch, dated July 2, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 2, 2021 (File No. 001-09769)).\*\*
- [\\*10.24](#) Letter from Lands' End, Inc. to James Gooch relating to employment, dated January 4, 2023.\*\*
- [10.25](#) Letter from Lands' End, Inc. to Peter L. Gray relating to employment, dated April 21, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2017 (File No. 001-09769)).\*\*
- [10.26](#) Executive Severance Agreement by and between Lands' End, Inc. and Peter L. Gray, dated April 21, 2017 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 30, 2021 (File No. 001-09769)).\*\*
- [\\*10.27](#) Letter from Lands' End, Inc. to Peter L. Gray relating to employment, dated January 16, 2023.\*\*

## Table of Contents

<a href="#">10.28</a>	Letter from Lands' End, Inc. to Chieh Tsai relating to employment, dated January 3, 2019 (incorporated by reference to Exhibit 10.46 to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2019 (File No. 001-09769)).**
<a href="#">10.29</a>	Executive Severance Agreement dated January 7, 2019 between Lands' End, Inc. and its affiliates and subsidiaries and Chieh Tsai (incorporated by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2019 (File No. 001-09769)).**
<a href="#">10.30</a>	Letter from Lands' End, Inc. to Sarah Rasmusen relating to employment, dated October 16, 2017 (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2021 (File No. 001-09769)).**
<a href="#">10.31</a>	Letter from Lands' End, Inc. to Sarah Rasmusen relating to employment, dated September 4, 2019 (incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2021 (File No. 001-09769)).**
<a href="#">10.32</a>	Executive Severance Agreement dated October 16, 2017 between Lands' End, Inc. and Sarah Rasmusen (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2021 (File No. 001-9769)).**
<a href="#">*10.33</a>	Letter from Lands' End, Inc. to Bernard McCracken relating to employment, dated January 16, 2023.**
<a href="#">*10.34</a>	Executive Severance Agreement dated June 17, 2014, between Lands' End, Inc. and Bernard McCracken.**
<a href="#">*21</a>	Subsidiaries of Lands' End, Inc.
<a href="#">*23.1</a>	Consent of BDO USA, LLP.
<a href="#">*23.2</a>	Consent of Deloitte & Touche LLP.
<a href="#">*31.1</a>	Certification of Chief Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.
<a href="#">*31.2</a>	Certification of Interim Chief Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.
<a href="#">***32.1</a>	Certification of Chief Executive Officer and Interim Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
*101.SCH	Inline XBRL Taxonomy Extension Schema Document
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	Inline XBRL Taxonomy Extension Definition Document
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
*104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101)
*	Filed herewith.
**	A management contract or compensatory plan or arrangement.
***	Furnished herewith.



Certain of the agreements incorporated by reference into this report contain representations and warranties and other agreements and undertakings by us and third parties. These representations and warranties, agreements and undertakings have been made as of specific dates, may be subject to important qualifications and limitations agreed to by the parties to the agreement in connection with negotiating the terms of the agreement, and have been included in the agreement for the purpose of allocating risk between the parties to the agreement rather than to establish matters as facts. Any such representations and warranties, agreements, and undertakings have been made solely for the benefit of the parties to the agreement and should not be relied upon by any other person.

**ITEM 16. FORM 10-K SUMMARY**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LANDS' END, INC.  
(Registrant)

By: /s/ Bernard McCracken  
Name: Bernard McCracken  
Title: Interim Chief Financial Officer  
Vice President, Controller and Chief Accounting Officer  
Date: April 10, 2023

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

<b>Signature:</b>		<b>Date:</b>
<u>/s/ Andrew J. McLean</u> Andrew J. McLean	Director and Chief Executive Officer (Principal Executive Officer)	April 10, 2023
<u>/s/ Bernard McCracken</u> Bernard McCracken	Interim Chief Financial Officer Vice President, Controller and Chief Accounting Officer (Principal Financial Officer and Principal Accounting Officer)	April 10, 2023
<u>/s/ Josephine Linden</u> Josephine Linden	Chair of the Board of Directors	April 10, 2023
<u>/s/ Robert Galvin</u> Robert Galvin	Director	April 10, 2023
<u>/s/ Jerome Griffith</u> Jerome Griffith	Director	April 10, 2023
<u>/s/ Elizabeth Leykum</u> Elizabeth Leykum	Director	April 10, 2023
<u>/s/ John T. McClain</u> John T. McClain	Director	April 10, 2023
<u>/s/ Maureen Mullen Murphy</u> Maureen Mullen Murphy	Director	April 10, 2023
<u>/s/ Jignesh Patel</u> Jignesh Patel	Director	April 10, 2023
<u>/s/ Jonah Staw</u> Jonah Staw	Director	April 10, 2023

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Lands' End, Inc. has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our Common Stock.

**DESCRIPTION OF COMMON STOCK**

The following description of our Common Stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and our Amended and Restated Bylaws (the "Bylaws"), each of which are incorporated by reference as exhibits to the Annual Report on Form 10-K. We encourage you to read our Certificate of Incorporation, our Bylaws and the applicable provisions of the Delaware General Corporation Law, as amended, for additional information.

**Authorized Shares of Capital Stock**

Our authorized capital stock consists of 480,000,000 shares of common stock, \$0.01 par value per share ("Common Stock"). As of January 27, 2023, there were 32,626,456 shares of Common Stock outstanding. The outstanding shares of our Common Stock are fully paid and nonassessable.

**Listing**

Our common stock is listed and principally traded on The Nasdaq Stock Market LLC under the symbol "LE".

**Voting Rights**

Holders of Common Stock are entitled to one vote per share on all matters voted on by the stockholders, including the election of directors. Our Common Stock does not have cumulative voting rights.

**Dividend Rights**

The holders of Common Stock are entitled to receive dividends, if any, as may be declared from time to time by the Board of Directors in its discretion out of funds legally available for the payment of dividends.

**Liquidation Rights**

Holders of Common Stock will share ratably in all assets legally available for distribution to our stockholders in the event of dissolution.

**Other Rights and Preferences**

Our Common Stock has no sinking fund or redemption provisions or preemptive, conversion or exchange rights. Holders of Common Stock may act by unanimous written consent.

**Transfer Agent and Registrar**

Computershare Investor Services is the transfer agent and registrar for our common stock.

---

**LANDS' END, INC.**  
**TIME-BASED RESTRICTED STOCK UNIT AGREEMENT**

**Name of Grantee:** \_\_\_\_\_ (the "Grantee")

**No. of Restricted Stock Units:** \_\_\_\_\_

**Issuance Date:** \_\_\_\_\_ (the "Issuance Date")

WHEREAS, the Grantee is currently an employee of Lands' End, Inc. (the "Company"), a Delaware corporation, or one of its Subsidiaries (collectively, "Lands' End");

WHEREAS, the Company desires to (i) provide the Grantee with an incentive to remain in a continuous Business Relationship (defined below) with Lands' End and (ii) increase the Grantee's interest in the success of Lands' End by granting restricted stock units (the "Restricted Stock Units") payable in the form of common stock par value \$.01 per share of the Company to the Grantee; and

WHEREAS, the issuance of the Restricted Stock Units is made pursuant to the [INSERT PLAN NAME HERE] (as amended and/or restated from time to time, the "Plan"); and (ii) made subject to the terms and conditions of this Lands' End, Inc. Restricted Stock Unit Agreement (the "Agreement").

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Definitions; Incorporation of Plan Terms. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. This Agreement and the Restricted Stock Units shall be subject to the Plan and the terms of the Plan are incorporated into this Agreement by reference. The Grantee hereby acknowledges receipt of a copy of the Plan.

2. Grant of Restricted Stock Units.

(a) Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Company hereby grants and issues to the Grantee the Restricted Stock Units specified above. The Company shall credit to a bookkeeping account (the "Account") maintained by the Company, or a third party on behalf of the Company, for the Grantee's benefit the Restricted Stock Units, each of which shall be deemed to be the equivalent of one share of the Company's common stock, par value \$.01 per share (each, a "Share").

(b) If and whenever any cash dividends are declared on the Shares, on the date such dividend is paid, the Company will credit to the Account an amount which shall be equal to the amount of such dividend with respect to such Shares. Such amount shall be subject to the vesting and forfeiture provisions contained in Section 3(a) below. The amount shall only be payable in cash and shall be payable at the same time as amounts are otherwise payable under this Agreement.

(c) If and whenever the Company declares and pays a dividend or distribution on the Shares in the form of additional shares, or there occurs a forward split of Shares, then a number of additional Restricted Stock Units shall be credited to the Account as of the payment date for such dividend or distribution or forward split equal to (i) the total number of Restricted Stock Units credited to the Account on the record date for such dividend or distribution or split (other than previously settled or forfeited Restricted Stock Units), multiplied by (ii) the number of additional Shares actually paid as a dividend or distribution or issued in such split in respect of each outstanding Share. The additional Restricted Stock Units shall be or

become vested to the same extent as the Restricted Stock Units that resulted in the crediting of such additional Restricted Stock Units.

### 3. Terms and Conditions.

#### (a) Vesting.

(i) All of the Restricted Stock Units shall initially be unvested. All Restricted Stock Units shall be subject to the following vesting schedule and if Grantee terminates Grantee's Business Relationship with Lands' End prior to any given Date of Vesting identified below, Grantee shall forfeit any unvested Restricted Stock Units upon such termination of Business Relationship:

#### **Date of Vesting**

#### **Percent Vested**

(ii) If, following the twelve (12) month anniversary of the Issuance Date, Grantee's Business Relationship with Lands' End terminates due to a permanent and total disability (as defined in the Company's long-term disability program, regardless of whether the Grantee is covered by such program) ("Disability"), Restricted Stock Units not previously vested shall be vested on a prorated basis through the date of termination.

(iii) If, following the twelve (12) month anniversary of the Issuance Date, Grantee's Business Relationship with Lands' End terminates due to the Grantee's death, Restricted Stock Units not previously vested shall be vested on a prorated basis through the date of death, and Grantee's estate shall be entitled to receive such pro-rated Restricted Stock Unit award, payable in cash.

(iv) Any proration of the Restricted Stock Units described in subsections 3(a)(ii)-(iii) shall be based on a fraction, the numerator of which is the number of full months lapsed during the vesting period through the date of termination or death, as applicable, and the denominator of which is the full number of months in the vesting period.

(b) Forfeiture. Upon the termination of Grantee's Business Relationship with Lands' End for any reason other than death or Disability, the Grantee shall forfeit any and all Restricted Stock Units which have not vested as of the date of such termination; provided that, for the avoidance of doubt, upon the occurrence of a Change in Control, Section 12.3 of the Plan shall govern.

