

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

FORM 10-K

(Mark One)

Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended January 27, 2017

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

36-2512786
(I.R.S. Employer
Identification No.)
53595
(Zip Code)

Registrant's Telephone Number, Including Area Code: (608) 935-9341

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

Title of each class:
Common stock, par value \$0.01 per share

Name of each exchange on which registered:
The NASDAQ Stock Market

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

None
(Title of Class)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) YES NO

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

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

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller Reporting Company

Indicate by check mark whether the Registrant is a shell company. 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, 2016, the last business day of the Registrant's most recently completed second fiscal quarter, was approximately \$84.8 million.

As of March 31, 2017, the registrant had 32,029,359 shares of common stock, \$0.01 par value, outstanding.

LANDS' END, INC.
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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 on or 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, dated as of April 4, 2014, with Bank of America, N.A and certain other lenders
- *Debt Facilities* - Collectively, the ABL Facility and the Term Loan Facility
- *ERP* - enterprise resource planning software solutions
- *ESL* - ESL Investments, Inc. and its investment affiliates, including Edward S. Lampert
- *Fiscal 2017* - The Company's next fiscal year representing the 53 weeks ending February 2, 2018
- *Fiscal 2016* - The 52 weeks ended January 27, 2017
- *Fiscal 2015* - The 52 weeks ended January 29, 2016
- *Fiscal 2014* - The 52 weeks ended January 30, 2015
- *GAAP* - Accounting principles generally accepted in the United States
- *Sears Holdings* - Sears Holdings Corporation, a Delaware Corporation, and its consolidated subsidiaries (other than, for all periods following the Separation, Lands' End)
 - *Sears Roebuck* - Sears, Roebuck and Co., a wholly owned subsidiary of Sears Holdings
 - *SEC* - United States Securities and Exchange Commission
 - *Separation* - On April 4, 2014 Sears Holdings distributed 100% of the outstanding common stock of Lands' End to its shareholders
 - *Term Loan Facility* - Term loan credit agreements, dated as of April 4, 2014, with Bank of America, N.A. and certain other lenders
 - *UK Borrower* - A United Kingdom subsidiary borrower of Lands' End under the ABL Facility

Lands' End is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products. We offer products through catalogs, online at www.landsend.com and affiliated specialty and international websites, and through retail locations, primarily at Lands' End Shops at Sears and Lands' End stores. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and we seek to deliver timeless style for women, men, kids and the home. Lands' End was founded in 1963 by Gary Comer and his partners in Chicago, Illinois, 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."

On March 14, 2014, the Sears Holdings board of directors approved the distribution of the issued and outstanding shares of Lands' End common stock on the basis of 0.300795 shares of Lands' End common stock for each share of Sears Holdings common stock held on March 24, 2014, the record date for the distribution. Sears Holdings distributed 100 percent of the outstanding common stock of Lands' End to its shareholders on April 4, 2014.

A Registration Statement on Form 10 relating to the Separation was filed by the Company with the SEC, and was subsequently amended by the Company and declared effective by the SEC on March 17, 2014. The Company's common stock began "regular way" trading on the NASDAQ Stock Market on April 7, 2014 under the symbol "LE."

Prior to the completion of the Separation, Sears Holdings transferred all the remaining assets and liabilities of Lands' End that were held by Sears Holdings to Lands' End or its subsidiaries. Lands' End also paid a dividend of \$500.0 million to a subsidiary of Sears Holdings Corporation.

In Fiscal 2016, we generated revenue of approximately \$1.34 billion. Our revenues are generated worldwide through an international, multi-channel network in the United States, United Kingdom, Germany and Japan that permits distribution to approximately 160 countries and territories. This network reinforces and supports sales across the multiple channels in which we do business. In Fiscal 2016 we shipped products to approximately 155 countries outside the United States, totaling approximately \$192.2 million, or 14.4% of revenue. This compares to sales outside of the United States in Fiscal 2015 and Fiscal 2014 of \$208.6 million and \$246.1 million, or 14.7% and 15.8% of revenue, respectively.

Segment Reporting

The Company has two reportable segments: Direct and Retail. Both segments sell similar products and provide services. Product sales are divided by product categories: Apparel and Non-apparel. The Non-apparel sales include accessories, footwear, and home goods. Services and other revenue includes embroidery, monogramming, gift wrapping, shipping and other services. Net revenue is grouped by product category in the following table:

<i>(in thousands)</i>	Fiscal 2016	% of Sales	Fiscal 2015	% of Sales	Fiscal 2014	% of Sales
Net revenue						
Apparel	\$ 1,086,439	81.3%	\$ 1,156,047	81.4%	\$ 1,248,847	80.3%
Non-apparel	168,945	12.6%	183,073	12.9%	220,385	14.2%
Services and other	80,376	6.0%	80,658	5.7%	86,121	5.5%
Total net revenue	\$ 1,335,760	100.0%	\$ 1,419,778	100.0%	\$ 1,555,353	100.0%

The Company identifies reportable segments according to how business activities are managed and evaluated. Each of the Company's operating segments are reportable segments and are strategic business units that offer similar products and services but are sold either directly from our warehouses (Direct) or through our retail stores (Retail).

The Direct segment sells products through the Company's e-commerce websites and direct mail catalogs. Operating costs consist primarily of direct marketing costs (catalog and e-commerce marketing costs); order processing and shipping costs; direct labor and benefits costs and facility costs. Assets primarily include goodwill and trade name intangible assets, inventory, accounts receivable, prepaid expenses (deferred catalog costs), technology infrastructure, and property and equipment.

The Retail segment sells products and services through dedicated Lands' End Shops at Sears across the United States, the Company's Lands' End stores and international shop-in-shops. Operating costs consist primarily of labor and benefits costs; occupancy costs; distribution costs; and in-store marketing costs. Assets primarily include inventory in the retail stores, fixtures and leasehold improvements.

Net revenue is presented by segment in the following table:

<i>(in thousands)</i>	Fiscal 2016	% of Sales	Fiscal 2015	% of Sales	Fiscal 2014	% of Sales
Net revenue:						
Direct	\$ 1,149,149	86.0%	\$ 1,214,993	85.6%	\$ 1,320,642	84.9%
Retail	186,390	14.0%	204,566	14.4%	234,632	15.1%
Corporate/other	221	—%	219	—%	79	—%
Total Net revenue	\$ 1,335,760	100.0%	\$ 1,419,778	100.0%	\$ 1,555,353	100.0%

Additionally, selected financial data for our segments is presented in Note 12, *Segment Reporting*, to our Consolidated and Combined Financial Statements included in Item 8, *Financial Statements and Supplementary Data*, in this Annual Report on Form 10-K.

Strategy

Lands' End remains committed to our brand strategy which is grounded in bringing the quality, value and service that we are known for, to a broader customer base that has a passion for living a life, doing what matters most to them. We remain focused on delivering uncompromising customer service and stand by our return policy of Guaranteed. Period.®. We continue to focus on the following core strategies for the future of Lands' End:

- **Product and Merchandising:** creating a merchandise architecture to enhance our current offering and also appeal to a broader customer base with a focus on building product that appeals to our core customer base, but is also innovative and exciting. Building on the strength of our high-margin categories we will develop product extensions that are natural to our heritage and are strategically valuable for the acquisition of new customers.
- **Brand and Marketing:** while maintaining a consistent overall spend amount, we will be more efficient, focusing primarily on working medias, while also enabling us to test initiatives that we believe may yield benefits over the long term to identify creative ways of engaging customers in order to expand our customer base and influence credibility and relevance, without negatively impacting the experience of our current loyal customers.
- **Operations and Technology:** improved web technology to support higher conversion rates and leveraging information technology as an innovation enabler to establish strong operations and increase productivity within each department while maintaining our high standards of quality, value and service.
- **Distribution:** adapting and creating distribution strategies to achieve an optimal blend of retail, online and other channels. Prepared to capitalize on market opportunities and grow top-line and profitability across channels.
- **Talent:** continue investment in human capital management to achieve a first class organization that is poised to drive growth.

Key Capabilities

Lands' End was founded on certain principles of doing business that are embodied in our promise to deliver great quality, exceptional value and uncompromising service to our customers. These core principles of quality, value and service are the foundation of the competitive advantages that we believe distinguish us from our competitors, including:

Customer base. We believe that a principal factor in our success to date has been the development of our list of existing and prospective households, many of whom were identified by their responses to our marketing. We routinely update and refine our customer list prior to individual catalog and email mailings and monitor customer interest in our offerings as reflected by criteria such as the timing and frequency of purchases and the dollar amount of and types of products purchased. We believe that our customer base consists primarily of affluent, college-educated, professional and style-conscious women and men. In Fiscal 2016, our customers had average annual household income of \$107,000 and the average age of our customer is 56, according to an analysis of our customer file with data provided by our third-party consumer information provider using its proprietary demographic, behavioral, lifestyle, financial and home attribute databases.

Products. We seek to develop new, innovative products for our customers by utilizing modern fabrics and quality construction to create timeless, affordable styles with consistently excellent fits. We also seek to present our products in an engaging and inspiring way. We believe that our typical customers value quality, seek good value for their money and are looking to add classics to their wardrobe while also placing an emphasis on being fashionable. From a design and merchandising perspective, we seek to balance our product offerings to provide the right combination of classic styles alongside modern touches that are consistent with current trends. We believe that we have had success adding relevant, timeless items into our product assortment, many of which have become customer favorites. We devote significant time and resources to quality assurance and product compliance. Our in-house team manages all product specifications and seeks to ensure brand integrity by providing our customers with the consistent, high-quality merchandise for which Lands' End is known. We are a vertically integrated retailer that manages all aspects of our design, marketing and distribution in-house, which provides us with maximum control over the promotion and sale of our products.

Customer service. We are committed to building on Lands' End's legacy of strong customer service. We believe that we have a strong track record of improving the customer service experience through innovation. Today, Lands' End is focused on making the shopping experience as easy and personalized as possible, regardless of whether our customers shop online, by phone or in one of our Lands' End Shops at Sears. Our operations, including prompt order fulfillment, responsiveness to our customers' requests and our return policy of Guaranteed. Period.®, have contributed to our award-winning customer service, which we believe is one of our core strengths and a key point of differentiation from our competitors. Due to our commitment to excellent customer service, we have received many accolades over the years and most recently, received the following:

- Lands' End Earns StellaService's Elite Award for Phone, Email & Chat, which is awarded to retailers who provide the very best in customer care, Source: StellaService (May 10, 2016)
- Lands' End Named Customer Service Champion, Source: Prosper Insights & Analytics. Featured on Forbes.com (March 29, 2016)

In addition, Lands' End introduced Text Messaging for Customer Service in 2016 - among the first in the apparel retail industry to do so.

E-commerce. As one of the first apparel retailers to establish an online e-commerce presence, we are a leading digital brand in the apparel industry. One of our strategic goals is to broaden our customer base by creating engaging shopping experiences through our e-commerce platforms. To this end, we launched a significantly improved and redesigned landsend.com website. Highlights of our new website include:

- Streamlined checkout, optimized for mobile and tablet shoppers to capture an increasing share of sales as customer migrate to mobile devices.
- Convenient payment types including Visa Pay to simplify checkout, especially from mobile devices.
- Improved search, navigation and our recommendation engine that provide great solutions for customers to quickly find products that best fulfill their product and style preferences.
- New enhanced digital E- catalogs, which allow prospective and existing customers to view, engage and shop our products in a new and innovative way. Our new E-catalog can be viewed at www.landsend.com.