(c) Settlement. Restricted Stock Units not previously forfeited shall be settled within thirty (30) days after the applicable Date of Vesting under Section 3(a) or the date on which vesting occurs pursuant to Section 3(b) by delivery of one Share or cash, as applicable, for each Restricted Stock Unit being settled; provided that if such settlement would result in impermissible acceleration under Section 409A of the Code (as defined below), then the Restricted Stock Units shall be settled within 30 days of the date such Restricted Stock Units would have otherwise vested under Section 3(a).

#### 4. Taxes.

(a) This Section 4(a) applies only to (i) all Grantees who are U.S. employees, and (ii) to those Grantees who are employed by a Subsidiary of the Company that is obligated under applicable local law to withhold taxes with respect to the settlement of the Restricted Stock Units. Such Grantee shall pay to

---

the Company or a designated Subsidiary, promptly upon request, and in any event at the time the Grantee recognizes taxable income with respect to the Restricted Stock Units, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to the Restricted Stock Units. The Grantee may satisfy the foregoing requirement by making a payment to the Company in cash or by delivering already owned unrestricted Shares or by having the Company withhold a number of Shares in which the Grantee would otherwise become vested under this Agreement (which shares shall be withheld prior to delivery of shares issued following any vesting date), in each case, having a value equal to the minimum amount of tax required to be withheld. Such Shares shall be valued at their Fair Market Value on the date as of which the amount of tax to be withheld is determined. In the event that the withholding obligation arises during a period in which the Grantee is prohibited from trading in the Common Stock pursuant to the Company's insider trading policy, or by applicable securities or other laws, then unless otherwise elected by the Grantee during a period when Grantee was not so restricted from trading, the Company shall automatically satisfy the Grantee's withholding obligation by withholding from Shares otherwise deliverable under this Agreement.

(b) The Grantee acknowledges that the tax laws and regulations applicable to the Restricted Stock Units and the disposition of the shares following the settlement of Restricted Stock Units are complex and subject to change.

(c) With respect to each individual who was an executive officer of the Company and subject to Section 16 of the Exchange Act on the Grant Date only, the Compensation Committee in approving this award has consented to payment of tax withholding obligations under subsection (a), or a combination of the methods set forth in subsections (a), as the Grantee may elect during such time periods as the Company may permit in compliance with all applicable legal requirements. If no such election is made, the Grantee's withholding obligation will automatically be satisfied by withholding from Shares otherwise deliverable under this Agreement.

5. Protections Against Violations of Agreement. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Restricted Stock Units by any holder thereof in violation of the provisions of this Agreement or the Certificate of Incorporation or the Bylaws of the Company, will be valid, and the Company will not transfer any shares resulting from the settlement of Restricted Stock Units on its books nor will any of such shares be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with such provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce such provisions.

6. Rights as a Stockholder. The Grantee shall not possess the right to vote the shares underlying the Restricted Stock Units until the Restricted Stock Units have settled in accordance with the provisions of this Agreement and the Plan.

7. Survival of Terms. This Agreement shall apply to and bind the Grantee and Lands' End and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

8. Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or sent by certified or registered mail, return receipt requested, postage prepaid, addressed, if to the Grantee, to the Grantee's attention at the mailing address set forth at the foot of this Agreement (or to such other address as the Grantee shall have specified to the Company in writing) and,

---

if to the Company, to the Company's office at 1 Lands' End Lane, Dodgeville, Wisconsin 53595, Attention: General Counsel (or to such other address as the Company shall have specified to the Grantee in writing). All such notices shall be conclusively deemed to be received and shall be effective, if sent by hand delivery, upon receipt, or if sent by registered or certified mail, on the fifth day after the day on which such notice is mailed.

9. Waiver. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

10. Authority of the Administrator. The Compensation Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Compensation Committee as to any such matter of interpretation or construction shall be final, binding and conclusive. Notwithstanding the foregoing, any classification of employment termination shall be resolved in accordance with the terms of any severance agreement or other employment agreement with the Company as of the date of Grantee's termination of employment.

11. Representations. The Grantee has reviewed with Grantee's own tax advisors the applicable tax (U.S., foreign, state, and local) consequences of the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of Lands' End or any of its agents. The Grantee understands that Grantee (and not Lands' End) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

12. Entire Agreement; Governing Law. This Agreement and the Plan and the other related agreements expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Wisconsin.

13. Clawback Policy. The Restricted Stock Units are subject to the terms of any severance or employment agreement between Lands' End and the Grantee, and, to the extent required by applicable law, any Lands' End recoupment, clawback, or similar policy related to financials as it may be in effect from time to time, any of which could, in certain circumstances, require repayment or forfeiture of the Restricted Stock Units or any Shares or other cash or property received with respect to the Restricted Stock Units (including any value received from a disposition of the Shares acquired upon vesting of the Restricted Stock Units).

14. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original Agreement. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, in lieu of severing such unenforceable provision, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by such judicial body shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

---

15. Amendments; Construction. The Compensation Committee may amend the terms of this Agreement prospectively or retroactively at any time, but no such amendment shall impair the rights of the Grantee hereunder without Grantee's consent. Headings to Sections of this Agreement are intended for convenience of reference only, are not part of this Restricted Stock Units and shall have no effect on the interpretation hereof.

16. Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understand the terms and provision thereof, and accepts the shares of Restricted Stock Units subject to all the terms and conditions of the Plan and this Agreement. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee upon any questions arising under this Agreement.

17. Miscellaneous.

(a) No Rights to Grants or Continued Employment. The Grantee acknowledges that the award granted under this Agreement is not an employment right, and is being granted at the sole discretion of the Company's Compensation Committee. The Grantee shall not have any claim or right to receive grants of awards under the Plan. Neither the Plan nor this Agreement, nor any action taken or omitted to be taken hereunder or thereunder, shall be deemed to create or confer on the Grantee any right to be retained as an employee of the Company or any Subsidiary thereof, or to interfere with or to limit in any way the right of the Company or any Subsidiary thereof to terminate the employment of the Grantee at any time.

(b) No Restriction on Right of Company to Effect Corporate Changes. Neither the Plan nor this Agreement shall affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred, or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the assets or business of the Company, or any other corporate act or proceeding, whether of a similar character or otherwise.

(c) Assignment. The Company shall have the right to assign any of its rights and to delegate any of its duties under this Agreement to any of its Affiliates.

(d) Business Relationship. For the purposes of this Agreement, an employee, officer, director or consultant of the Company or any Company Subsidiary shall be deemed to be in a "Business Relationship" with Lands' End, and a continuous Business Relationship shall be deemed to be in effect for such period of time during which a Grantee serves in any such capacity (including changes between capacities).

18. Code Section 409A. It is intended that the delivery of benefits under this Agreement comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") applicable to "nonqualified deferred compensation" (within the meaning of such section), and that all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code and any similar state or local law. For the avoidance of doubt, any termination of employment or the Business Relationship that results in acceleration of payment or settlement shall only result in such acceleration if the termination of employment or the Business Relationship is a "separation from service" within the meaning of Section 409A of the Code. The Restricted Stock Units granted hereunder shall not be deferred, accelerated,

---



extended, paid out or modified in a manner that would reasonably be expected to be noncompliant with the applicable provisions of Section 409A of the Code.

THIS AGREEMENT SHALL BE NULL AND VOID AND UNENFORCEABLE BY THE GRANTEE UNLESS SIGNED AND DELIVERED TO THE COMPANY NOT LATER THAN THIRTY (30) DAYS SUBSEQUENT TO THE ISSUANCE DATE.

BY SIGNING THIS AGREEMENT, THE GRANTEE IS HEREBY CONSENTING TO THE PROCESSING AND TRANSFER OF THE GRANTEE'S PERSONAL DATA BY THE COMPANY TO THE EXTENT NECESSARY TO ADMINISTER AND PROCESS THE AWARDS GRANTED UNDER THIS AGREEMENT.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Grantee has executed this Agreement, both as of the day and year first above written.

[SIGNATURE PAGE FOLLOWS]

---

IN WITNESS WHEREOF, the Company and the Grantee have executed this Restricted Stock Unit Agreement as of the date first above written.

**COMPANY**

LANDS' END, INC.

By:

\_\_\_\_\_  
Name:

Title:

**GRANTEE**

\_\_\_\_\_  
Name:

---

LANDS' END, INC.  
PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

**Name of Grantee:** \_\_\_\_\_ (the "Grantee")

**No. of Restricted Stock Units:** \_\_\_\_\_

**Issuance Date:** \_\_\_\_\_ (the "Issuance Date")

**Performance Period:** \_\_\_\_\_

**Vesting Provisions:** \_\_\_\_\_  
 Vesting subject to  
 satisfaction of Performance  
 Goals, as defined and  
 indicated on Exhibit A

WHEREAS, the Grantee is currently an employee of Lands' End, Inc. (the "Company"), a Delaware corporation, or one of its Subsidiaries (collectively, "Lands' End");

WHEREAS, the Company desires to (i) provide the Grantee with an incentive to remain in a continuous Business Relationship (defined below) with Lands' End and (ii) increase the Grantee's interest in the success of Lands' End by granting restricted stock units (the "Restricted Stock Units") payable in the form of common stock par value \$.01 per share of the Company (each, a "Share") to the Grantee; and

WHEREAS, the issuance of the Restricted Stock Units is made pursuant to the [INSERT PLAN NAME HERE] (as amended and/or restated from time to time, the "Plan"); and (ii) made subject to the terms and conditions of this Lands' End, Inc. Performance Based Restricted Stock Unit Agreement (the "Agreement").

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Definitions; Incorporation of Plan Terms. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. This Agreement and the Restricted Stock Units shall be subject to the Plan and the terms of the Plan are incorporated into this Agreement by reference. The Grantee hereby acknowledges receipt of a copy of the Plan.

2. Grant of Restricted Stock Units.

(a) Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Company hereby grants to the Grantee the Restricted Stock Units specified above which reflects the number of Shares to be delivered based on achievement of Target Performance as set forth on Exhibit A ("Target Units"). The Company shall credit to a bookkeeping account (the "Account") maintained by the Company, or a third party on behalf of the Company, for the Grantee's benefit the Restricted Stock Units, each of which shall be deemed to be the equivalent of one Share. Initially the Account will be credited with the number of Target Units, and the number of Restricted Stock Units in the Account will be adjusted as provided in 2(c) below. The actual number of Restricted Stock Units and Shares to be earned

by the Grantee will depend upon the satisfaction of the Performance Goals over the Performance Period and will vary between 0% for performance below Threshold Performance and \_\_\_% of the number of Restricted Stock Units set forth above depending on the Company's achievement against the Performance Goals, as set forth in more detail on Exhibit A.