Marketing and Brand

We believe that our most important asset is our brand. Lands' End is a well-recognized brand with a deeply rooted tradition of offering excellent quality, value and service along with the Lands' End guarantee, and we seek to reflect that tradition in all of our merchandise. Any item associated with our name falls under our return policy of Guaranteed. Period.®. We believe that this commitment has generated our large and loyal customer base for over fifty years. We invest significantly in brand development through our focus on providing excellent customer service and our emphasis on digital transformation and innovative product development.

We attempt to build on our brand recognition through multi-channel marketing campaigns including an e-commerce website, www.landsend.com, catalog distribution, digital marketing, social media, experiential and national print advertising. Creative designs for these marketing platforms are primarily developed in-house by our talented creative team. We strive to be more efficient in our overall spend, enabling us to invest in initiatives that we believe will yield benefits over the longer-term. The majority of our marketing spend will be allocated to our catalog and digital marketing, where we can generate near term return on investment. We are also investing in branding initiatives designed to communicate the enhancements we are making to our product offering and to broaden the Lands' End image, while not stepping away from our core DNA. We will also continue to deliver the Lands' End value proposition with strategically planned promotions throughout the year.

Suppliers

Our apparel and non-apparel products are produced globally by independent manufacturers who are selected, monitored and coordinated by the Lands' End Global Sourcing team based in Dodgeville, Wisconsin, a Hong Kong domiciled subsidiary of Sears Holdings and other third party buying agents. Our products are manufactured in approximately 20 to 30 countries and substantially all are imported from Asia and South America, depending on the

nature of the product mix. Our top 10 vendors accounted for approximately 40% of our merchandise purchases in Fiscal 2016. In Fiscal 2016, we worked with approximately 200 vendors that manufactured substantially all of our product receipts. We generally do not enter into long-term merchandise supply contracts. We continue to take advantage of opportunities to more efficiently source our products worldwide, consistent with our high standards of quality and value. Significant areas of non-product spend include transportation, information systems, marketing, packaging and catalog paper and print.

Distribution

We own and operate three distribution centers in Wisconsin to support our United States Direct and Retail businesses and a portion of our international business. Our Dodgeville facility is approximately 1.05 million square feet and is a full-service distribution center, including monogramming, hemming and embroidery services. Our Reedsburg location is approximately 400,000 square feet and offers all order fulfillment services except hemming. Our Stevens Point distribution center is approximately 150,000 square feet and primarily focuses on supporting Lands' End Business Outfitters with embroidery services. Customer orders are shipped via UPS, USPS and third-party parcel consolidators.

We own and operate a distribution center in the United Kingdom based in Oakham, a community north of London. Order fulfillment and specialty services for our European businesses are performed at this facility, which originally opened in 1998 and totals approximately 175,000 square feet. We also lease a 55,580 square foot distribution center in Fujieda, Japan.

Orders are generally filled on a current basis, and order backlog is not material to our business.

Vendors

We prioritize the selection of vendors that follow ethical employment practices, comply with all legal requirements, agree to our global compliance requirements and who we believe meet our product quality standards. Our vendors are required to provide full access to their facilities and to relevant records relating to their employment practices, such as, but not limited to child labor, wages and benefits, forced labor, discrimination, freedom of association, unlawful inducements, safe and healthy working conditions and other business practices so that we may monitor their compliance with ethical and legal requirements relating to the conduct of their business.

Information Technology

Our information technology systems provide comprehensive support for the design, merchandising, importing, marketing, distribution, sales, order processing and fulfillment of our Lands' End products. We believe our merchandising and financial systems, coupled with our e-commerce platforms and point-of-sale systems, allow for effective merchandise planning and sales accounting.

We have a dedicated information technology team that provides strategic direction, application development, infrastructure services and systems support for the functions and processes of our business. The information technology team contracts with third-party consulting firms to provide cost-effective staff augmentation services and partners with leading hardware, software and cloud-based technology firms to provide the infrastructure necessary to run and operate our systems. Our core software applications are comprised of a combination of internally developed and packaged third-party systems. The e-commerce solutions powering *www.landsend.com*, the Lands' End Business Outfitters websites, and our international Lands' End websites are operated out of our own internal data centers as well as through hosting relationships with third parties.

We are in the process of implementing new information technology systems as part of a multi-year plan to expand and upgrade our information technology platforms and infrastructure. In Fiscal 2017 we intend to continue to pursue additional strategic investments, including development of our ERP platform and digital capabilities including enhanced mobile experiences, personalization, data driven decision making and social media integration, and continued enhancements to the digital shopping experiences on our e-commerce platforms.

As described previously, we are implementing an ERP platform and other complementary information technology systems over the next several years to create efficiencies within our internal processes and reporting. Implementation of these solutions and 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.

Sources and Availability of Raw Materials

We purchase, in the ordinary course of business, raw materials and supplies essential to our operations from numerous suppliers around the world, including in the United States. There have been no recent significant availability problems or supply shortages.

Competition

We operate primarily in the apparel industry. The apparel industry is highly competitive. We compete with a diverse group of direct-to-consumer companies and retailers, including national department store chains, men's and women's specialty apparel chains, outdoor specialty stores, apparel catalog businesses, sportswear marketers and online apparel businesses that sell similar lines of merchandise. We compete principally on the basis of merchandise value (quality and price), our established customer list and award-winning customer service, including reliable order fulfillment, our return policy and services and information provided at our user-friendly websites.

Seasonality

We experience seasonal fluctuations in our net revenue and operating results and historically have realized a significant portion of our net revenue and earnings for the year during our fourth fiscal quarter. We generated 34.4%, 33.4% and 32.4% of our net revenue in the fourth fiscal quarter of Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively. Thus, lower than expected fourth quarter net revenue could have an adverse impact on our annual operating results.

Working capital requirements typically increase during the second and third quarters of the fiscal year as inventory builds to support peak shipping/selling periods and, accordingly, typically decrease during the fourth quarter of the fiscal year as inventory is shipped/sold. Cash provided by operating activities is typically higher in the 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 is used both in the United States and internationally, and is material to our business. Trademarks that are important in identifying and distinguishing our products and services are Guaranteed. Period.®, Lands' End Canvas®, Lighthouse by Lands' End™, Square Rigger®, Squall®, Super-T™, 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 include SwimMates™, Starfish™, Iron Knees®, Willis & Geiger® and ThermaCheck®. Lands' End's rights to some of these trademarks may be limited to select markets.

Employees

We employ approximately 5,000 employees throughout our operations: approximately 4,200 employees in the United States and approximately 800 employees outside the United States. With the seasonal nature of the retail industry, over 2,000 flexible part-time employees join us each year to support our varying peak seasons, including the fourth quarter holiday shopping season. The non-peak workforce is comprised of approximately 18% salaried exempt employees, 41% regular hourly employees and 41% year-round flexible part-time employees.

Pledged Assets

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

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

Sustainability Initiatives

Lands' End is working towards improving its sustainable footprint through key practices like waste reduction, purchasing recycled products and through 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 to address our use of paper products, aluminum cans, glass, electronics and plastic as well as maintenance operations, disposal of non-recyclables with composting and water management. In 2016, we reused or recycled approximately 90% of waste generated at our corporate headquarters.

Additionally, we believe that we also demonstrate marketplace leadership by participating in industry educational workshops and initiatives. Lands' End has formed strategic partnerships with organizations like the Sustainable Apparel Coalition, bluesign, National Forest Foundation, and the Clean Lakes Alliance. These partnerships, which respectively operate globally, nationally, and locally allow us to engage at a variety of levels.

For more information about Lands' End's sustainability efforts please go to www.landsend.com/sustainability/.

History and Relationship with Sears Holdings

We were founded in 1963, incorporated in Delaware in 1986 and our common stock was listed on the New York Stock Exchange from 1986 to 2002. On June 17, 2002, we became a wholly owned subsidiary of Sears Roebuck. On March 14, 2014, the Sears Holdings board of directors approved the distribution of the issued and outstanding shares of Lands' End common stock on the basis of 0.300795 shares of Lands' End common stock for each share of Sears Holdings common stock held on March 24, 2014, the record date for the distribution. Sears Holdings distributed 100 percent of the outstanding common stock of Lands' End to its stockholders on April 4, 2014.

According to statements on form Schedule 13D filed with the SEC by ESL, ESL beneficially owned significant portions of both the Company's and Sears Holdings Corporation's outstanding shares of common stock. Therefore Sears Holdings Corporation, the Company's former parent company, is considered a related party both prior to and subsequent to the Separation. Additionally, in Fiscal 2016, ESL purchased approximately \$10.7 million of the Company's outstanding debt at a discount of approximately \$2.7 million. Due to the related party relationship, this discount was considered a cancellation of debt under Section 108 of the Internal Revenue Code, triggering additional income tax payments due in the current period for the Company.

In its annual report on Form 10-K for the fiscal year ended January 28, 2017, Sears Holdings disclosed that its historical operating results indicate substantial doubt exists related to its ability to continue as a going concern. Sears Holdings also disclosed they believe that actions they have taken in the last 12 months and expected benefits from actions in 2017 are probable of occurring and mitigating the substantial doubt raised by their historical operating results and therefore will satisfy their liquidity needs for the 12 months from issuance of their financial statements.

In connection with and subsequent to the Separation, we entered into various agreements with Sears Holdings or its subsidiaries that govern our relationship with Sears Holdings with respect to the Lands' End Shops at Sears, various general corporate services, and other relationships. Accordingly, the terms of these agreements may be more or less favorable than those we could have negotiated with unaffiliated third parties. See Note 11, *Related Party Agreements and Transactions*.

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. Information contained on our website is not incorporated by reference unless specifically stated herein. 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 electronically with the SEC, and they are available on the SEC's web site (www.sec.gov). In addition, all reports filed by Lands' End with the SEC may be read and copied at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330.

Our Corporate Governance Guidelines, the charters of the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, Related Party Relationships Committee, the Technology Committee of the Board of Directors, our Code of Conduct, and our Board of Directors Code of Conduct are available at the "Investor Relations" link under "Corporate Governance" at www.landsend.com. References to www.landsend.com do not constitute incorporation by reference of the information at www.landsend.com, and the information at www.landsend.com is not part of this Annual Report on Form 10-K.

Executive Officers of the Registrant

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

Name	Position	Age	Date First Became an Executive Officer
Jerome S. Griffith	Chief Executive Officer and President	59	2017
James F. Gooch	Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer	49	2016
Joseph M. Boitano	Executive Vice President and Chief Merchandising and Design Officer	66	2015
Rebecca L. Gebhardt	Executive Vice President, Chief Marketing Officer	47	2016
Kelly Ritchie	Senior Vice President, Employee and Customer Services	53	1999
Dorian R. Williams	Senior Vice President, General Counsel and Corporate Secretary	57	2014

Jerome S. Griffith joined Lands' End as Chief Executive Officer and President and as a member of the Board of Directors in March 2017. He served as the Chief Executive Officer, President and a member of the board of directors of Tumi Holdings, Inc. from April 2009 until its sale in August 2016 to Samsonite International S.A. From 2002 to February 2009, he was employed at Esprit Holdings Limited, a global fashion brand, where he was promoted to Chief Operating Officer and appointed to the board in 2004, then promoted to President of Esprit North and South America in 2006. From 1999 to 2002, he worked as an executive vice president at Tommy Hilfger. From 1998 to 1999, he worked as the president of retail at the J. Peterman Company, a catalog-based apparel and retail company. From 1989 through 1998, he worked in various positions of increasing responsibility at Gap, Inc. He has served as a member of the board of Vince Holding Corp. since November 2013, Samsonite International S.A. since August 2016, and Parsons School of Design, which is part of the New School, since September 2013.

James F. Gooch joined the Company as Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer in January 2016. He also served as our Co-Interim Chief Executive Officer from September 2016 to March 2017. From March 2014 until December 2014, he served as Co-Chief Executive Officer and Chief Administrative Officer of DeMoulas Supermarkets, Inc. He served as President and Chief Executive Officer of RadioShack Corporation, an electronics retailer, from May 2011 to October 2012, as President and Chief Financial

Officer of RadioShack Corporation from January 2011 to May 2011, and as Chief Financial Officer of RadioShack Corporation from August 2006 to January 2011. Earlier in his career he was employed by Helene Curtis, The Quaker Oats Company, Kmart Corporation, and Sears Holdings. Mr. Gooch has served as a member of the board of directors of Sears Hometown and Outlet Stores, Inc. from March 2013.

Joseph M. Boitano joined the Company in June 2015 as Executive Vice President and Chief Merchandising and Design Officer. He also served as our Co-Interim Chief Executive Officer from September 2016 to March 2017. From 1999 until February 2014, he served in positions with increasing levels of responsibility with Saks Incorporated, a luxury retailer, most recently as Saks Fifth Avenue Group Senior Vice President and General Merchandise Manager, Women's Ready to Wear and Children's. Earlier in his career he was employed by Bergdorf Goodman and I. Magnin.

Rebecca L. Gebhardt has served as the Company's Executive Vice President and Chief Marketing Officer since June 2016. She rejoined the Company in May 2014 as Senior Vice President and Chief Creative Officer. From 1995 to December 2007, she served the Company in positions with increasing levels of responsibility, most recently as Vice President of Creative. From January 2011 to May 2014, she served as Vice President, Global Creative Director for Crocs, Inc. From December 2007 to January 2011, Ms. Gebhardt served as Vice President, Creative, Public Relations and Online Experience for Bag Borrow or Steal, a luxury handbag rental service.

Kelly Ritchie joined Lands' End in 1985 and has served as Senior Vice President, Employee and Customer Services since 2003, assuming responsibility for our distribution centers in 2005. She served as Senior Vice President, Employee Services from 1999 until 2003. She also served as Vice President of Employee Services from 1995 to 1999 and in various other Customer Service and Employee Services roles from 1985 to 1995.

Dorian R. Williams joined Lands' End in August 2014 as Senior Vice President, General Counsel and Corporate Secretary. Prior to joining the Company and since 2002, he served in positions with increasing levels of responsibility in the law department of Sears Holdings, most recently as Vice President, Deputy General Counsel and Assistant Secretary. Prior to joining Sears in 2002, he served as Senior Counsel at Galileo International, Inc. and he was a partner in the Chicago office of the law firm of Rudnick & Wolfe (now DLA Piper).

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 Our Business

If we fail to offer merchandise and services that customers want to purchase, our business and results of operations could be adversely affected.

Our products and services must satisfy the desires of customers, whose preferences change over time. In order to be successful, we must identify, obtain supplies of, and offer customers attractive, innovative and high-quality merchandise on a continuous and timely basis. Failure to effectively gauge the direction of customer preferences, or convey a compelling brand image or price/value equation to customers may result in lower sales and resultant lower gross profit margins. This could have an adverse effect on our business and results of operations.

Customer preference for our branded merchandise could change, which may adversely affect our profitability.

Sales of branded merchandise account for substantially all of our total revenues and the Lands' End brand, in particular, is a critical differentiating factor for our business. We are pursuing a strategy that includes initiatives to expand our customer base, enhance gross margin by improving promotional productivity and mix of products, and broaden our reach. Our inability to develop products that resonate with our existing customers and attract new customers, our inability to maintain our strict quality standards or to develop, produce and deliver products in a timely manner, or any unfavorable publicity with respect to the foregoing or otherwise could negatively impact the image of our brand with our customers and could result in diminished loyalty to our brand. As customer tastes change, our failure to anticipate, identify and react in a timely manner to emerging fashion trends and appropriately

supply our stores, catalogs and websites with attractive high-quality products that maintain or enhance the appeal of our brand could have an adverse effect on our sales, operating margins and results of operations.

The success of our Direct segment depends on customers' use of our digital platform, including our e-commerce websites, and response to direct mail catalogs and digital marketing; if our overall marketing strategies, including our maintenance of a robust customer list, is not successful, our business and results of operations could be adversely affected.

The success of our Direct segment, which accounted for approximately 86% of our revenues in Fiscal 2016, depends on customers' use of our e-commerce websites and their response to our direct mail catalogs and digital marketing.

The level of customer traffic and volume of customer purchases on our e-commerce websites is substantially dependent on our ability to provide attractive and accessible websites, a high-quality customer experience and reliable delivery of our merchandise. Although the success of our e-commerce websites also has historically been dependent on performance of our direct mail catalogs, our strategy includes initiatives that are intended to improve marketing productivity and optimize catalog productivity. If we are unable to maintain and increase customers' use of our e-commerce websites 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 our failure to otherwise successfully promote and maintain our e-commerce websites and their associated services, our business and results of operations could be adversely affected.

Customer response to our catalogs and digital marketing is substantially dependent on merchandise assortment, merchandise availability and creative presentation, as well as the selection of customers to whom our catalogs are sent and to whom our digital marketing is directed, changes in mailing strategies and the size of our mailings. Our maintenance of a robust customer list, which we believe includes desirable demographic characteristics for the products we offer, has also been a key component of our overall strategy. If the performance of our catalogs, emails and e-commerce websites decline, or if our overall marketing strategy is not successful, our business and results of operations could be adversely affected.

We depend on information technology and a failure of information technology systems, including with respect to our e-commerce operations, or an inability to effectively upgrade or adapt our systems could adversely affect our business.

We rely on sophisticated information technology systems to operate our business, including the e-commerce websites that drive our direct-to-consumer, Outfitters by Lands' End, and international sales channels and in-store/point-of-sale systems, inventory management, warehouse management and human resources, some of which 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 e-commerce websites are subject to numerous risks associated with selling merchandise that could have an adverse effect on our results of operations, including unanticipated operating problems, reliance on third-party computer hardware and software providers, system failures and the need to invest in additional and updated computer platforms.

Our information technology systems are potentially vulnerable to malicious intrusion, targeted or random attack or breakdown. Although we have invested in the protection of our data and information technology and also monitor our systems on an ongoing basis, there can be no assurance that these efforts will prevent breakdowns or breaches in our information technology systems that could adversely affect our business.

Sears Holdings point of sale and supply chain management information technology systems are leveraged in support of our Lands' End Shops at Sears. We currently depend on Sears Holdings' information technology systems for certain key services to support our Lands' End Shops at Sears. There can be no assurance that Sears Holdings will maintain and protect these information technology systems in such a way that would prevent breakdowns or breaches in such systems, which could adversely affect our business.

Additionally, our success depends, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, enhance our existing services, develop new services and technologies that address the increasingly sophisticated and varied needs of our existing and prospective customers, and respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development and operation of our e-commerce websites and other proprietary technology entails significant technical and business risks. We can provide no assurance that we will be able to effectively use new technologies or adapt our e-commerce websites, proprietary technologies and transaction-processing systems to meet customer requirements or emerging industry standards. If we are unable to accurately project the need for such system expansion or upgrade or adapt our systems in a cost-effective and timely manner in response to changing market conditions or customer requirements, whether for technical, legal, financial or other reasons, our business and results of operations could be adversely affected.

Our planned implementation of an ERP software solution and other information technology systems could result in significant disruptions to our operations.

We are implementing an ERP and other complementary information technology systems over the next several years. Implementation of these solutions and systems is highly dependent on coordination of numerous software and system providers and internal business teams. The interdependence of these solutions and systems is a significant risk to the successful completion of the initiatives and the failure of any one system could have a material adverse effect on the implementation of our overall information technology infrastructure. We may experience difficulties as we transition to these new or upgraded systems and processes, including loss or corruption of data, delayed shipments, decreases in productivity as our personnel and third party providers implement and become familiar with new systems, increased costs and lost revenues. In addition, transitioning to these new systems requires significant capital investments and personnel resources. Difficulties in implementing new or upgraded information systems or significant system failures could disrupt our operations and have a material adverse effect on our capital resources, financial condition, results of operations or cash flows. Implementation of this new information technology infrastructure has a significant impact on our business processes and information systems across a significant portion of our operations. As a result, we will be undergoing significant changes in our operational processes and internal controls as our implementation progresses, which in turn require significant change management, including recruiting and training of qualified personnel. If we are unable to successfully manage these changes as we implement these systems, including harmonizing our systems, data, processes and reporting analytics, our ability to conduct, manage and control routine business functions could be negatively affected and significant disruptions to our business could occur. In addition, we could incur material unanticipated expenses, including additional costs of implementation or costs of conducting business. These risks could result in significant business disruptions or divert management's attention from key strategic initiatives and have a material adverse effect on our capital resources, financial condition, results of operations or cash flows.

If we do not maintain the security of customer, employee or company information, we could experience damage to our reputation, incur substantial additional costs and become subject to litigation.

Any significant compromise or breach of customer, employee or company data security, whether held and maintained by us or by our third-party providers, or whether intentional or inadvertent, could significantly damage our reputation and result in additional costs, lost sales, fines and lawsuits. The regulatory environment related to information security and privacy is increasingly rigorous, with new and constantly changing requirements applicable to our business, and compliance with those requirements could result in additional costs. There is no guarantee that the procedures that Lands' End or our third party providers have implemented to protect against unauthorized access to secured data are adequate to safeguard against all data security breaches. We could be held liable to our customers or other parties or be subject to regulatory or other actions for breaching privacy 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.

We conduct business in and rely on sources for merchandise located in foreign markets, and our business may therefore be adversely affected by legal, regulatory, economic and political risks associated with international trade and those markets.

Substantially all of our merchandise is imported from vendors in China and other emerging markets in Asia and Central America, either directly by us or indirectly by distributors who, in turn, sell products to us. We also sell our products in Canada, Northern and Central Europe and Japan, and we may develop a sales presence in other international markets. Our reliance on vendors in and marketing of products to customers in foreign markets create risks inherent in doing business in foreign jurisdictions, including:

- the burdens of complying with a variety of foreign laws and regulations, including trade and labor restrictions;
- economic and political instability in the countries and regions where our customers or vendors are located;
- adverse fluctuations in currency exchange rates;
- compliance with United States and other country laws relating to foreign operations, including the Foreign Corrupt Practices Act, which prohibits United States companies from making improper payments to foreign officials for the purpose of obtaining or retaining business, and the U.K. Bribery Act, which prohibits U.K. and related companies from any form of bribery;
- changes in United States and non-United States laws (or changes in the enforcement of those laws) affecting the importation and taxation of goods, including duties, tariffs and quotas, enhanced security measures at United States ports, or imposition of new legislation relating to import quotas, particularly in light of current uncertainty with respect to U.S. trade policy stemming from the 2016 United States presidential election;
- increases in shipping, labor, fuel, travel and other transportation costs;
- the imposition of anti-dumping or countervailing duty proceedings resulting in the potential assessment of special anti-dumping or countervailing duties;
- transportation delays and interruptions, including due to the failure of vendors or distributors to comply with import regulations; and
- political instability and acts of terrorism.