(b) If and whenever any cash dividends are declared on the Shares, on the date such dividend is paid, the Company will credit to the Account an amount which shall be equal to the amount of such dividend with respect to the number of Restricted Stock Units credited to the Account. Such amount shall be subject to the vesting and forfeiture provisions contained in Section 3(a) below. The amount shall be adjusted based on the number of Restricted Stock Units actually earned and shall only be payable in cash and shall be payable at the same time as amounts are otherwise payable under this Agreement.

(c) If and whenever the Company declares and pays a dividend or distribution on the Shares in the form of additional shares, or there occurs a forward split of Shares, then a number of additional Restricted Stock Units shall be credited to the Account as of the payment date for such dividend or distribution or forward split equal to (i) the total number of Restricted Stock Units credited to the Account on the record date for such dividend or distribution or split (other than previously settled or forfeited Restricted Stock Units), multiplied by (ii) the number of additional Shares actually paid as a dividend or distribution or issued in such split in respect of each outstanding Share. The additional Restricted Stock Units shall be adjusted based on the number of Restricted Stock Units actually earned and shall become vested to the same extent as the Restricted Stock Units that resulted in the crediting of such additional Restricted Stock Units.

### 3. Terms and Conditions.

#### (a) Vesting.

(i) All of the Restricted Stock Units shall initially be unvested. All Restricted Stock Units shall vest based on the Company's achievement of the Performance Goals. The Compensation Committee shall determine achievement of such Performance Goals in its sole discretion when the Company completes its annual audit for the Company's last fiscal year of the Performance Period, but no later than 90 days following the end of such fiscal year, and the date upon which the Compensation Committee determines such performance shall be the applicable vesting date (the "Date of Vesting"). If Grantee terminates Grantee's Business Relationship with Lands' End prior to the Date of Vesting (except as provided in subsection 3(a)(ii) and (iii) below), such Grantee shall forfeit any unvested Restricted Stock Units upon such termination of Business Relationship.

(ii) If, following the twelve (12) month anniversary of the Issuance Date, Grantee's Business Relationship with Lands' End terminates due to the Grantee's permanent and total disability (as defined in the Company's long-term disability program, regardless of whether the Grantee is covered by such program) ("Disability"), Restricted Stock Units not previously vested shall remain eligible to vest on a prorated basis through the date of termination based on actual performance of the Company at the end of the Performance Period.

(iii) If, following the twelve (12) month anniversary of the Issuance Date, Grantee's Business Relationship with Lands' End terminates due to the Grantee's death, Restricted Stock Units not previously vested shall remain eligible to vest on a prorated basis through the date of death, and Grantee's estate shall be eligible to receive such pro-rated Restricted Stock Unit award, payable in cash based on actual performance of the Company at the end of the Performance Period.

(iv) Any proration of the Restricted Stock Units described in subsections 3(a)(ii) and (iii) shall be based on a fraction, the numerator of which is the number of full months lapsed during the Performance Period through the date of termination or death, as applicable, and the denominator of which is the full number of months in the Performance Period (the "Pro Rata Fraction") and the number of Restricted Stock Units which vest per subsections 3(a)(ii) and (iii), shall be determined by multiplying (i) the Pro Rata Fraction by (ii) the number of Restricted Stock Units that would have vested based on actual performance as determined by the Compensation Committee at the end of the Performance Period.

(b) Forfeiture. Upon the termination of Grantee's Business Relationship with Lands' End for any reason other than death or Disability, the Grantee shall forfeit any and all Restricted Stock Units which have not vested as of the date of such termination; provided that, for the avoidance of doubt, upon the occurrence of a Change in Control, Section 12.3 of the Plan shall govern. Any Restricted Stock Units that do not vest based on satisfaction of the Performance Goals at the end of the Performance Period will be forfeited on the Date of Vesting.

(c) Accelerated Vesting. Any accelerated vesting of the Restricted Stock Units, as provided either pursuant to Section 12.3 of the Plan or by contract, shall result in the vesting of the number of Target Units set forth above.

(d) Settlement. Restricted Stock Units not previously forfeited shall be settled within thirty (30) days after the applicable Date of Vesting under Section 3(a) or the date on which vesting occurs pursuant to Section 3(c) by delivery of one Share or cash, as applicable, for each Restricted Stock Unit being settled; provided that if such settlement would result in impermissible acceleration under Section 409A of the Code (as defined below), then the Restricted Stock Units shall be settled in the fiscal year following the final year of the Performance Period, but not before the 90<sup>th</sup> day after the end of such final fiscal year of the Performance Period.

#### 4. Taxes.

(a) This Section 4(a) applies only to (i) all Grantees who are U.S. employees, and (ii) to those Grantees who are employed by a Subsidiary of the Company that is obligated under applicable local law to withhold taxes with respect to the settlement of the Restricted Stock Units. Such Grantee shall pay to the Company or a designated Subsidiary, promptly upon request, and in any event at the time the Grantee recognizes taxable income with respect to the Restricted Stock Units, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to the Restricted Stock Units. The Grantee may satisfy the foregoing requirement by making a payment to the Company in cash or by delivering already owned unrestricted Shares or by having the Company withhold a number of Shares in which the Grantee would otherwise become vested under this Agreement (which shares shall be withheld prior to delivery of shares issued following any vesting date), in each case, having a value equal to the minimum amount of tax required to be withheld. Such Shares shall be valued at their Fair Market Value on the date as of which the amount of tax to be withheld is determined. In the event that the withholding obligation arises during a period in which the Grantee is prohibited from trading in the Common Stock pursuant to the Company's insider trading policy, or by applicable securities or other laws, then unless otherwise elected by the Grantee during a period when Grantee was not so restricted from trading, the Company shall automatically satisfy the Grantee's withholding obligation by withholding from Shares otherwise deliverable under this Agreement.

(b) The Grantee acknowledges that the tax laws and regulations applicable to the Restricted Stock Units and the disposition of the shares following the settlement of Restricted Stock Units are complex and subject to change.

(c) With respect to each individual who was an executive officer of the Company and subject to Section 16 of the Exchange Act on the Grant Date only, the Compensation Committee in approving this award has consented to payment of tax withholding obligations under subsection (a), or a combination of the methods set forth in subsections (a), as the Grantee may elect during such time periods as the Company may permit in compliance with all applicable legal requirements. If no such election is made, the Grantee's withholding obligation will automatically be satisfied by withholding from Shares otherwise deliverable under this Agreement.

5. Protections Against Violations of Agreement. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Restricted Stock Units by any holder thereof in violation of the provisions of this Agreement or the Certificate of Incorporation or the Bylaws of the Company, will be valid, and the Company will not transfer any shares resulting from the settlement of Restricted Stock Units on its books nor will any of such shares be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with such provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce such provisions.

6. Rights as a Stockholder. The Grantee shall not possess the right to vote the shares underlying the Restricted Stock Units until the Restricted Stock Units have settled in accordance with the provisions of this Agreement and the Plan.

7. Survival of Terms. This Agreement shall apply to and bind the Grantee and Lands' End and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

8. Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or sent by certified or registered mail, return receipt requested, postage prepaid, addressed, if to the Grantee, to the Grantee's attention at the mailing address set forth at the foot of this Agreement (or to such other address as the Grantee shall have specified to the Company in writing) and, if to the Company, to the Company's office at 1 Lands' End Lane, Dodgeville, Wisconsin 53595, Attention: General Counsel (or to such other address as the Company shall have specified to the Grantee in writing). All such notices shall be conclusively deemed to be received and shall be effective, if sent by hand delivery, upon receipt, or if sent by registered or certified mail, on the fifth day after the day on which such notice is mailed.

9. Waiver. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

10. Authority of the Administrator. The Compensation Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Compensation Committee as to any such matter of interpretation or construction shall be final, binding and conclusive. Notwithstanding the foregoing, any classification of employment termination shall be resolved in accordance with the terms of any severance agreement or other employment agreement with the Company as of the date of Grantee's termination of employment.

11. Representations. The Grantee has reviewed with Grantee's own tax advisors the applicable tax (U.S., foreign, state, and local) consequences of the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of Lands' End or any of its agents. The Grantee understands that Grantee (and not Lands' End) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

12. Entire Agreement; Governing Law. This Agreement and the Plan and the other related agreements expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Wisconsin.

13. Clawback Policy. The Restricted Stock Units are subject to the terms of any severance or employment agreement between Lands' End and the Grantee, and, to the extent required by applicable law, any Lands' End recoupment, clawback, or similar policy related to financials as it may be in effect from time to time, any of which could, in certain circumstances, require repayment or forfeiture of the Restricted Stock Units or any Shares or other cash or property received with respect to the Restricted Stock Units (including any value received from a disposition of the Shares acquired upon vesting of the Restricted Stock Units).

14. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original Agreement. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, in lieu of severing such unenforceable provision, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by such judicial body shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

15. Amendments; Construction. The Compensation Committee may amend the terms of this Agreement prospectively or retroactively at any time, but no such amendment shall impair the rights of the Grantee hereunder without Grantee's consent. Headings to Sections of this Agreement are intended for convenience of reference only, are not part of this Restricted Stock Units and shall have no effect on the interpretation hereof.

16. Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understand the terms and provision thereof, and accepts the shares of Restricted Stock Units subject to all the terms and conditions of the Plan and this Agreement. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee upon any questions arising under this Agreement.

17. Miscellaneous.

(a) No Rights to Grants or Continued Employment. The Grantee acknowledges that the award granted under this Agreement is not an employment right, and is being granted at the sole discretion of

the Company's Compensation Committee. The Grantee shall not have any claim or right to receive grants of awards under the Plan. Neither the Plan nor this Agreement, nor any action taken or omitted to be taken hereunder or thereunder, shall be deemed to create or confer on the Grantee any right to be retained as an employee of the Company or any Subsidiary thereof, or to interfere with or to limit in any way the right of the Company or any Subsidiary thereof to terminate the employment of the Grantee at any time.

(b) No Restriction on Right of Company to Effect Corporate Changes. Neither the Plan nor this Agreement shall affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred, or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the assets or business of the Company, or any other corporate act or proceeding, whether of a similar character or otherwise.

(c) Assignment. The Company shall have the right to assign any of its rights and to delegate any of its duties under this Agreement to any of its Affiliates.