Any increase in the cost of merchandise purchased from these vendors or restriction on the merchandise made available by these vendors could have an adverse effect on our business and results of operations.

The United Kingdom's referendum on European Union membership (referred to as Brexit), advising for the exit of the United Kingdom from the European Union, followed by the delivery of notice by the United Kingdom government under Article 50 of the treaty on the European Unions has resulted in increased uncertainty in the economic and political environment in Europe, including potential market uncertainty, volatility in currency exchange rates, greater restrictions on imports and exports between United Kingdom and European Union countries and increased regulatory complexities, which could have an adverse effect on our business and results of operations.

Manufacturers in China have experienced increased costs in recent years due to shortages of labor and the fluctuation of the Chinese Yuan in relation to the United States dollar. If we are unable to successfully mitigate a significant portion of such product costs, our results of operations could be adversely affected.

New initiatives may be proposed in the United States that may have an impact on the trading status of certain countries and may include retaliatory duties or other trade sanctions that, if enacted, would increase the cost of products purchased from suppliers in such countries with which we do business. Any inability on our part to rely on our foreign sources of production due to any of the factors listed above could have an adverse effect on our business, results of operations and financial condition.

The impairment of our relationships with our vendors and/or the failure of our new merchandise sourcing initiatives could have an adverse effect on our competitive position and our business and results of operations.

Most of our arrangements with the vendors that supply a significant portion of our merchandise are not long-term agreements, and, therefore, our success depends on maintaining good relations with them. Our growth strategy depends to a significant extent on the willingness and ability of our vendors to efficiently supply merchandise that is consistent with our standards for quality and value. In addition, we are pursuing plans to engage new vendors and

increase our procurement of merchandise through third-party buying agents. Our use of new vendors may cause us to encounter delays in production and added costs as a result of the time it takes to train our vendors in producing our products and adhering to our standards. If we cannot obtain a sufficient amount and variety of quality product at acceptable prices, including at prices that offset increased buying agent commissions incurred, it could have a negative impact on our competitive position. This could result in lower revenues and decreased customer interest in our product offerings, which, in turn, could adversely affect our business and results of operations.

Our arrangements with our vendors are generally not exclusive. As a result, our vendors might be able to sell similar or identical products to certain of our competitors, some of which purchase products in significantly greater volume. Our competitors may enter into arrangements with suppliers that could impair our ability to sell those suppliers' products, including by requiring suppliers to enter into exclusive arrangements, which could limit our access to such arrangements or products.

Our business is affected by worldwide economic and market conditions; a failure of the economy to sustain its recovery, a renewed decline in consumer-spending levels and other adverse developments, including rising inflation, could lead to reduced revenues and gross margins and adversely affect our business, results of operations and liquidity.

Many economic and other factors are outside of our control, including general economic and market conditions, consumer and commercial credit availability, inflation, unemployment, consumer debt levels and other challenges currently affecting the global economy. Increases in the rates of unemployment, decreases in home values, reduced access to credit and issues related to the domestic and international political situations may adversely affect consumer confidence and disposable income levels. Low consumer confidence and disposable incomes could lead to reduced consumer spending and lower demand for our products, which are discretionary items, the purchase of which can be reduced before customers adjust their budgets for necessities. These factors could have a negative impact on our sales and cause us to increase inventory markdowns and promotional expenses, thereby reducing our gross margins and operating results.

In addition, our liquidity needs are funded by operating cash flows and, to the extent necessary, may be funded by borrowings under our ABL Facility. See Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources*. 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. The lenders under any credit facilities or loan agreements we may enter into may not be able to meet their commitments if they experience shortages of capital and liquidity. There can be no assurance that our ability to otherwise access the credit markets will not be adversely affected by changes in the financial markets and the global economy. If we are not able to fulfill our liquidity needs through operating cash flows and/or borrowings under credit facilities or otherwise in the capital markets, our business and financial condition could be adversely affected.

If we cannot compete effectively in the apparel industry, our business and results of operations may be adversely affected.

The apparel industry is highly competitive. We compete with a diverse group of direct-to-consumer companies and retailers, including national department store chains, men's and women's specialty apparel chains, outdoor specialty stores, apparel catalog businesses, sportswear marketers and online apparel businesses that sell similar lines of merchandise. Brand image, marketing, design, price, service, quality, image presentation and fulfillment are all competitive factors. Our competitors may be able to adopt more aggressive pricing policies, adapt to changes in customer tastes or requirements more quickly, devote greater resources to the design, sourcing, distribution, marketing and sale of their products, or generate greater national brand recognition than us. An inability to overcome these potential competitive disadvantages or effectively market our products relative to our competitors could have an adverse effect on our business and results of operations. Similarly, our inability to market and sell our products in foreign jurisdictions could have an adverse effect on our business and results of operations.

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 the industry. In order to be competitive, we must offer customers compelling products at attractive prices, including through promotions and markdowns as appropriate, and we have operated in a highly promotional retail environment in recent periods. Heavy reliance on promotions and markdowns to encourage customers to purchase our merchandise, could have a negative impact on our brand equity, gross margins and results of operations.

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

Our strategy includes initiatives to reach under-penetrated regional markets in the United States and pursue international expansion in a number of countries around the world, including in Asia, Europe and Canada, through a number of channels and brands, including through relationships with third party e-commerce platforms and other retailers. We have limited experience operating in many of these locations and with third parties, and face major, established competitors and barriers to entry. In addition, in many of these international locations, the real estate, employment and labor, transportation and logistics, regulatory and other operating requirements differ dramatically from those in the places where we have experience. Foreign currency exchange rate fluctuations may also adversely affect our international operations and sales, including by increasing the cost of business in certain locations. Moreover, consumer tastes and trends may differ in many of these locations from those in our existing locations, and as a result, the sales of our products may not be successful or profitable. If our expansion efforts are not successful or do not deliver an appropriate return on our investments, our business could be adversely affected.

The success of our Retail segment depends on the performance of our Lands' End Shops at Sears; if Sears Roebuck sells or disposes of its retail stores or if its retail business does not adequately promote their business or does not attract customers, our business and results of operations could be adversely affected.

The success of our Retail segment, which accounted for approximately 14.0% of our revenues in Fiscal 2016, depends on the success of our Lands' End Shops at Sears. We operated 216 Lands' End Shops at Sears as of the end of Fiscal 2016. These stores had revenues of approximately \$165.0 million in Fiscal 2016, representing 89% of our Retail sales and 12% of our overall sales for Fiscal 2016. The Lands' End Shops at Sears may decrease or be eliminated entirely if Sears Roebuck sells, disposes of or transfers ownership or control of any or all of its retail stores. The success and appeal of Sears stores and foot traffic within Sears stores, therefore, have a major impact on the sales of our Retail segment.

In addition, under our retail operations agreement and leases with Sears Roebuck, we depend on Sears Roebuck for various retail services and employees to support the Lands' End Shops at Sears, including providing a dedicated, well-trained staff to directly engage with customers at the Lands' End Shops at Sears, and maintaining dedicated sales areas for Lands' End branded products and shopping lounges where customers can search our offerings via the Internet and catalog. If Sears Roebuck does not provide these services going forward with the standard of care and quality provided while we were a part of Sears Holdings and in accordance with our agreements with Sears Roebuck and does not deliver a rewarding shopping experience to our customers, our reputation could suffer and our business and results of operations could be adversely affected.

Under the terms of the master lease agreement and master sublease agreement pursuant to which Sears Roebuck leases or subleases to us the premises for the Lands' End Shops at Sears, Sears Roebuck has certain rights to (1) relocate our leased premises within the building in which such premises are located, subject to certain limitations, including our right to terminate the applicable lease if we are not satisfied with the new premises, and (2) terminate without liability the lease with respect to a particular Lands' End Shop if the overall Sears store in which such Lands' End Shop is located is closed or sold. Sears Holdings has announced that it intends to continue to right-size, redeploy and highlight the value of its assets, including its real estate portfolio, in its transition from an asset-intensive, store-focused retailer and that it has entered into lease agreements with third party retailers for stand-alone stores. On July 7, 2015, Sears Holdings completed a rights offering and sale-leaseback transaction (the "Seritage transaction") with Seritage Growth Properties ("Seritage"), an independent publicly traded real estate investment trust. Sears Holdings disclosed that as part of the Seritage transaction, it sold 235 properties to Seritage (the "REIT properties") along with Sears Holdings' 50% interest in each of three real estate joint ventures (collectively, the "JVs"). Sears Holdings also disclosed that it contributed 31 properties to the JVs (the "JV

properties”). As of January 27, 2017, 59 of the REIT properties contained a Lands’ End Shop and 15 of the JV properties contained a Lands’ End Shop, the leases with respect to which Sears Roebuck retained for its own account. Sears Holdings disclosed that Seritage and the JVs have a recapture right with respect to approximately 50% of the space within the stores at the REIT properties and JV properties (subject to certain exceptions), and with respect to nine of the stores that contain a Lands’ End Shop, Seritage has the additional right to recapture 100% of the space within the Sears Roebuck store. If Sears Roebuck continues to dispose of retail stores that contain Lands’ End Shops, and/or offer us relocation alternatives for Lands’ End Shops that are less attractive than the current premises, our business and results of operations could be adversely affected.

If we fail to timely and effectively obtain shipments of products from our vendors and deliver merchandise to our customers, our business and operating results could be adversely affected.

We do not own or operate any manufacturing facilities and therefore depend upon independent third-party vendors for the manufacture of our merchandise. We cannot control all of the various factors that might affect timely and effective procurement of supplies of product from our vendors and delivery of merchandise to our customers. A majority of the products that we purchase must be shipped to our distribution centers in Dodgeville, Reedsburg and Stevens Point, Wisconsin; Oakham, United Kingdom; and Fujieda, Japan. While our reliance on a limited number of distribution centers provides certain efficiencies, it also makes us more vulnerable to natural disasters, weather-related disruptions, accidents, system failures or other unforeseen causes that could delay or impair our ability to fulfill customer orders and/or ship merchandise to our stores, which could adversely affect sales. Our 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, risks of damage, destruction or confiscation of products while in transit to a distribution center, organized labor strikes and work stoppages such as the recent labor dispute that disrupted operations at ports-of-entry on the west coast of the United States, transportation and other delays in shipments, including as a result of heightened security screening and inspection processes or other port-of-entry limitations or restrictions in the United States, the United Kingdom and Japan, unexpected or significant port congestion, lack of freight availability and freight cost increases. In addition, if we experience a shortage of a popular item, we may be required to arrange for additional quantities of the item, if available, to be delivered through airfreight, which is significantly more expensive than standard shipping by sea. We may not be able to obtain sufficient freight capacity on a timely basis or at favorable shipping rates and, therefore, may not be able to timely receive merchandise from vendors or deliver products to customers.

We rely upon third-party land-based and air freight carriers for merchandise shipments from our distribution centers to customers. Accordingly, we are subject to the risks, including labor disputes, union organizing activity, inclement weather and increased transportation costs, associated with such carriers’ ability to provide delivery services to meet outbound shipping needs. In addition, if the cost of fuel rises or remains at current levels, the cost to deliver merchandise from distribution centers to customers may rise, and, although some of these costs are paid by our customers, such costs could have an adverse impact on our profitability. Failure to procure and deliver merchandise to customers in a timely, effective and economically viable manner could damage our reputation and adversely affect our business. In addition, any increase in distribution costs and expenses could adversely affect our future financial performance.