(d) Business Relationship. For the purposes of this Agreement, an employee, officer, director or consultant of the Company or any Company Subsidiary shall be deemed to be in a "Business Relationship" with Lands' End, and a continuous Business Relationship shall be deemed to be in effect for such period of time during which a Grantee serves in any such capacity (including changes between capacities).

18. Code Section 409A. It is intended that the delivery of benefits under this Agreement comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to "nonqualified deferred compensation" (within the meaning of such section), and that all provisions of this Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code and any similar state or local law. The Restricted Stock Units granted hereunder shall not be deferred, accelerated, extended, paid out or modified in a manner that would reasonably be expected to be noncompliant with the applicable provisions of Section 409A of the Code.

THIS AGREEMENT SHALL BE NULL AND VOID AND UNENFORCEABLE BY THE GRANTEE UNLESS SIGNED AND DELIVERED TO THE COMPANY NOT LATER THAN THIRTY (30) DAYS SUBSEQUENT TO THE ISSUANCE DATE.

BY SIGNING THIS AGREEMENT, THE GRANTEE IS HEREBY CONSENTING TO THE PROCESSING AND TRANSFER OF THE GRANTEE'S PERSONAL DATA BY THE COMPANY TO THE EXTENT NECESSARY TO ADMINISTER AND PROCESS THE AWARDS GRANTED UNDER THIS AGREEMENT.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Grantee has executed this Agreement, both as of the day and year first above written.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the Company and the Grantee have executed this Restricted Stock Unit Agreement as of the date first above written.

**COMPANY**

LANDS' END, INC.

By:

\_\_\_\_\_  
Name:

Title:

**GRANTEE**

\_\_\_\_\_  
Name:

[Performance Goals related to the Award to be set forth, with applicable Threshold Performance, Target Performance and, if applicable, Maximum Performance, as well as any additional performance or modifier measure or information regarding the Performance Goals.]

**LANDS' END, INC.**  
**NONQUALIFIED STOCK OPTION AGREEMENT**

**Name of Grantee:** \_\_\_\_\_ (the "Grantee")

**No. of Nonqualified Stock Options:** \_\_\_\_\_

**Per Share Exercise Price of Nonqualified Stock Options:** \$ \_\_\_\_\_

**Grant Date:** \_\_\_\_\_ (the "Grant Date")

WHEREAS, the Grantee is currently an employee of Lands' End, Inc., a Delaware corporation (the "Company") and together with its Subsidiaries, "Lands' End");

WHEREAS, the Company desires to (i) induce the Grantee with an incentive to become and remain in a continuous Business Relationship (defined below) with Lands' End and (ii) increase the Grantee's interest in the success of the Company by granting nonqualified stock options (the "Options") covering shares of common stock of the Company to the Grantee; and

WHEREAS, the issuance of the Options is made pursuant to the Lands' End, Inc. [INSERT PLAN NAME HERE] (as amended and/or restated from time to time, the "Plan") and made subject to the terms and conditions of this Lands' End, Inc. Stock Option Agreement (this "Agreement").

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Definitions; Incorporation of Plan Terms. Capitalized terms used in this Agreement without definition shall have the meanings assigned to them in the Plan. This Agreement and the Options shall be subject to the Plan and the terms of the Plan are incorporated herein by reference. The Grantee hereby acknowledges receipt of a copy of the Plan. The Company represents that the Options will be covered by an S-8.

2. Grant of Options. Subject to the provisions of this Agreement and the Plan, the Company hereby grants to the Grantee the Options specified above. Each Option represents the right to purchase one (1) share of the Company's common stock, par value \$0.01 per share (each, a "Share"), at the Exercise Price (defined below). The Options are intended to be nonqualified stock options and will not be treated as incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended.

3. Terms and Conditions.

(a) Exercise Price. The exercise price per Share with respect to the Options shall be \$ \_\_\_\_\_, which is the Fair Market Value of a Share on the Grant Date.

(b) Option Term. Subject to earlier termination as provided herein, the Options shall expire on the tenth (10th) anniversary of the Grant Date (the "Expiration Date").

(c) Vesting.

(i) All of the Options shall initially be unvested. All of the Options shall be subject to the following vesting schedule, and, except as otherwise provided in this Agreement, if the Grantee's Business Relationship with Lands' End terminates for any reason prior to any given Vesting Date identified below, the Grantee shall forfeit any unvested Options upon such termination of the Business Relationship.

<b>Vesting Date</b>	<b>Percentage of Option Vested</b>
	%

(ii) If, following the twelve (12) month anniversary of the Grant Date, Grantee's Business Relationship with Lands' End terminates due to a permanent and total disability (as defined in the Company's long-term disability program, regardless of whether the Participant is covered by such program) ("Disability"), any of the Options not previously vested shall vest pro rata through date of termination.

(iii) If, following the twelve (12) month anniversary of the Grant Date, Grantee's Business Relationship with Lands' End terminates due to death, any of the Options not previously vested shall vest pro rata through date of death.

(iv) Any proration of the Options described in subsections 3(c)(ii)-(iii) shall be based on a fraction, the numerator of which is the number of full months lapsed during the vesting period through the date of termination or death, as applicable, and the denominator of which is the full number of months in the vesting period.

(d) Termination.

(i) The Options (to the extent not otherwise forfeited) shall automatically terminate and shall become null and void, be unexercisable and be of no further force and effect upon the earliest of:

(A) The Expiration Date;

(B) The first anniversary of the date of the termination of Grantee's Business Relationship with Lands' End due to death or Disability;

(C) The ninetieth (90th) day following the termination of Grantee's Business Relationship with Lands' End without Cause (as defined in Section 12.3 of the Plan) or due to the Grantee's resignation;

(D) The date of the termination of Grantee's Business Relationship with Lands' End in the case of a termination for Cause.

Notwithstanding the foregoing, with respect to any Grantee who is party to a severance agreement or other employment agreement with Lands' End as of the date of Grantee's termination of employment, "Cause," as used in this Section 3(d) shall have the same meaning as such term is defined in such severance or employment agreement.

4. Exercise. The Option may be exercised either for the total number of Shares vested, or for less than the total number of Shares subject to the vested Option. The Options may be exercised only by written notice delivered in accordance with, and payment of the Exercise Price may be made pursuant to any of the methods described in, Section 8.4(b) of the Plan. Upon receipt of notice of exercise and full payment of the aggregate consideration for the Shares in respect of which the Option is being exercised, the Company, or the Company's agent, shall take such action as may be necessary to effect the transfer to the Grantee the number of Shares as to which the exercise was effective.

5. Taxes.

(a) This Section 5(a) applies only to (i) all Grantees who are U.S. employees, and to those Grantees who are employed by a Subsidiary of the Company that is obligated under applicable local law to withhold taxes with respect to the exercise of the Options. The Grantee shall pay to the Company or a designated Subsidiary, promptly upon request, and in any event at the time the Grantee recognizes taxable income with respect to the Options, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to the Options. Consistent with the provisions set forth in Section 14.4 of the Plan, the Grantee may satisfy the foregoing requirement by making a payment to the Company in cash or by delivering already owned unrestricted Shares or by having the Company withhold a number of Shares in which the Grantee would otherwise be issued upon exercise of the Options, in each case, having a value equal to the minimum amount of tax required to be withheld. Such Shares shall be valued at Fair Market Value on the date as of which the amount of tax to be withheld is determined.

(b) The Grantee acknowledges that the tax laws and regulations applicable to the Options and the disposition of the shares following the settlement of Options are complex and subject to change.

(c) With respect to each individual who was an executive officer of the Company and subject to Section 16 of the Exchange Act on the Grant Date only, the Compensation Committee in approving this award has consented to payment of tax withholding obligations under subsection (a), or a combination of the methods set forth in subsections (a), as the Grantee may elect during such time periods as the Company may permit in compliance with all applicable legal requirements. If no such election is made, the Grantee's withholding obligation will automatically be satisfied by withholding from Shares otherwise deliverable under this Agreement.

6. Protections Against Violations of Agreement. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Options by any holder thereof in violation of the provisions of this Agreement or the Certificate of Incorporation or the Bylaws of the Company, will be valid, and the Company will not transfer any shares resulting from the exercise of any of the Options on its books nor will any of such shares be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with such provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce such provisions.

7. No Rights as a Shareholder. The Grantee has no right to receive or accrue any dividends or dividend equivalents with respect to the Options. The Grantee shall not possess the

right to vote the shares underlying the Options until the Options have been exercised in accordance with the provisions of this Agreement and the Plan, the Grantee has paid the full aggregate Exercise Price for the number of Shares in respect of which the Option was exercised and made arrangements acceptable to the Company for the payment of applicable withholding taxes and the Company has issued and delivered the Shares to the Grantee.

8. Compliance with Legal Requirements. The grant of the Options, and any other obligations of the Company under this Agreement, shall be subject to all applicable federal, state, and foreign laws, rules, and regulations and to such approvals by any regulatory or governmental agency as may be required. The Committee, in its sole discretion, may postpone the issuance or delivery of Shares as the Committee may consider appropriate and may require the Grantee to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of the Shares in compliance with applicable laws, rules, and regulations.

9. Survival of Terms. This Agreement shall apply to and bind the Grantee and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

10. Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or sent by certified or registered mail, return receipt requested, postage prepaid, addressed, if to the Grantee, to the Grantee's attention at the mailing address the Grantee shall have specified to the Company in writing and, if to the Company, to the Company's office at 1 Lands' End Lane, Dodgeville, Wisconsin 53595, Attention: General Counsel (or to such other address as the Company shall have specified to the Grantee in writing). All such notices shall be conclusively deemed to be received and shall be effective, if sent by hand delivery, upon receipt, or if sent by registered or certified mail, on the fifth (5th) day after the day on which such notice is mailed.

11. Waiver. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

12. Authority of the Administrator. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive. Notwithstanding the foregoing, any classification of employment termination shall be resolved in accordance with the terms of any severance agreement or other employment agreement with the Company as of the date of Grantee's termination of employment.

13. Representations. The Grantee has reviewed with the Grantee's own tax advisors the applicable tax (U.S., foreign, state, and local) consequences of the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee understands that the Grantee (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

14. Entire Agreement; Governing Law. This Agreement and the Plan and the other related agreements expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may be executed in one or more counterparts, each

of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Wisconsin.

15. Clawback Policy. The Options are subject to the terms of any severance or employment agreement between Lands' End and the Grantee, and, to the extent required by applicable law, any Lands' End recoupment, clawback, or similar policy related to financials as it may be in effect from time to time, any of which could, in certain circumstances, require repayment or forfeiture of the Options or any Shares or other cash or property received with respect to the Options (including any value received from a disposition of the Shares acquired upon exercise of the Options).

16. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original Agreement. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, in lieu of severing such unenforceable provision, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by such judicial body shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

17. Amendments; Construction. The Committee may amend the terms of this Agreement prospectively or retroactively at any time, but no such amendment shall impair the rights of the Grantee hereunder without the Grantee's consent. Headings to Sections of this Agreement are intended for convenience of reference only, are not part of the Options and shall have no effect on the interpretation hereof.

18. Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provision hereof and thereof, and accepts the Options subject to all the terms and conditions of the Plan and this Agreement. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under this Agreement.

19. Miscellaneous.

(a) No Rights to Grants or Continued Employment. The Grantee acknowledges that the award granted under this Agreement is not an employment right, and is being granted at the sole discretion of the Committee. The Grantee shall not have any claim or right to receive grants of awards under the Plan. Neither the Plan nor this Agreement, nor any action taken or omitted to be taken hereunder or thereunder, shall be deemed to create or confer on the Grantee any right to be retained as an employee of the Company or any Subsidiary thereof, or to interfere with or to limit in any way the right of the Company or any Subsidiary thereof to terminate the employment of the Grantee at any time.

(b) No Restriction on Right of Company to Effect Corporate Changes. Neither the Plan nor this Agreement shall affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations,

reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred, or prior preference stocks whose rights are superior to or affect the Shares or the rights thereof or which are convertible into or exchangeable for Shares, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the assets or business of the Company, or any other corporate act or proceeding, whether of a similar character or otherwise. In such event, any adjustment shall be made in accordance with Section 12 of the Plan.

(c) Assignment. The Company shall have the right to assign any of its rights and to delegate any of its duties under this Agreement to any of its Affiliates.

(d) Business Relationship. For the purposes of this Agreement, an employee, officer, director or consultant of the Company or any Company Subsidiary shall be deemed to be in a "Business Relationship" with Lands' End, and a continuous Business Relationship shall be deemed to be in effect for such period of time during which a Grantee serves in any such capacity (including changes between capacities).

THIS AGREEMENT SHALL BE NULL AND VOID AND UNENFORCEABLE BY THE GRANTEE UNLESS SIGNED AND DELIVERED TO THE COMPANY NOT LATER THAN THIRTY (30) DAYS SUBSEQUENT TO THE GRANT DATE.

BY SIGNING THIS AGREEMENT, THE GRANTEE IS HEREBY CONSENTING TO THE PROCESSING AND TRANSFER OF THE GRANTEE'S PERSONAL DATA BY THE COMPANY TO THE EXTENT NECESSARY TO ADMINISTER AND PROCESS THE AWARDS GRANTED UNDER THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the Company and the Grantee have executed this Nonqualified Stock Option Agreement as of the date first above written.

COMPANY  
**LANDS' END, INC.**

By: \_\_\_\_\_  
Name:  
Title:

GRANTEE

By: \_\_\_\_\_  
Name:

January 4, 2023

Jim Gooch  
[Address Omitted]

**VIA EMAIL**

Dear Jim,

This letter memorializes the terms of your transition from your role as President and Chief Financial Officer of Lands' End, Inc. ("**Lands' End**" or the "**Company**"). Reference is made herein to your Amended and Restated Executive Severance Agreement dated July 2, 2021 (the "**ESA**"). Capitalized terms used in this letter but not otherwise defined have the meaning set forth in the ESA.

- 1) You and Lands' End agree that you hereby resign as President and Chief Financial Officer and, except as expressly provided in this letter, from any other position with Lands' End or its affiliates you may hold effective as of January 27, 2023 (the "**Resignation Date**"), the conclusion of the Company's current fiscal year, unless your employment is earlier terminated for Cause pursuant to the terms of the ESA. While such resignations are intended to be self-effectuating, you further agree to execute any documentation that Lands' End or its affiliates determine necessary or appropriate to facilitate such resignations.
- 2) From and after the date hereof, you shall transition your President and Chief Financial Officer duties and assist with such transition as directed by the Company's Chief Executive Officer – Designate. You may work remotely during this transition.
- 3) Subject to your continued employment with Lands' End through the Resignation Date, effective as of January 28, 2023 and continuing until March 31, 2023 or your earlier termination of employment for any reason (the "**Continued Employment Period**"), you will be employed by the Company with the title of Advisor. In such capacity, you shall provide such services, and hold such duties, responsibilities and authorities, in each case as the Chief Executive Officer of Lands' End may direct, including assisting with the transition of your duties as President and Chief Financial Officer and advising on business and financial matters. During the Continued Employment Period, you shall receive a base salary at an annualized rate of \$700,000. As an employee, you shall remain eligible for all welfare and pension benefits generally available to active Lands' End employees; provided, however, you shall not be eligible for any new equity award grants from and following the date of this letter or any other incentive compensation in respect periods from and following the Resignation Date. Any equity awards that you hold as of the beginning of the Continued Employment Period shall continue to vest during the Continued Employment Period, and subject to your continued employment

through March 31, 2023, you shall remain eligible for any outstanding cash payout opportunity related to the Company's 2020 Long-Term Incentive Program payable in respect of periods preceding March 31, 2023. Any compensation or benefits that you hold (including, without limitation, equity awards), or for which you are otherwise eligible, and that are unvested as of immediately prior to the termination of the Continued Employment Period shall be forfeited automatically for no consideration as of the termination of the Continued Employment Period.

- 4) Subject to your continued employment with Lands' End through March 31, 2023, effective as of April 1, 2023 and continuing until February 2, 2024 or your earlier termination of service for any reason (the "**Consulting Period**"), you will serve as a consultant to the Chief Executive Officer of the Company. In such capacity, you shall provide such services as the Chief Executive Officer of Lands' End may direct, including assisting and advising on business and financial matters (the "**Consulting Services**"). During the Consulting Period, you shall be paid a retainer on a bi-weekly basis, at an annualized rate of \$700,000 (the "**Consulting Fee**"). You may provide the Consulting Services remotely. You shall perform the Consulting Services in the capacity as an independent contractor of Lands' End and shall be solely responsible for the payment of any federal, state, local and foreign taxes incurred with respect to the Consulting Fee and any other compensation that you receive in respect of the Consulting Services, and under no circumstances whatsoever shall you be considered an employee of Lands' End or its affiliates for any purpose during the Consulting Period.
- 5) Effective as of the Resignation Date, Lands' End will cease to consider you an Executive Officer of Lands' End for purposes of Rule 3b-7 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and an "officer" of Lands' End for purpose of Section 16 of the Exchange Act.
- 6) All benefits provided for in this letter are conditioned upon you executing a general release of claims (the "**General Release**"), which shall be provided to you within five days following the Resignation Date and must be executed by you within 21 days following your receipt thereof, and not revoking such release, in accordance with its terms. The General Release shall be substantially in the form attached to the ESA.
- 7) For the avoidance of doubt, the sum of the base salary payable in respect of the Continued Employment Period and the Consulting Fee payable in respect of the Consulting Period shall equal \$700,000 in the aggregate, less any withholding for applicable taxes and other amounts, provided that your service to Lands' End continues until February 2, 2024 as contemplated by this letter. Unless Lands' End terminates your employment without Cause prior to March 31, 2023, you shall not take a job with a new employer, business or entity (a "**New Employer**") prior to March 31, 2023, and your breach of this sentence shall result in an automatic termination of your service to Lands' End for Cause effective as of the date you commenced service with the New Employer. Your entitlements under this letter

are subject to your agreement to notify Lands' End in writing within five days following your commencement of service with a New Employer.

- 8) If your service to Lands' End is terminated by Lands' End without Cause between the Resignation Date and February 2, 2024, subject to your execution of a general release of claims substantially in the form attached to the ESA within 21 days following your receipt of such general release, and not revoking such release, in accordance with its terms, and your compliance with your obligations under this letter or the ESA that survive your termination of service to Lands' End (the "**Continued Payment Conditions**"), then Lands' End shall continue to pay you an amount equal to the base salary or Consulting Fee, as applicable, that you would have been paid (on the schedule that it would have been paid) had your service to Lands' End continued until February 2, 2024. If your service to Lands' End is terminated between the Resignation Date and February 2, 2024 for any reason other than as contemplated in in the immediately preceding sentence (including, without limitation, your voluntary resignation for any reason or by Lands' End for Cause, which you acknowledge and agree includes your breach of this letter or the ESA), then Lands' End and its affiliates shall have no obligation to you, other than the payment of earned but unpaid base salary or Consulting Fee through the date of termination. Other than as expressly provided in this Section 8, Lands' End and its affiliates shall have no further obligations to you in connection with your termination of service for any reason.
- 9) In consideration for the compensation and benefits contemplated by this letter, you hereby re-acknowledge and re-affirm your obligations under the restrictive covenants and other terms of the ESA that survive your termination of service, including without limitation, those set forth in Section 3 (Confidentiality), Section 4 (Non-Disclosure of Trade Secrets), Section 5 (Third-Party Confidentiality), Section 6 (Work Product), Section 8 (Noncompetition), Section 9 (Nonsolicitation), Section 10 (Future Employment), Section 11 (Nondisparagement; Cooperation) and Section 14 (Enforceability). For the avoidance of doubt, for purposes of any provisions that apply for a limited time period following your termination of employment, your termination of employment is understood to occur upon the termination of the Continued Employment Period. Without limiting the generality of the foregoing, in the event of your breach of this letter or the ESA, the Company's remedies shall include those contemplated by Section 14 of the ESA and the right to immediately cease payment of all compensation or benefits payable or provided (and to claw back any compensation or benefits previously paid or provided) in respect of any period following the Resignation Date.
- 10) Sections 13, 14, 15, 16, 17, 18 and 20 of the ESA are hereby incorporated into this Agreement as if set forth herein *mutatis mutandis*.
- 11) By signing this letter where indicated below, you are acknowledging and agreeing that any and all preexisting employment terms and/or severance benefits or terms, including those provided for in the ESA and in any other agreement between you

and the Company or its affiliates or included in any other plan or arrangement of the Company or its affiliates, shall terminate as of the date hereof (and that this letter supersedes any term sheet or similar document in respect of the subject matter hereof provided to you in connection with discussions of this letter), and the only benefits available to you shall be as set forth herein. Without limiting the generality of the foregoing, you further acknowledge and agree that all of the changes to the terms and conditions of your employment or service to the Company and its affiliates contemplated by this letter are made with your consent and shall not constitute a basis for you to claim severance (for Good Reason or otherwise) under the ESA or any other plan, agreement or arrangement of Company or its affiliates.

[END OF DOCUMENT. SIGNATURES ON NEXT PAGE.]