If we are unable to protect or preserve the image of our brands and our intellectual property rights, our business may be adversely affected.

We regard our copyrights, service marks, trademarks, trade dress, trade secrets and similar intellectual property as critical to our success. As such, we rely on trademark and copyright law, trade secret protection and confidentiality agreements with our associates, consultants, vendors and others to protect our proprietary rights. Nevertheless, the steps we take to protect our proprietary rights may be inadequate and we may experience difficulty in effectively limiting unauthorized use of our trademarks and other intellectual property worldwide. Unauthorized use of our trademarks, copyrights, trade secrets or other proprietary rights may cause significant damage to our brands and our ability to effectively represent ourselves to agents, suppliers, vendors, licensees and/or customers. While we intend to enforce our trademark and other proprietary rights, there can be no assurance that we are adequately protected in all countries or that we will prevail when defending our trademark and proprietary rights. If we are unable to protect or preserve the value of our trademarks or other proprietary rights for any reason, or if we fail to maintain the image of our brands due to merchandise and service quality issues, actual or perceived, adverse publicity, governmental investigations or litigation, or other reasons, our brands and reputation could be damaged and our business may be adversely affected.

Third parties may sue us for alleged infringement of their proprietary rights. The party claiming infringement might have greater resources than we do to pursue its claims, and we could be forced to incur substantial costs and devote significant management resources to defend against such litigation. If the party claiming infringement were to prevail, we could be forced to discontinue the use of the related trademark or design and/or pay significant damages, or to enter into expensive royalty or licensing arrangements with the prevailing party, assuming these royalty or licensing arrangements are available at all on an economically feasible basis, which they may not be.

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

As of January 27, 2017, we had goodwill and intangible asset balances totaling \$367.0 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 \$257.0 million for our trade name and a goodwill balance of \$110.0 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 are not consistent with 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. In Fiscal 2016 the fair value of the goodwill exceeded the carrying value by \$82.5 million, while in Fiscal 2015 the fair value of the goodwill exceeded the carrying value by \$177.7 million. We recorded impairments to our trade name intangible asset of \$173.0 million and \$98.3 million Fiscal 2016 and Fiscal 2015, respectively.

Our failure to retain our executive management team and to attract qualified new personnel could adversely affect our business and results of operations.

We depend on the talents and continued efforts of our executive management team. 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, including field sales representatives for our Outfitters by Lands' End business. We believe that having personnel who are passionate about our brand and have industry experience and a strong customer service ethic has been an important factor in our historical success, and we believe that it will continue to be important to growing our business. Competition for these types of personnel is intense, and we may not be successful in attracting, assimilating and retaining the personnel required to grow and operate our business profitably. With the seasonal nature of the retail business, over 2,000 flexible part-time employees join us each year to support our varying peak seasons, including the fourth quarter holiday shopping season. An inability to attract qualified seasonal personnel could interrupt our sales during this period.

Fluctuations and increases in the costs of raw materials could adversely affect our business and results of operations.

Our products are manufactured using several key raw materials, including wool, cotton and down, which are subject to fluctuations in price and availability and many of which are produced in emerging markets in Asia and Central America. The prices of these raw materials can be volatile due to the demand for fabrics, weather conditions, supply conditions, government regulations, general economic conditions, crop yields and other unpredictable factors. Such factors may be exacerbated by legislation and regulations associated with global climate change. The prices of these raw materials may also fluctuate based on a number of other factors beyond our control, including commodity prices such as prices for oil, changes in supply and demand, labor costs, competition, import duties, tariffs, anti-dumping duties, currency exchange rates and government regulation. These fluctuations may result in an increase in our transportation costs for freight and distribution, utility costs for our retail stores and overall costs to purchase products from our vendors. Fluctuations in the cost, availability and quality of the raw materials used to manufacture our merchandise could have an adverse effect on our cost of goods, or our ability to meet customer demand.

Increases in postage, paper and printing costs could adversely affect the costs of producing and distributing our catalog and promotional mailings, which could have an adverse effect on our business and results of operations.

Catalog mailings are a key aspect of our business and increases in costs relating to postage, paper and printing would increase the cost of our catalog mailings and could reduce our profitability to the extent that we are unable to offset such increases by raising prices, by implementing more efficient printing, mailing, delivery and order fulfillment systems or by using alternative direct-mail formats.

We currently use the national mail carriers for distribution of substantially all of our catalogs and are therefore vulnerable to postal rate increases. The current economic and legislative environments may lead to further rate increases or a discontinuation of the discounts for bulk mailings and sorting by zip code and carrier routes which Lands' End currently leverages for cost savings.

Paper for catalogs and promotional mailings is a vital resource in the success of our business. The market price for paper has fluctuated significantly in the past and may continue to fluctuate in the future. In addition, future pricing and supply availability of catalog paper may be impacted by the continued consolidation or closings of production facilities in the United States. We do not have multi-year fixed-price contracts for the supply of paper and are not guaranteed access to, or reasonable prices for, the amounts required for the operation of our business over the long term.

We also depend upon external vendors to print and mail our catalogs. The limited number of printers capable of handling such needs subjects us to risks if any printer fails to perform under our agreement. Most of our catalog-related costs are incurred prior to mailing, and we are not able to adjust the costs of a particular catalog mailing to reflect the actual subsequent performance of the catalog.

If we do not efficiently manage inventory levels, our results of operations could be adversely affected.

We must maintain sufficient inventory levels to operate our business successfully, but we must also avoid accumulating excess inventory, which increases working capital needs and lowers gross margins. We obtain substantially all of our inventory from vendors located outside the United States. Some of these vendors often require lengthy advance notice of order requirements in order to be able to supply products in the quantities requested. This usually requires us to order merchandise, and enter into commitments for the purchase of such merchandise, well in advance of the time these products will be offered for sale. As a result, it may be difficult to respond to changes in the apparel, footwear, accessories or home products markets. If we do not accurately anticipate the future demand for a particular product or the time it will take to obtain new inventory, inventory levels will not be appropriate and our results of operations could be adversely affected.

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

We have entered into agreements with third parties for logistics services, information technology systems (including hosting some of our e-commerce websites), onshore and offshore software development and support, merchandise buying agent services, catalog production, distribution and packaging and employee benefits. Services provided by any of our third-party suppliers could be interrupted as a result of many factors, such as acts of nature or contract disputes. Any failure by a third party to provide us with contracted-for services on a timely basis or within service level expectations and performance standards could result in a disruption of our business and have an adverse effect on our business and results of operations.

If our independent vendors do not use ethical business practices or comply with applicable regulations and laws, our reputation could be materially harmed and have an adverse effect on our business and results of operations.

Our reputation and customers' willingness to purchase our products depend in part on our vendors' compliance with ethical employment practices, such as with respect to child labor, wages and benefits, forced labor, discrimination, freedom of association, unlawful inducements, safe and healthy working conditions, and with all legal and regulatory requirements relating to the conduct of their business. While we operate compliance and monitoring programs to promote ethical and lawful business practices, we do not exercise ultimate control over our independent vendors or their business practices and cannot guarantee their compliance with ethical and lawful business practices. Violation of labor or other laws by vendors, or the divergence of a vendor's labor practices from those generally accepted as ethical in the United States could materially hurt our reputation, which could have an adverse effect on our business and results of operations.

We may be subject to 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 electronic commerce. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have an adverse effect on our business and results of operations. Regardless of the outcome of any litigation or regulatory proceedings, any such proceeding could result in substantial costs and may require that we devote substantial resources to defend the proceeding, which could affect the future premiums we would be required to pay on our insurance policies. Changes in governmental regulations could also have adverse effects on our business and subject us to additional regulatory actions.

Some of the products we sell may expose us to product liability claims relating to personal injury, death or property damage allegedly caused by these products, and could require us to take corrective actions, including product recalls. Although we maintain liability insurance, there is no guarantee that our current or future coverage will be adequate for liabilities actually incurred, or that insurance will continue to be available on economically reasonable terms, or at all. Product liability claims can be expensive to defend and can divert the attention of management and other personnel for significant periods, regardless of the ultimate outcome. Claims of this nature, as well as product recalls, could also have an adverse effect on customer confidence in the products we sell and on our reputation, business and results of operations.

We may be subject to assessments for additional state taxes, which could adversely affect our business.

In accordance with current law, we pay, collect and/or remit taxes in those states where we or our subsidiaries, as applicable, maintain a physical presence. While we believe that we have appropriately remitted all taxes based on our interpretation of applicable law, tax laws are complex and their application differs from state to state. It is possible that some taxing jurisdictions may attempt to assess additional taxes and penalties on us or assert either an error in our calculation, a change in the application of law, or an interpretation of the law that differs from our own, which may, if successful, adversely affect our business and results of operations.

Our business is seasonal in nature, and any decrease in our sales or margins could have an adverse effect on our business and results of operations.

The apparel industry is highly seasonal, with the highest levels of sales occurring during the fourth quarter of our fiscal year. Our sales and margins during the fourth quarter may fluctuate based upon factors such as the timing of holiday seasons and promotions, the amount of net revenue contributed by new and existing stores, the timing and level of markdowns, competitive factors, weather and general economic conditions. Any decrease in sales or margins, whether as a result of increased promotional activity or because of economic conditions, poor weather or other factors, could have an adverse effect on our business and results of operations. In addition, seasonal fluctuations also affect our inventory levels, since we usually order merchandise in advance of peak selling periods.

and sometimes before new fashion trends are confirmed by customer purchases. We generally carry a significant amount of inventory, especially before the fourth quarter peak selling periods. If we are not successful in selling inventory during these periods, we may have to sell the inventory at significantly reduced prices, which could adversely affect our business and results of operations.

Unseasonal or severe weather conditions may adversely affect our merchandise sales.

Our business is adversely affected by unseasonal weather conditions. Sales of certain seasonal apparel items, specifically outerwear and swimwear, are dependent, in part, on the weather and may decline in years in which weather conditions do not favor the use of these products. Sales of our spring and summer products, which traditionally consist of lighter clothing and swimwear, are adversely affected by cool or wet weather. Similarly, sales of our fall and winter products, which are traditionally weighted toward outerwear, are adversely affected by mild, dry or warm weather. In addition, severe weather events typically lead to temporarily reduced traffic at the Sears Roebuck locations in which Lands' Ends Shops at Sears are located and at our other retail locations which could lead to reduced sales of our merchandise. Severe weather events may impact our ability to supply our stores, deliver orders to customers on schedule and staff our stores and fulfillment centers, which could have an adverse effect on our business and results of operations.

Other factors may have an adverse effect on our business, results of operations and financial condition.

Many other factors may affect our profitability and financial condition, including:

- changes in or interpretations of laws and regulations, including changes in accounting standards, taxation requirements, product marketing application standards and environmental laws;
- differences between the fair value measurement of assets and liabilities and their actual value, particularly for intangibles and goodwill; and for contingent liabilities such as litigation, the absence of a recorded amount, or an amount recorded at the minimum, compared to the actual amount;
- changes in the rate of inflation, interest rates and the performance of investments held by us;
- changes in the creditworthiness of counterparties that transact business with or provide services to us; and
- changes in business, economic and political conditions, including war, political instability, terrorist attacks, the threat of future terrorist activity and related military action; natural disasters; the cost and availability of insurance due to any of the foregoing events; labor disputes, strikes, slow-downs or other forms of labor or union activity; and pressure from third-party interest groups.

Additional Risks Related to Our Separation from, and Relationship with, Sears Holdings

If Sears Holdings' financial condition were to significantly deteriorate, or if Sears Holdings or its subsidiaries fail to perform under various agreements with us as a result of insolvency or otherwise, our financial performance could be materially and adversely affected.

In its annual report on Form 10-K for the fiscal year ended January 28, 2017, Sears Holdings disclosed that its historical operating results indicate substantial doubt exists related to its ability to continue as a going concern. In a separate statement, Sears Holdings' chief financial officer commented that while pursuant to regulatory standards such disclosure was driven by its historical performance, Sears Holdings' financial plans and forecast do not reflect the continuation of that performance, and that Sears Holdings is a viable business that can meet its financial and other obligations for the foreseeable future. In connection with the Separation, we entered into various agreements to effect the Separation and provide a framework for our relationship with Sears Holdings after the Separation, including agreements that require each party to indemnify the other for all liabilities (including third-party claims) incurred or suffered by the other relating to their respective assumed liabilities. We also entered into various commercial agreements with subsidiaries of Sears Holdings, including a master lease agreement, a master sublease agreement, and a retail operations agreement for the Lands' End Shops at Sears, under which we lease those locations from Sears Roebuck and rely on it and other subsidiaries of Sears Holdings to provide logistics, point-of-sale and related store systems to the Lands' End Shops at Sears. If Sears Holdings' financial condition significantly deteriorates, its ability to perform under its various agreements with us could be negatively impacted. Moreover, if

Sears Holdings were to become the subject of insolvency proceedings, a court could, among other things, permit or require Sears Holdings to terminate one or more of its existing agreements or leases with us. If Sears Holdings or its subsidiaries are unable to satisfy their performance and payment obligations under their agreements with us, including their indemnification obligations, or if these agreements or leases are rejected in connection with insolvency proceedings, we could lose the ability to operate some or all of the Lands' End Shops at Sears, suffer operational difficulties and incur significant costs or losses, and our financial performance could be materially and adversely affected.

Our historical financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

Although we were an independent company prior to our acquisition by Sears Roebuck in June 2002, the information about us in this Annual Report on Form 10-K prior to the Separation date of April 4, 2014 refers to the Lands' End's business as operated by and integrated with Sears Holdings. Accordingly, such historical financial information included in this Annual Report on Form 10-K does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the factors described below:

- Prior to the Separation, Sears Holdings or one of its affiliates performed various corporate functions for us. Following the Separation, Sears Holdings or its subsidiaries provides some of these functions to us. Our historical financial results prior to the Separation reflect allocations of corporate expenses from Sears Holdings for these functions and are likely to be less than the expenses we would have incurred had we operated as a separate publicly traded company. Following the Separation, we may not be able to perform these functions as efficiently or at comparable costs;
- Prior to the Separation, we were able to use Sears Holdings' size and purchasing power in procuring various goods and services and have shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. Although we entered into a transition services agreement and other commercial agreements with Sears Holdings or its subsidiaries in connection with the Separation, these arrangements may not fully capture the benefits we enjoyed as a result of being integrated with Sears Holdings and may result in us paying higher charges than in the past for these services. As a separate, publicly traded company, we may be unable to obtain goods and services at the prices and terms obtained prior to the Separation, which could have an adverse effect on our business and results of operations;
- Generally, our working capital requirements and capital for our general corporate purposes were satisfied as part of the corporate-wide cash management policies of Sears Holdings. As an independent company, we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements; and
- Our financial information for periods prior to the Separation does not reflect the debt we incurred in connection with the Separation.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a company separate from Sears Holdings and the related expiration of agreements with Sears Holdings and from the termination of our rights to operate under third party agreements that were executed when we were a subsidiary of Sears Holdings. For additional information about the past financial performance of our business and the basis of presentation of the historical combined financial statements of our business, see Item 6, *Selected Historical Financial Data*, and Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, as well as the historical combined financial statements and accompanying notes included elsewhere in this Annual Report on Form 10-K.

We may have received better terms from unaffiliated third parties than the terms of our agreements with Sears Holdings and its subsidiaries.

Our agreements with Sears Holdings or its subsidiaries in connection with the Separation, including the buying agency agreement, transition services agreement, tax sharing agreement, master lease agreement, master sublease agreement, financial services agreement, Lands' End Shops at Sears retail operations agreement and Shop Your Way retail establishment agreement, were prepared in the context of the Separation while we were still a

wholly owned indirect subsidiary of Sears Holdings. Accordingly, during the period in which the terms of these agreements and amendments were prepared, we did not have an independent board of directors or a management team that was independent of Sears Holdings. As a result, the terms of these agreements are of fixed duration and may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. Arm's-length negotiations between Sears Holdings and an unaffiliated third party in another form of transaction, such as with a buyer in a sale of a business, may have resulted in more favorable terms to the unaffiliated third party.

Potential indemnification liabilities to Sears Holdings pursuant to the separation and distribution agreement could adversely affect us.

The separation and distribution agreement with Sears Holdings provides, among other things, the principal corporate transactions required to effect the Separation, certain conditions to the Separation and provisions governing the relationship between us and Sears Holdings with respect to and resulting from the Separation. Among other things, the separation and distribution agreement provides for indemnification obligations designed to make us financially responsible for substantially all liabilities that may exist relating to our business activities, whether incurred prior to or after the Separation, as well as any obligations of Sears Holdings that we may assume pursuant to the separation and distribution agreement. If we are required to indemnify Sears Holdings under the separation and distribution agreement, we may be subject to substantial liabilities.

ESL, whose interests may be different from the interests of other stockholders, may be able to exert substantial influence over our company.

According to an amendment to Schedule 13D filed on January 6, 2017 with the SEC, ESL beneficially owned on the filing date 58.5% of our outstanding shares of common stock. Accordingly, ESL could have substantial influence over many, if not all, actions to be taken or approved by our stockholders, and will have a significant voice in the election of directors and any transactions involving a change of control. The interests of ESL, which has investments in other companies (including Sears Holdings), may from time to time diverge from the interests of our other stockholders. Mr. Lampert is the Chairman of the Board and Chief Executive Officer of Sears Holdings.

Potential liabilities may arise under fraudulent conveyance and transfer laws and legal capital requirements, which could have an adverse effect on our financial condition and our results of operations.

In the event that any entity involved in the Separation (including certain internal restructuring and financing transactions contemplated to be consummated in connection with the Separation) subsequently fails to pay its creditors or enters insolvency proceedings, these transactions may be challenged under United States federal, United States state and foreign fraudulent conveyance and transfer laws, as well as legal capital requirements governing distributions and similar transactions. If a court were to determine under these laws that, (a) at the time of the Separation, the entity in question: (1) was insolvent; (2) was rendered insolvent by reason of the Separation; (3) had remaining assets constituting unreasonably small capital; (4) intended to incur, or believed it would incur, debts beyond its ability to pay these debts as they matured; or (b) the transaction in question failed to satisfy applicable legal capital requirements, the court could determine that the Separation was voidable, in whole or in part. Subject to various defenses, the court could then require Sears Holdings or us, or other recipients of value in connection with the Separation (potentially including our stockholders as recipients of shares of our common stock in connection with the Separation), as the case may be, to turn over value to other entities involved in the Separation and related transactions for the benefit of unpaid creditors. The measure of insolvency and applicable legal capital requirements will vary depending upon the jurisdiction whose law is being applied.

Risks Related to Our Indebtedness

Our leverage may place us at a competitive disadvantage in our industry. 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 or causing us to make non-strategic divestitures;
- our interest expense could increase if prevailing interest rates increase, because a substantial portion of our debt bears interest at variable rates;
- our substantial leverage could increase our vulnerability to economic downturns and adverse competitive and industry conditions and could place us at a competitive disadvantage compared to those of our competitors that are less leveraged;
- our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our business, our industry and changing market conditions and could limit our ability to pursue other business opportunities, borrow more money for operations or capital in the future and implement our business strategies;
- our level of debt may restrict us from raising additional financing on satisfactory terms to fund working capital, capital expenditures, strategic acquisitions and other general corporate requirements;
- 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; and
- the failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of the applicable debt, 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.

We may need additional financing in the future for our general corporate purposes or growth strategies, 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. If adequate funds are not available on acceptable terms, we may be unable to fund our expansion, successfully develop or enhance our products, or respond to competitive pressures, any of which could negatively affect our business. If we raise additional funds through the issuance of equity securities, our stockholders could experience dilution of their ownership interest. If we raise additional funds by issuing debt, we may be subject to limitations on our operations due to restrictive covenants.

Risks Related to Our Common Stock

Our common stock price may decline if ESL decides to sell a portion of its holdings of our common stock.

ESL will, in its sole discretion, determine the timing and terms of any transactions with respect to its shares common stock of the Company, taking into account business and market conditions and other factors that it deems relevant. ESL is not subject to any contractual obligation to maintain its ownership position in us, although it may be subject to certain transfer restrictions imposed by securities law. Consequently, we cannot assure you that ESL will

maintain its ownership interest in us. Any sale by ESL of our common stock or any announcement by ESL that it has decided to sell shares of our common stock, or the perception by the investment community that ESL has sold or decided to sell shares of our common stock, could have an adverse impact on the price of our common stock.

We do not expect to pay dividends for the foreseeable future.

We do not currently expect to declare or pay dividends on our common stock for the foreseeable future. Instead, we intend to retain earnings to finance the growth and development of our business and for working capital and general corporate purposes. Any payment of dividends will be at the discretion of our board of directors and will depend upon various factors then existing, including earnings, financial condition, results of operations, capital requirements, level of indebtedness, any contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions and other factors that our board of directors may deem relevant. As a result, you may not receive any return on an investment in our capital stock in the form of dividends.

Our share price may be volatile.

The market price of our common stock may fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our operating results;
- changes in earnings estimated by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of comparable companies;
- changes to the regulatory and legal environment under which we operate; 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 Lands' End 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. The Compensation Committee of our Board of Directors may grant additional stock-based awards to our employees, which would have a dilutive effect on our earnings per share, and which could adversely affect the market price of our common stock. From time to time, we may issue additional stock-based awards to our employees under our employee benefits plans.

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 sales/service centers, distribution centers and retail stores. Most of our stores are located inside of existing Sears stores. In such cases, we have entered into a lease or sublease with Sears Roebuck for the portion of the space in which our store operates and pay rent directly to Sears Roebuck or one of their affiliates on the terms negotiated in connection with the Separation. We believe that our existing facilities are well maintained and are sufficient to meet our current needs. We review all leases set to expire in the short term to determine the appropriate action to take with respect to them, including moving or closing stores, entering into new leases or purchasing property.

Domestic Headquarters, Customer Service and Distribution Properties

The headquarters for our business is located on an approximately 200 acre campus in Dodgeville, Wisconsin. The Dodgeville campus includes approximately 1.7 million square feet of building space between eight different buildings that are all owned by Lands' End. The primary functions of these buildings are customer sales/service, distribution center and corporate headquarters. We also own customer sales/service and distribution centers in Reedsburg and Stevens Point, Wisconsin.