Sincerely,

/s/ Josephine Linden

Josephine Linden  
Chair, Board of Directors  
Lands' End, Inc.

*[Signature Page to Gooch Transition Letter Agreement]*

W/4463668

---

Accepted and agreed this 4<sup>th</sup> day of January, 2023:

/s/ Jim Gooch  
Jim Gooch

*[Signature Page to Gooch Transition Letter Agreement]*

W/4463668

---

January 16, 2023

Peter Gray  
[Address Omitted]

Dear Peter,

We are pleased to confirm the compensation details for your new role as Chief Commercial Officer, Chief Administrative Officer and General Counsel, which title change shall be effective January 28, 2023. In this role, you will report to me. Your Home Office remains Dodgeville, WI. We all believe the future of Lands' End will provide us with many opportunities for growth and the company is well positioned for continued success.

The following outlines the changes to your compensation package:

- Effective December 31, 2022.
- Annual base salary of \$675,000 paid in bi-weekly payments starting with the January 19, 2023 pay-date. You will next be eligible for a merit increase consideration in the 2024 merit cycle.
- Continued participation in the Lands' End, Inc. Annual Incentive Plan ("AIP") with your annual target incentive opportunity remaining at 75% of your eligible earnings as of your effective date. The portion of the bonus target paid each year is based on your performance and the company's fiscal results and is payable at Lands' End's discretion. Your incentive opportunity is subject to the terms and conditions of the Company's Annual Incentive Plan. Any 2022 Annual Incentive will take into consideration your eligible earnings for the fiscal year time period of January 29, 2022 to January 27, 2023 and will be prorated based eligible earnings. You must be an active employee at the time of the payout to receive the bonus.
- Continued participation in the Lands' End Long-term Incentive program ("LTI") with your annual target incentive opportunity remaining at 110% of your base salary.

We all think highly of you and believe there will be opportunity to leverage your knowledge, experience, and leadership as we continue to grow as a trusted American lifestyle brand.

Sincerely,  
/s/ Andrew McLean  
Andrew McLean  
CEO - Designate

/s/ Peter L. Gray  
Agreed and Accepted  
Peter Gray

---



January 16, 2023

Bernie McCracken  
[Address Omitted]

Dear Bernie,

We are pleased to confirm the details for your role Interim Chief Financial Officer (in addition to continuing to serve as Vice President, Controller and Chief Accounting Officer), which title change shall be effective January 28, 2023. In this role, you will report to me. Your Home Office remains Dodgeville, WI.

The following outlines temporary changes to your compensation package as long as you serve as Interim Chief Financial Officer (which you understand is a temporary role):

- Effective December 31, 2022.
- In addition to your regular salary of \$317,240, you will be paid the sum of \$15,000 each month that you serve as Interim Chief Financial Officer (less appropriate taxes). Payments will be made bi-weekly via normal payroll processing starting with the January 19, 2023 pay-date and will continue while you remain in this interim role.
- Continued participation in the Lands' End, Inc. Annual Incentive Plan ("AIP") with your annual target incentive opportunity remaining at 40% of your eligible earnings as of your effective date. The portion of the bonus target paid each year is based on your performance and the company's fiscal results and is payable at Lands' End's discretion. Your incentive opportunity is subject to the terms and conditions of the Company's Annual Incentive Plan. Any fiscal year 2023 Annual Incentive will take into consideration all your eligible earnings, for the fiscal year time period of January 28, 2023 to February 2, 2024, inclusive of the foregoing monthly payments. You must be an active employee at the time of the payout to receive the bonus.
- Continued participation in the Lands' End Long-term Incentive program ("LTI") with your annual target incentive opportunity remaining at 50% of your regular base salary of \$317,240.

Thank you for taking on this critical role.

Sincerely,  
/s/ Andrew McLean  
Andrew McLean  
CEO - Designate

/s/ Bernie McCracken  
Agreed and Accepted  
Bernie McCracken

---

## EXECUTIVE SEVERANCE AGREEMENT

This Executive Severance Agreement (“Agreement”) is made as of the 17th day of June 2014, between Lands’ End, Inc., a Delaware corporation (together with its successors, assigns and Affiliates, the “Company”), and **Bernard McCracken** (“Executive”).

WHEREAS, in light of the Company’s size and its visibility as a publicly-traded company that reports its results to the public, the Company has attracted attention of other companies and businesses seeking to obtain for themselves or their customers some of the Company’s business acumen and know-how; and

WHEREAS, the Company has shared with Executive certain aspects of its business acumen and know-how as well as specific confidential and proprietary information about the products, markets, processes, costs, developments, ideas, and personnel of the Company; and

WHEREAS, the Company has imbued Executive with certain aspects of the goodwill that the Company has developed with its customers, vendors, representatives and employees; and

WHEREAS, as consideration for entering into this Agreement, the Company is extending to Executive the opportunity to receive severance benefits under certain circumstances as provided in this Agreement; and

WHEREAS, as additional consideration for entering into this Agreement, the Company has granted to Executive restricted stock units pursuant to a Restricted Stock Agreement entered into between the Company and the Executive.

NOW, THEREFORE, in consideration of the foregoing, and of the respective covenants and agreements of the parties set forth in this Agreement, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the following terms have the meanings indicated:

a. “Affiliate” means any subsidiary or other entity that, directly or indirectly through one or more intermediaries, is controlled by Lands’ End, Inc., whether now existing or hereafter formed or acquired. For purposes hereof, “control” means the power to vote or direct the voting of sufficient securities or other interests to elect one-third of the directors or managers or to control the management of such subsidiary or other entity. Notwithstanding the foregoing, if the Executive’s “Salary Continuation” exceeds the “Section 409A Threshold” (as such terms are defined below), then Affiliate shall mean any person with whom the Company is considered to be a single employer under Code Section 414(b) and all persons with whom the Company would be considered a single employer under Code Section 414(c), substituting “50%” for the “80%” standard that would otherwise apply.

---

b. “Cause” means (i) a material breach by Executive (other than a breach resulting from Executive’s incapacity due to a Disability) of Executive’s duties and responsibilities which breach is demonstrably willful and deliberate on Executive’s part, is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company and is not remedied in a reasonable period of time after receipt of written notice from the Company specifying such breach; (ii) the commission by Executive of a felony; or (iii) dishonesty or willful misconduct in connection with Executive’s employment.

c. “Competitive Business” means any corporation, partnership, association, or other person or entity (including but not limited to Executive) that:

1. is listed on Appendix A, each of which Executive acknowledges is a Competitive Business, whether or not it falls within the categories in subsection (c)(2) immediately below, and further acknowledges that this is not an exclusive list of Competitive Businesses and is not intended to limit the generality of subsection (c)(2) immediately below; or
2. engages in any business which, at any time during the most recent eighteen (18) months of Executive’s Company Employment and regardless the business format (including but not limited to a department store, specialty store, discount store, direct marketing, or electronic commerce), consists of marketing, manufacturing or selling apparel and/or home products, and which has combined annual revenue in excess of \$100 million.

Executive acknowledges that the Company shall have the right to propose modifications to Appendix A periodically to include (i) emergent Competitive Businesses in the existing lines of business of the Company, and (ii) Competitive Businesses in lines of business that are new for the Company, in each case, with the prior written consent of Executive, which consent shall not be unreasonably withheld.

d. “Code” means the Internal Revenue Code of 1986, as amended.

e. “Confidential Information” means information related to the Company’s business, not generally known in the trade or industry, which Executive learns or creates during the period of Executive’s Company Employment, which may include but is not limited to product specifications, manufacturing procedures, methods, equipment, compositions, technology, formulas, know-how, research and development programs, sales methods, customer lists, customer usages and requirements, personnel evaluations and compensation data, computer programs and other confidential technical or business information and data that is not otherwise in the public domain.

f. “Disability” means disability as defined under the Company’s long-term disability plan (regardless of whether Executive is a participant under such plan).

g. “Executive’s Company Employment” means the time (including time prior to the date hereof) during which Executive is employed by any entity comprised within the definition of “Company”, regardless of any change in the entity actually employing Executive.

h. “Good Reason” shall mean, without Executive’s written consent, (i) a reduction of more than ten percent (10%) in the sum of Executive’s annual base salary and target bonus under Company’s Annual Incentive Plan; (ii) Executive’s mandatory relocation to an office more than fifty (50) miles from the primary location at which Executive was previously required to perform Executive’s duties; or (iii) any other action or inaction that constitutes a material breach of the terms of this Agreement, including failure of a successor company to assume or fulfill the obligations under this Agreement. In each case, Executive must provide Company with written notice of the facts giving rise to a claim that “Good Reason” exists for purposes of this Agreement, within thirty (30) days of the initial existence of such Good Reason event, and Company shall have the right to remedy such event within sixty (60) days after receipt of Executive’s written notice. “Good Reason” shall cease to exist, and may not form the basis for claiming any compensation or benefits under this Agreement, if any of the following occurs:

- i. Executive fails to provide the above-referenced written notice of the Good Reason event within thirty (30) days of its occurrence;
- ii. Company remedies the Good Reason event within the above-referenced sixty (60) day remediation period; or
- iii. Executive fails to resign within ninety (90) days of Executive’s written notice of the Good Reason event.

i. “Salary Continuation” means continuation of base salary, based on Executive’s annual base salary rate as of the date Executive’s Company Employment terminates (“Date of Termination”), payable for a period of six (6) months following the Date of Termination (“Salary Continuation Period”).

j. “Section 409A Threshold” means an amount equal to two times the lesser of (i) Executive’s base salary for services provided to the Company as an employee for the calendar year preceding the calendar year in which Executive has a Separation from Service; or (ii) the maximum amount that may be taken into account under a qualified plan in accordance with Code Section 401(a)(17) for the calendar year in which the Executive has a Separation from Service. In all events,

this amount shall be limited to the amount specified under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A) or any successor thereto.

k. "Separation from Service" means a "separation from service" with the Company within the meaning of Code Section 409A (and regulations issued thereunder). Notwithstanding anything herein to the contrary, the fact that Executive is treated as having incurred a Separation from Service under Code Section 409A and the terms of this Agreement shall not be determinative, or in any way affect the analysis, of whether Executive has retired, terminated employment, separated from service, incurred a severance from employment or become entitled to a distribution, under the terms of any retirement plan (including pension plans and 401(k) savings plans) maintained by the Company.

l. "Specified Employee" means a "specified employee" under Code Section 409A (and regulations issued thereunder).

m. "Trade Secret(s)" means information, including a formula, pattern, compilation, program, device, method, technique or process, that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and that is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

2. Employment. During Executive's Company Employment, Executive agrees to devote all of Executive's professional time and attention to the duties required by such Company Employment and to the best interests of the Company, and to engage in other business, professional or philanthropic activities only with the prior written approval of the Company. Executive shall also comply with all generally applicable policies of the Company, including but not limited to the Company's Code of Conduct, as such policies may be amended from time to time. Except as may be otherwise expressly provided in any written agreement between the Company and Executive other than this Agreement, Executive's Company Employment is terminable by either party at will.