International Office, Customer Service and Distribution Properties

We own a distribution center and customer sales/service center in Oakham, United Kingdom that supports our northern European business. We lease two buildings in Mettlach, Germany for customer sales/service center supporting our central European business. We also lease office space in Shin Yokohama, Japan for a customer sales/service center as well as general administrative offices and a distribution center in Fujieda, Japan.

Lands' End Retail Properties

As of January 27, 2017, our retail properties consisted of 216 Lands' End Shops at Sears, which averaged approximately 7,700 square feet; 14 Lands' End stores, which averaged approximately 7,600 square feet; and no international shop-in-shops. We lease the premises of our Lands' End Shops at Sears from Sears Roebuck. Under the terms of the master lease agreement and master sublease agreement pursuant to which Sears Roebuck leases or subleases to us the premises for the Lands' End Shops at Sears, Sears Roebuck has certain rights to (1) relocate our leased premises within the building in which such premises are located, subject to certain limitations, including our right to terminate the applicable lease if we are not satisfied with the new premises, and (2) terminate without liability the lease with respect to a particular Lands' End Shop if the overall Sears store in which such Lands' End Shop is located is closed or sold. With respect to our Lands' End stores, as of January 27, 2017, 12 were leased and 2 were owned, with 11 located in the United States, one in the United Kingdom and one in Germany.

ITEM 3. LEGAL PROCEEDINGS

We are involved in 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, except where noted below.

See Part II, Item 8, *Financial Statements and Supplementary Data and Notes to Consolidated and Combined Financial Statements*, Note 10, *Commitments and Contingencies*, for additional information regarding legal proceedings (incorporated herein by reference).

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 9,075 stockholders of record at March 21, 2017. The quarterly high and low sales prices for Lands' End common stock are set forth below.

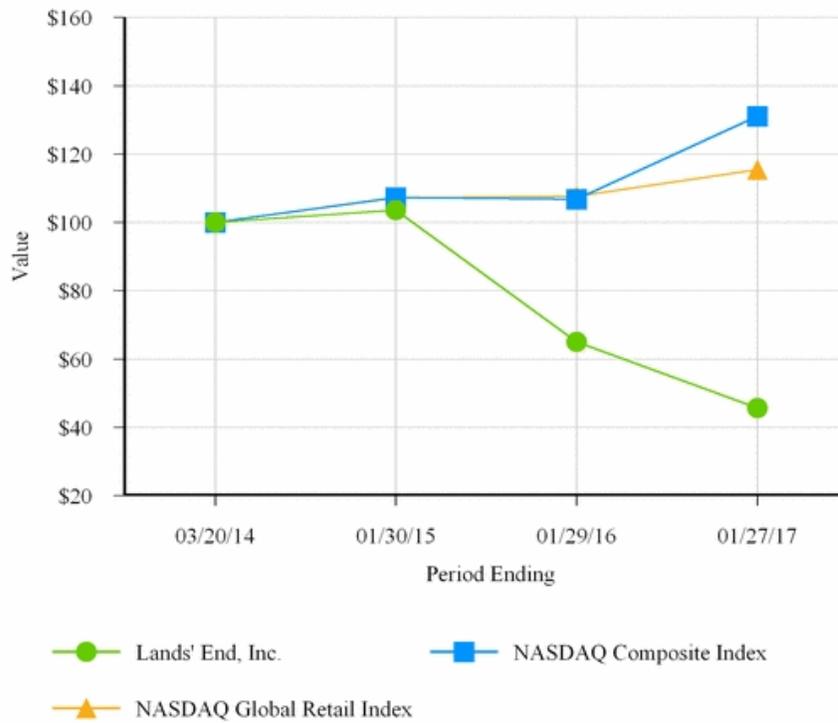
	Fiscal 2016			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Common Stock Price				
High	\$26.30	\$23.61	\$18.81	\$18.40
Low	21.48	14.71	14.60	15.30

	Fiscal 2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Common Stock Price				
High	\$37.45	\$30.50	\$28.92	\$25.62
Low	28.85	23.06	21.26	20.95

Stock Performance Graph

The following graph compares the cumulative total return to stockholders on Lands' End common stock from March 20, 2014, the first day our common stock began "when-issued" trading on the NASDAQ Stock Market, through January 27, 2017, the last day of Fiscal 2016, with the return on the NASDAQ Composite Index and the NASDAQ Global Retail Index for the same period. Our common stock began "regular-way" trading following the Separation on April 7, 2014. The graph assumes an initial investment of \$100 on March 20, 2014 in each of our common stock, the NASDAQ Composite Index and the NASDAQ Global Retail Index.

See accompanying Notes to Consolidated and Combined Financial Statements.



	3/20/2014	1/30/2015	1/29/2016	1/27/2017
Lands' End, Inc.	\$ 100	\$ 104	\$ 65	\$ 46
NASDAQ Composite Index	\$ 100	\$ 107	\$ 107	\$ 131
NASDAQ Retail Index	\$ 100	\$ 107	\$ 108	\$ 115

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

Except for a \$500.0 million dividend we paid to a subsidiary of Sears Holdings prior to the Separation, 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.

Equity Compensation Plan Information

The following table reflects information about securities authorized for issuance under the Company's equity compensation plans as of January 27, 2017.

<u>Plan Category</u>	Number of securities to be issued upon exercise of outstanding options, warrants and rights (in thousands)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans* (in thousands)
Equity compensation plans approved by security holders	321	—	570
Equity compensation plans not approved by security holders	—	—	—
Total	321	—	570

* Represents shares of common stock that may be issued pursuant to the Lands' End, Inc. 2014 Stock Plan as amended (the "2014 Stock Plan"). Awards under the 2014 Stock Plan may be restricted stock, stock unit awards, incentive stock options, nonqualified stock options, stock appreciation rights, or certain other stock-based awards. The numbers shown exclude shares covered by an outstanding plan award that, subsequent to January 27, 2017, ultimately are not delivered on an unrestricted basis (for example, because the award is forfeited, canceled or used to satisfy tax withholding obligations).

ITEM 6. SELECTED FINANCIAL DATA

The Consolidated and Combined Statements of Operations data set forth below for the fiscal years ended January 27, 2017, January 29, 2016 and January 30, 2015 and the Consolidated Balance Sheet data as of January 27, 2017 and January 29, 2016 are derived from the audited Consolidated and Combined Financial Statements included elsewhere in this Annual Report on Form 10-K. The Combined Statements of Operations data for the fiscal year ended January 31, 2014 and February 1, 2013 and the Balance Sheet data as of January 30, 2015, January 31, 2014 and February 2, 2013 are derived from audited Consolidated and Combined Financial Statements not included in this Annual Report on Form 10-K. All historical financial and other data prior to the Separation reflects the Lands' End business of Sears Holdings, and the historical financial and other data subsequent to the Separation include the accounts of Lands' End, Inc. and its subsidiaries which are collectively referred to herein as "our" historical financial and other data. See Note 1, *Background and Basis of Presentation*, to the Consolidated and Combined Financial Statements and accompanying notes.

The selected historical consolidated and combined financial statements and other financial data presented below should be read in conjunction with our Consolidated and Combined Financial Statements and accompanying notes and Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, included elsewhere in this Annual Report on Form 10-K. Our combined financial information may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a publicly traded company independent from Sears Holdings during all the periods presented.

(in thousands, except per share data and number of stores)	Fiscal Year				
	2016	2015	2014	2013	2012
Consolidated and Combined Statement of Operations Data(1)					
Net revenue	\$ 1,335,760	\$ 1,419,778	\$ 1,555,353	\$ 1,562,876	\$ 1,585,927
Net (loss) income(2)(3)(4)	\$ (109,782)	\$ (19,548)	\$ 73,799	\$ 78,847	\$ 49,827
Basic and diluted (loss) earnings per common share(2)(3)(4)(5)	\$ (3.43)	\$ (0.61)	\$ 2.31	\$ 2.47	\$ 1.56
Basic average shares outstanding	32,021	31,979	31,957	31,957	31,957
Diluted average shares outstanding	32,021	31,979	32,016	31,957	31,957
Consolidated Balance Sheet Data					
Total assets	\$ 1,114,391	\$ 1,288,526	\$ 1,349,999	\$ 1,194,275	\$ 1,217,722
Other Financial and Operating Data					
Adjusted EBITDA(6)	\$ 39,832	\$ 107,288	\$ 164,298	\$ 150,010	\$ 107,673
Number of retail stores at year end	230	246	255	290	293

- (1) Our fiscal year end is on the Friday preceding the Saturday closest to January 31 each year. Fiscal year 2012 consisted of 53 weeks. All other fiscal years consisted of 52 weeks.
- (2) Fiscal 2016 Net loss includes an impairment charge of \$173.0 million, \$107.8 million net of tax, related to the non-cash write-down of our trade name intangible asset, Lands' End.
- (3) Fiscal 2015 Net loss includes an impairment charge of \$98.3 million, \$62.0 million net of tax, related to the non-cash write-down of our trade name intangible asset, Lands' End.
- (4) Fiscal 2016, Fiscal 2015 and Fiscal 2014 Net (loss) income includes interest expense and stand-alone public company expenses which did not exist in prior periods.
- (5) On April 4, 2014, Sears Holdings distributed 31,956,521 shares of Lands' End common stock. The computation of basic and diluted shares for all periods prior to April 4, 2014 was calculated using the number of shares of Lands' End common stock outstanding on April 4, 2014. The same number of shares was used to calculate basic and diluted earnings per share. Refer to Note 2, *Summary of Significant Accounting Policies*, to the Consolidated and Combined Financial Statements for information regarding earnings per share.
- (6) *Adjusted EBITDA*—In addition to our net (loss) income determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”), for purposes of evaluating operating performance, we use Adjusted EBITDA, which is adjusted to exclude certain significant items as set forth below. Our management uses Adjusted EBITDA to evaluate the operating performance of our business for comparable periods. This metric is also incorporated into executive compensation plans when compared to our budgeted operating performance. Adjusted EBITDA should not be used by investors or other third parties as the sole basis for formulating investment decisions as it excludes a number of important cash and non-cash recurring items. Adjusted EBITDA should not be considered as a substitute for GAAP measurements.

While Adjusted EBITDA is a non-GAAP measurement, management believes that it is an important indicator of operating performance, and useful to investors, because:

- EBITDA excludes the effects of financings, investing activities and tax structure by eliminating the effects of interest, depreciation and income tax costs; and
- Other significant items, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of results. We have adjusted our results for these items to make our statements more comparable and therefore more useful to investors as the items are not representative of our ongoing operations.

- Intangible asset impairment—charge associated with the non-cash write-down of our trade name intangible asset, Lands' End, in Fiscal 2016 and Fiscal 2015.
- Product recall—costs associated with a recall of selected styles of children's sleepwear in Fiscal 2014 that did not meet the federal flammability standard for children's sleepwear and the subsequent reversal of some costs in Fiscal 2016 and Fiscal 2015 as customer return rates were lower than Company estimates.
- Restructuring costs—costs associated with an initiative to reduce the corporate cost structure in Fiscal 2013. Management considers these costs to be infrequent and affecting comparability of results between reporting periods.
- Gain or loss on the sale of property and equipment—management considers the gains or losses on sale of assets to result from investing decisions rather than ongoing operations.