3. Severance.

a. If Executive's Company Employment is involuntarily terminated without Cause, or if Executive resigns for Good Reason, Executive shall be entitled to the following:

- i. Salary Continuation.
- ii. Continuation of health, dental and vision coverage at the applicable active employee rate until the end of the pay period that includes the last day of the Salary Continuation Period, on the same terms as they were provided immediately prior to the Date of Termination, subject to the Company's ability to

continue to make these payments without incurring discrimination penalties under the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, and all applicable regulations and guidance thereunder. Any such coverage provided during the Salary Continuation Period shall not run concurrently with the applicable continuation period in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). If Executive becomes eligible to participate in another medical or dental benefit plan or arrangement through another employer or spousal plan during such period, the Company shall no longer pay for continuation coverage benefits and Executive shall be required to pay the full COBRA premium. Executive is required to notify the Company within thirty (30) days of obtaining other medical or dental benefits coverage. Any coverage provided under this Section 3(a)(ii) shall be subject to such amendments (including termination) of the coverage as the Company shall make from time to time at its sole discretion, including but not limited to changes in covered expenses, employee contributions for premiums, and co-payment obligations, and shall be, to the fullest extent permitted by law, secondary to any other coverage Executive may obtain from subsequent employment or any other source.

- iii. Reasonable outplacement services, mutually agreed upon by the Company and Executive from those vendors used by Company as of the Date of Termination, for a period of up to six (6) months or until subsequent employment is obtained, whichever occurs first.
- iv. Notwithstanding any limitation on the payment of benefits upon termination of employment that may be provided for under its vacation pay policy, Company shall provide Executive a lump sum payment, promptly after the expiration of the revocation period set forth in Appendix B, of the unused vacation pay benefits which Executive had been granted prior to the Date of Termination to the maximum extent permitted pursuant to Section 409A of the Code.

Executive shall not be entitled to continuation of compensation or benefits if Executive's employment terminates for any other reason, including due to death or Disability, except as may be provided under any other agreement or benefit plan applicable to Executive at the time of the termination of Executive's employment. Executive shall also not be entitled to Salary Continuation or any of the other benefits above if Executive does not meet all of the other requirements under, or otherwise violates the terms of, this Agreement, including the

requirements under Section 8. Except as provided in this Section 3, all other compensation and benefits shall terminate as of the Date of Termination.

b. Subject to subsection (c), Company shall pay Executive Salary Continuation in substantially equal installments on each regular salary payroll date for the Salary Continuation Period, except as otherwise provided in this Agreement. Salary Continuation payments shall be subject to withholdings for federal and state income taxes, FICA, Medicare and other legally required or authorized deductions. Notwithstanding the foregoing, the obligations of the Company to pay Salary Continuation shall be reduced on a dollar-for-dollar basis (but not below zero) by the amount, if any, of fees, salary or wages that Executive earns from a subsequent employer (including those arising from self-employment) during the Salary Continuation Period. Executive shall promptly notify the Company of any subsequent employment or self-employment and the amount of any such fees, salary, wages or any other form of compensation earned. Any such fees, salary, wages or compensation shall reduce the Salary Continuation payments in reverse chronological order, beginning with the Salary Continuation payment that would be the final Salary Continuation payment in the absence of such reduction. For avoidance of doubt, Executive shall not be obligated to seek affirmatively or accept an employment, contractor, consulting or other arrangement to mitigate Salary Continuation. Further, to the extent Executive does not execute and timely submit the General Release and Waiver (in accordance with Section 8) by the deadline specified therein, or revokes such General Release and Waiver, Salary Continuation payments shall terminate and forever lapse, and Executive shall be required immediately to reimburse the Company for any portion of the Salary Continuation paid during the Salary Continuation Period. To the extent such Salary Continuation was paid in a calendar year prior to the calendar year in which such reimbursement is received by the Company, the reimbursement shall be in the gross amount of such Salary Continuation on a pre-tax-withholding basis. To the extent such Salary Continuation was paid in the same calendar year as the reimbursement is received by the Company, the reimbursement shall be in the net amount of such Salary Continuation on an after-tax-withholding basis. In the event such reimbursement is required with respect to Salary Continuation payments that are reported on a Form W-2 for Executive, Executive shall be solely responsible for claiming any related tax deduction, and the Company shall not be required to issue a corrected Form W-2.

c. Notwithstanding anything in this Section 3 to the contrary, if the Salary Continuation payable to Executive during the first six (6) months after Executive's Separation from Service would exceed the Section 409A Threshold and if, as of the date of the Separation from Service, Executive is a Specified Employee, then payment shall be made to Executive on each regular salary payroll date during the six (6) months of the Salary Continuation Period until the aggregate amount received equals the Section 409A Threshold. Any portion of the Salary Continuation in excess of the Section 409A Threshold that would

otherwise be paid during such six (6) months, and any portion of the Salary Continuation that is otherwise subject to Section 409A, shall instead be paid to Executive in a lump sum payment on the date that is six (6) months and one (1) day after the date of Executive's Separation from Service.

4. Confidentiality. In addition to all duties of loyalty imposed on Executive by law or otherwise, during the term of Executive's Company Employment and for two years following the termination of such employment for any reason, Executive shall maintain Confidential Information in confidence and secrecy and shall not disclose Confidential Information or use it for the benefit of any person or organization (including Executive) other than the Company without the prior written consent of an authorized officer of the Company (except for disclosures to persons acting on the Company's behalf with a need to know such information).

5. Non-Disclosure of Trade Secrets. During Executive's Company Employment, Executive shall preserve and protect Trade Secrets of the Company from unauthorized use or disclosure; and after termination of such employment, Executive shall not use or disclose any Trade Secret of the Company for so long as that Trade Secret remains a Trade Secret.

6. Third-Party Confidentiality. Executive shall not disclose to the Company, use on its behalf, or otherwise induce the Company to use any secret or confidential information belonging to persons or entities not affiliated with the Company, which may include a former employer of Executive, if Executive then has an obligation or duty to any person or entity (other than the Company) to not disclose such information to other persons or entities, including the Company. Executive acknowledges that the Company has disclosed that the Company is now, and may be in the future, subject to duties to third parties to maintain information in confidence and secrecy. By executing this Agreement, Executive consents to be bound by any such duty owed by the Company to any third party.

7. Work Product. Executive acknowledges that all ideas, inventions, innovations, improvements, developments, methods, designs, analyses, reports, databases, and any other similar or related information (whether patentable or not) which relate to the actual or anticipated business, research and development, or existing or known future products or services of the Company which are or were conceived, developed or created by Executive (alone or jointly with others) during Executive's Company Employment (the "Work Product") is and shall remain the exclusive property of the Company. Executive acknowledges and agrees that all copyrightable Work Product was created in Executive's capacity as an employee of Lands' End and within the scope of Executive's Company Employment, and thus constitutes a "work made for hire" under the Copyright Act of 1976, as amended. Executive hereby assigns to Company all right, title and interest in and to all Work Product, and agrees to perform all actions reasonably requested by Company to establish, confirm or protect Company's ownership thereof (including, without limitation, executing assignments, powers of attorney and other instruments).

8. General Release and Waiver. Upon or following Executive's Date of Termination potentially entitling Executive to Salary Continuation and other benefits under



Section 3 above, Executive will execute a binding general release and waiver of claims in a form to be provided by the Company (“General Release and Waiver”). The General Release and Waiver will be in a form substantially similar to the attached Appendix B. If the General Release and Waiver is not signed within the time it requires or is signed but subsequently revoked, Executive will not continue to receive any Salary Continuation otherwise payable, and shall reimburse any Salary Continuation previously paid.

9. Noncompetition. During Executive’s Company Employment, and for a period of time after the Date of Termination equal to the Salary Continuation Period referred to in Section 1(i) above (but regardless whether the Executive is receiving Salary Continuation or other benefits under Section 3), Executive shall not, directly or indirectly, participate in, consult with, be employed by, or assist with the organization, planning, ownership, financing, management, operation or control of any Competitive Business.

10. Nonsolicitation. During Executive’s Company Employment and for eighteen (18) months following the termination of such employment for any reason, Executive shall not, directly or indirectly, either by himself or by providing substantial assistance to others (i) solicit any employee of the Company to terminate employment with the Company, or (ii) employ or seek to employ, or cause or assist any other person, company, entity or business to employ or seek to employ, any individual who was an employee of Company as of Executive’s Date of Termination.

11. Future Employment. During Executive’s Company Employment and for eighteen (18) months following the termination of such employment for any reason, before accepting any employment with any Competitive Business (whether or not Executive believes such employment is prohibited by Section 8), Executive shall disclose to the Company the identity of any such Competitive Business and a complete description of the duties involved in such prospective employment, including a full description of any business, territory or market segment to which Executive will be assigned. Further, during Executive’s Company Employment and for two years following the termination of such employment for any reason, Executive agrees that, before accepting any future employment, Executive will provide a copy of this Agreement to any prospective employer of Executive, and Executive hereby authorizes the Company to do likewise, whether before or after the outset of the future employment.

12. Nondisparagement; Cooperation. During Executive’s Company Employment and for two (2) years following the termination of such employment for any reason, Executive (i) will not criticize or disparage the Company or its directors, officers, employees or products, and (ii) will fully cooperate with Company in all investigations, potential litigation or litigation in which Company is involved or may become involved with respect to matters that relate to Executive’s Company Employment (other than any such investigations, potential litigation or litigation between Company and Executive); provided, that with regard to Executive’s duties under clause (i), Executive shall be reimbursed for reasonable travel and out-of-pocket expenses related thereto, but shall otherwise not be entitled to any additional compensation.

13. Notices. All notices, request, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand or when mailed by United States certified or registered mail with postage prepaid addressed as follows:

a. If to Executive, to the address set forth by Executive on the signature page of this Agreement or to such other person or address which Executive shall furnish to the Company in writing pursuant to the above.

b. If to the Company, to the attention of the Company's General Counsel at the address set forth on the signature page of this Agreement or to such other person or address as the Company shall furnish to Executive in writing pursuant to the above

14. Enforceability. Executive recognizes that irreparable injury may result to the Company, its business and property, and the potential value thereof in the event of a sale or other transfer, if Executive breaches any of the restrictions imposed on Executive by this Agreement, and Executive agrees that if Executive shall engage in any act in violation of such provisions, then the Company shall be entitled, in addition to such other remedies and damages as may be available, to an injunction prohibiting Executive from engaging in any such act.

15. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon and enforceable by Lands' End, Inc., its successors, assigns and Affiliates, all of which (other than Lands' End, Inc.) are intended third-party beneficiaries of this Agreement. Executive hereby consents to the assignment of this Agreement to any person or entity.

16. Validity. Any invalidity or unenforceability of any provision of this Agreement is not intended to affect the validity or enforceability of any other provision of this Agreement, which the parties intend to be severable and divisible, and to remain in full force and effect to the greatest extent permissible under applicable law.

17. Choice of Law; Jurisdiction. Except to the extent superseded or preempted by federal U.S. law, the rights and obligations of the parties and the terms of this Agreement shall be governed by and construed in accordance with the domestic laws of the State of Wisconsin, but without regard to the State of Wisconsin's conflict of laws rules. The parties further agree that the state and federal courts in Madison, Wisconsin, shall have exclusive jurisdiction over any claim which in any way arises out of Executive's employment with the Company, including but not limited to any claim seeking to enforce the provisions of this Agreement.

18. Section 409A Compliance. To the extent that a payment or benefit under this Agreement is subject to Code Section 409A, it is intended that this Agreement as applied to that payment or benefit comply with the requirements of Code Section 409A, and the Agreement shall be administered and interpreted consistent with this intent.

19. Miscellaneous. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. This Agreement may be modified only by a written agreement signed by Executive and a duly authorized officer of the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

EXECUTIVE

/s/ Bernard McCracken

Name: Bernard McCracken

Address: [Address Omitted]

LANDS' END, INC.  
5 Lands' End Lane  
Dodgeville, WI 53595

By: /s/ MaryAnn Reichling

Its: Director, Benefits, Compensation EIS

## Appendix A

### COMPETITIVE BUSINESSES

The following companies (including affiliates and subsidiaries within the same controlled group of corporations) are included within the definition of “Competitive Businesses”, as referred to under section 1(c) of the Executive Severance Agreement (“Agreement”):

J.C. Penney Company Inc.  
Kohl’s  
J. Crew  
Eddie Bauer  
Gap  
L Brands  
Jos A. Banks  
Macy’s  
Target  
Amazon.com  
L.L. Bean  
Ann Taylor  
Polo Ralph Lauren  
Brooks Brothers  
Talbots  
Chico’s  
V.F. Corporation  
Next Retail  
Vineyard Vines  
Bonobos

## **Appendix B**

**NOTICE: YOU MAY CONSIDER THIS GENERAL RELEASE AND WAIVER FOR UP TO TWENTY-ONE (21) DAYS. YOU MAY NOT SIGN IT UNTIL ON OR AFTER YOUR LAST DAY OF WORK. IF YOU DECIDE TO SIGN IT, YOU MAY REVOKE THE GENERAL RELEASE AND WAIVER WITHIN SEVEN (7) DAYS AFTER SIGNING. ANY REVOCATION WITHIN THIS PERIOD MUST BE IMMEDIATELY SUBMITTED IN WRITING TO GENERAL COUNSEL, LANDS' END, INC., 5 LANDS' END LANE, DODGEVILLE, WISCONSIN 53595. YOU MAY WISH TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS DOCUMENT.**

### **GENERAL RELEASE AND WAIVER**

In consideration of the severance benefits that are described in the attached Executive Severance Agreement, I, for myself, my heirs, administrators, representatives, executors, successors and assigns, do hereby release Lands' End, Inc., its current and former agents, subsidiaries, affiliates, related organizations, employees, officers, directors, shareholders, attorneys, successors, and assigns (collectively, "Lands' End") from any and all claims of any kind whatsoever, whether known or unknown, arising out of, or connected with, my employment with Lands' End and the termination of my employment. Without limiting the general application of the foregoing, this General Release & Waiver releases, to the fullest extent permitted under law, all contract, tort, defamation, and personal injury claims; all claims based on any legal restriction upon Lands' End's right to terminate my employment at will; Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e et seq.; the Age Discrimination in Employment Act, 29 U.S.C. §§ 621 et seq.; the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq.; the Rehabilitation Act of 1973, 29 U.S.C. §§ 701 et seq.; the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et seq. ("ERISA"); 29 U.S.C. § 1985; the Civil Rights Reconstruction Era Acts, 42 U.S.C. §§ 1981-1988; the National Labor Relations Act, 29 U.S.C. §§ 151 et seq.; the Family & Medical Leave Act, 29 U.S.C. §§ 2601 et seq.; the Immigration & Nationality Act, 8 U.S.C. §§ 1101 et seq.; Executive Order 11246 and all regulations thereunder; the Wisconsin Fair Employment Act, Wis. Stat. §§ 111.31-111.395; the Wisconsin Family & Medical Leave Act, Wis. Stat. § 103.10; the Wisconsin Worker's Compensation Act, Wis. Stat. Ch. 102; and any and all other state, federal or local laws of any kind, whether administrative, regulatory, statutory or decisional.

This General Release & Waiver does not apply to any claims that may arise after the date I sign this General Release & Waiver. Also excluded from this General Release & Waiver are any claims that cannot be waived by law, including but not limited to (1) my right to file a charge with or participate in an investigation conducted by the Equal Employment Opportunity Commission and (2) my rights or claims to benefits accrued under benefit plans maintained by Lands' End and governed by ERISA. I do, however, waive any right to any monetary or other relief flowing from any agency or third-party claims or charges, including any charge I might file with any federal, state or local agency. I warrant and represent that I have not filed any

complaint, charge, or lawsuit against Lands' End with any governmental agency or with any court.

I also waive any right to become, and promise not to consent to become a participant, member, or named representative of any class in any case in which claims are asserted against Lands' End that are related in any way to my employment or termination of employment at Lands' End, and that involve events that have occurred as of the date I sign this General Release and Waiver. If I, without my knowledge, am made a member of a class in any proceeding, I will opt out of the class at the first opportunity afforded to me after learning of my inclusion. In this regard, I agree that I will execute, without objection or delay, an "opt-out" form presented to me either by the court in which such proceeding is pending, by class counsel or by counsel for Lands' End.

I have read this General Release and Waiver and understand all of its terms.

I have signed it voluntarily with full knowledge of its legal significance.

I have had the opportunity to seek, and I have been advised in writing of my right to seek, legal counsel prior to signing this General Release & Waiver.

I was given at least twenty-one (21) days to consider signing this General Release & Waiver. I agree that any modification of this General Release & Waiver Agreement will not restart the twenty-one (21) day consideration period.

I understand that if I sign the General Release & Waiver, I can change my mind and revoke it within seven (7) days after signing it by notifying the General Counsel of Lands' End in writing at Lands' End, Inc., 5 Lands' End Lane, Dodgeville, Wisconsin 53595. I understand the General Release & Waiver will not be effective until after the seven (7) day revocation period has expired.

I understand that the delivery of the consideration herein stated does not constitute an admission of liability by Lands' End and that Lands' End expressly denies any wrongdoing or liability.

Date: **SAMPLE ONLY - DO NOT DATE**

Signed by: **SAMPLE ONLY - DO NOT SIGN**

Witness by: **SAMPLE ONLY - DO NOT SIGN**

**Subsidiaries of Registrant**

The following is a list of subsidiaries of Lands' End, Inc., the names under which such subsidiaries do business, and the state or country in which each was organized.

<b><u>Names</u></b>	<b><u>State or Other Jurisdiction of Organization</u></b>
Lands' End Canada Outfitters ULC	Canada
Lands' End Direct Merchants, Inc.	Delaware
Lands' End International, Inc.	Delaware
Lands' End Europe Limited	England & Wales
Lands' End GmbH	Germany
Lands' End (HK) Limited	Hong Kong
Lands' End Japan, Inc.	Delaware
Lands' End Japan, KK (dissolved January 31, 2023)	Japan
Lands' End Publishing, LLC	Delaware
LEGC, LLC	Virginia

---

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in Registration Statements on Form S-3 (No. 333-263594) and Form S-8 (Nos. 333-195111, 333-215262, 333-217096, 333-231470 and 333-268170) of Lands' End, Inc. (the "Company"), of our reports dated April 10, 2023, relating to the consolidated financial statements and the effectiveness of the Company's internal control over financial reporting, which appear in this Form 10-K.

/s/ BDO USA, LLP

Madison, Wisconsin

April 10, 2023

---



**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-263594 on Form S-3 and Registration Statement Nos. 333-195111, 333-215262, 333-217096, 333-231470 and 333-268170 on Form S-8, of our report dated March 24, 2022, relating to the consolidated financial statements of Lands' End, Inc. and subsidiaries, appearing in this Annual Report on Form 10-K of Lands' End, Inc. for the year ended January 27, 2023.

/s/ Deloitte & Touche LLP

Chicago, Illinois

April 10, 2023

---

## CERTIFICATIONS

I, Andrew J. McLean, certify that:

1. I have reviewed this annual report on Form 10-K of Lands' End, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions).
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Andrew J. McLean

Andrew J. McLean  
Chief Executive Officer  
(Principal Executive Officer)  
Lands' End, Inc.  
April 10, 2023

---

## CERTIFICATIONS

I, Bernard McCracken, certify that:

1. I have reviewed this annual report on Form 10-K of Lands' End, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions).
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Bernard McCracken

Bernard McCracken

Interim Chief Financial Officer

Vice President, Controller and Chief Accounting Officer

(Principal Financial Officer and Principal Accounting Officer)

Lands' End, Inc.

April 10, 2023

---

## CERTIFICATION

## Pursuant to 18 U.S.C. 1350 as adopted by Section 906 of the Sarbanes-Oxley Act of 2002

Each of the undersigned, Andrew J. McLean, Chief Executive Officer of Lands' End, Inc. (the "Company") and Bernard McCracken, Interim Chief Financial Officer, Vice President, Controller and Chief Accounting Officer of the Company, has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2023 (the "Report").

Each of the undersigned hereby certifies that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company

/s/ Andrew J. McLean

Andrew J. McLean  
Chief Executive Officer  
(Principal Executive Officer)  
April 10, 2023

/s/ Bernard McCracken

Bernard McCracken  
Interim Chief Financial Officer  
Vice President, Controller and Chief Accounting Officer  
(Principal Financial Officer and Principal Accounting Officer)  
April 10, 2023

---