The following table presents a reconciliation of Adjusted EBITDA to net (loss) income, the most comparable GAAP measure for each of the periods indicated:

<i>(in thousands)</i>	Fiscal Year				
	2016	2015	2014	2013	2012
Net (loss) income	\$ (109,782)	\$ (19,548)	\$ 73,799	\$ 78,847	\$ 49,827
Income tax (benefit) expense	(69,098)	(9,691)	46,758	49,544	32,243
Other expense (income), net	1,619	(671)	(1,408)	(50)	(67)
Interest expense	24,630	24,826	20,494	—	—
Intangible asset impairment	173,000	98,300	—	—	—
Depreciation and amortization	19,003	17,399	19,703	21,599	23,121
Product recall	(212)	(3,371)	4,713	—	—
Restructuring costs	—	—	—	—	2,479
Loss on sale of property and equipment	672	44	239	70	70
Adjusted EBITDA	<u>\$ 39,832</u>	<u>\$ 107,288</u>	<u>\$ 164,298</u>	<u>\$ 150,010</u>	<u>\$ 107,673</u>

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 and Combined Financial Statements and accompanying notes included elsewhere in this Annual Report on Form 10-K. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. The matters discussed in these forward-looking statements are subject to risk, uncertainties, and other factors that could cause actual results to differ materially from those made, projected or implied in the forward-looking statements. See "Cautionary Statements Concerning Forward-Looking Statements" below and Item 1A, Risk Factors, in this Annual Report on Form 10-K and for a discussion of the uncertainties, risks and assumptions associated with these statements.

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 that are commonly used in this Annual Report on Form 10-K are defined as follows:

- *ABL Facility - Asset-based senior secured credit agreements, dated as of April 4, 2014, with Bank of America, N.A and certain other lenders*
- *ASU - FASB Accounting Standards Update*
- *ERP - enterprise resource planning software solutions*
- *ESL - ESL Investments, Inc. and its investment affiliates, including Edward S. Lampert*
- *Debt Facilities - Collectively, the ABL Facility and the Term Loan Facility*
- *FASB - Financial Accounting Standards Board*
- *Fiscal 2017 - The Company's next fiscal year representing the 53 weeks ending February 2, 2018*
- *Fiscal 2016 - The 52 weeks ended January 27, 2017*
- *Fiscal 2015 - The 52 weeks ended January 29, 2016*
- *Fiscal 2014 - The 52 weeks ended January 30, 2015*
- *GAAP - Accounting principles generally accepted in the United States*
- *LIBOR - London inter-bank offered rate*
- *Same Store Sales - Net revenue, from stores that have been open for at least 12 full months where selling square footage has not changed by 15% or more within the past year*
 - *Sears Holdings or Sears Holdings Corporation - Sears Holdings Corporation, a Delaware Corporation, and its consolidated subsidiaries (other than, for all periods following the Separation, Lands' End)*
 - *Sears Roebuck - Sears, Roebuck and Co., a wholly owned subsidiary of Sears Holdings*
 - *SEC - United States Securities and Exchange Commission*
 - *Separation - On April 4, 2014 Sears Holdings distributed 100% of the outstanding common stock of Lands' End to its shareholders*
 - *Tax Sharing Agreement - A tax sharing agreement entered into by Sears Holdings Corporation and Lands' End in connection with the Separation*
- *Term Loan Facility - Term loan credit agreements, dated as of April 4, 2014, with Bank of America, N.A. and certain other lenders*
- *UK Borrower - A United Kingdom subsidiary borrower of Lands' End under the ABL Facility*
- *UTBs - Gross unrecognized tax benefits*

Executive Overview

Introduction

Management's discussion and analysis of financial condition and results of operations accompanies our consolidated and combined financial statements and provides additional information about our business, financial condition, liquidity and capital resources, cash flows and results of operations. We have organized the information as follows:

- *Executive overview.* This section provides a brief description of our business, accounting basis of presentation and a brief summary of our results of operations.
- *Discussion and analysis.* This section highlights items affecting the comparability of our financial results and provides an analysis of our combined and segment results of operations for Fiscal 2016, Fiscal 2015 and Fiscal 2014.

- *Liquidity and capital resources.* This section provides an overview of our historical and anticipated cash and financing activities. We also review our historical sources and uses of cash in our operating, investing and financing activities.
- *Contractual Obligations and Off-Balance-Sheet Arrangements.* This section provides details of the Company's off-balance-sheet arrangements and contractual obligations for the next 5 years and thereafter.
- *Financial Instruments with Off-Balance-Sheet Risk.* This section discusses financial instruments of the Company that could have off-balance-sheet risk.
- *Quantitative and qualitative disclosures about market risk.* This section discusses how we monitor and manage market risk related to changing currency rates. We also provide an analysis of how adverse changes in market conditions could impact our results based on certain assumptions we have provided.
- *Application of critical accounting policies and estimates.* This section summarizes the accounting policies that we consider important to our financial condition and results of operations and which require significant judgment or estimates to be made in their application.

Description of the Company

Lands' End, Inc. is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products. We offer products through catalogs, online at www.landsend.com and affiliated specialty and international websites, and through retail locations, primarily at Lands' End Shops at Sears and Lands' End stores. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and we seek to deliver timeless style for men, women, kids and the home. Lands' End was founded in 1963 in Chicago by Gary Comer and his partners to sell sailboat hardware and equipment by catalog. While our product focus has shifted significantly over the years, we have continued to adhere to our founder's motto as one of our guiding principles: "Take care of the customer, take care of the employee and the rest will take care of itself."

On March 14, 2014, the board of directors of Sears Holdings approved the distribution of the issued and outstanding shares of Lands' End common stock on the basis of 0.300795 shares of Lands' End common stock for each share of Sears Holdings common stock held on March 24, 2014, the record date. Sears Holdings distributed 100 percent of the outstanding common stock of Lands' End to its shareholders on April 4, 2014.

Prior to the completion of the Separation, Sears Holdings transferred all the remaining assets and liabilities of Lands' End that were held by Sears Holdings to Lands' End or its subsidiaries. Lands' End also paid a dividend of \$500.0 million to a subsidiary of Sears Holdings Corporation.

The Company identifies reportable segments according to how business activities are managed and evaluated. Each of the Company's operating segments are reportable segments and are strategic business units that offer similar products and services but are sold either directly from our warehouses (Direct) or through our retail stores (Retail).

Basis of Presentation

The financial statements presented herein represent (1) periods prior to April 4, 2014 when we were a wholly owned subsidiary of Sears Holdings Corporation (referred to as "Combined Financial Statements") and (2) the period as of and subsequent to April 4, 2014 when we became a separate publicly-traded company (referred to as "Consolidated Financial Statements").

Our historical Combined Financial Statements have been prepared on a stand-alone basis and have been derived from the consolidated financial statements of Sears Holdings and accounting records of Sears Holdings. The Combined Financial Statements include Lands' End, Inc. and subsidiaries and certain other items related to the Lands' End business which were held by Sears Holdings prior to the Separation, primarily the Lands' End Shops at Sears. These items were contributed by Sears Holdings to Lands' End, Inc. prior to the Separation. These historical Combined Financial Statements reflect our financial position, results of operations and cash flows in conformity with GAAP.

Through April 4, 2014, Sears Holdings Corporation's investment in Lands' End is shown as Net parent company investment in the Balance Sheet. Upon completion of the Separation, the Company had 31,956,521 shares of common stock outstanding at a par value of \$0.01 per share. After Separation adjustments were recorded, the remaining Net parent company investment, which includes all earnings prior to the Separation, was transferred to Additional paid-in capital.

Impacts from the Separation from Sears Holdings

Following the Separation, we began operating as a separate, publicly traded company, independent from Sears Holdings. According to statements on Schedule 13D filed with the SEC by ESL, ESL beneficially owned significant portions of both the Company's and Sears Holdings Corporation's outstanding shares of common stock. Therefore Sears Holdings Corporation, the Company's former parent company, is considered a related party both prior to and subsequent to the Separation. Impacts from the Separation from Sears Holdings are below:

General administrative and Separation costs. Historically, we used the corporate functions of Sears Holdings for a variety of shared services. We continue to pay Sears Holdings a fee for certain services. We believe that the assumptions and methodologies underlying these expenses from Sears Holdings are reasonable. However, such expenses may not be indicative of the actual level of expense that would have been or will be incurred by us as we operate as a publicly traded company independent from Sears Holdings. We entered into agreements with Sears Holdings or its subsidiaries for the continuation of certain of these services. We believe that the arrangements before the Separation, as reflected in the historical Combined Financial Statements contained herein, are not materially different from the arrangements that were entered into as part of the Separation.

Sears Holdings Agreements. Following the Separation, Lands' End and Sears Holdings operate separately, each as an independent company. We entered into certain agreements with Sears Holdings Corporation or its subsidiaries that effected the Separation, provided a framework for our relationship with Sears Holdings after the Separation and provided for the allocation between us and Sears Holdings of Sears Holdings' assets, employees, liabilities and obligations (including its investments, property and tax-related assets and liabilities) attributable to periods prior to, at and after the Separation.

The prior arrangements, as reflected in the historical Combined Financial Statements contained herein, are not materially different from the arrangements that were entered into with Sears Holdings in connection with the Separation, with the exception of the Shop Your Way member loyalty program.

Subsequent to the Separation, we have not had to employ a significant number of new employees to perform additional stand-alone or transition services. With respect to our retail operations, prior to the Separation, Sears Holdings provided retail staff for the Lands' End Shops at Sears. Pursuant to a retail operations agreement, we contracted with Sears Holdings to continue to provide such staff following the Separation. We continue to rely on our existing field management working in conjunction with retail staff contracted from Sears Holdings to operate our Lands' End Shops at Sears.

The success of our Retail segment depends on the performance of the Lands' End Shops at Sears. Under the terms of the master lease agreement and master sublease agreement pursuant to which Sears Roebuck leases or subleases to us the premises for the Lands' End Shops at Sears, Sears Roebuck has certain rights to (1) relocate our leased premises within the building in which such premises are located, subject to certain limitations, including our right to terminate the applicable lease if we are not satisfied with the new premises, and (2) terminate without liability the lease with respect to a particular Lands' End Shop if the overall Sears store in which such Lands' End Shop is located is closed or sold. Sears Holdings announced that it intends to continue to right-size, redeploy and highlight the value of its assets, including its real estate portfolio, in its transition from an asset-intensive, store-focused retailer and that it has entered into lease agreements with third party retailers for stand-alone stores. On July 7, 2015, Sears Holdings completed a rights offering and sale-leaseback transaction (the "Seritage transaction") with Seritage Growth Properties ("Seritage"), an independent publicly traded real estate investment trust. Sears Holdings disclosed that as part of the Seritage transaction, it sold 235 properties to Seritage (the "REIT properties") along with Sears Holdings' 50% interest in each of three real estate joint ventures (collectively, the "JVs"). Sears Holdings also disclosed that it contributed 31 properties to the JVs (the "JV properties"). As of January 27, 2017, 59 of the REIT properties contained a Lands' End Shop and 15 of the JV properties contained a Lands' End Shop, the leases with respect to which Sears Roebuck retained for its own account. Sears Holdings disclosed that Seritage and the JVs have a recapture right with respect to approximately 50% of the space within the stores at the REIT properties and JV properties (subject to certain exceptions), and with respect to nine of the stores that contain a Lands' End Shop, Seritage has the additional right to recapture 100% of the space within the Sears Roebuck store. If Sears Roebuck continues to dispose of retail stores that contain Lands' End Shops, and/or offer us relocation alternatives for Lands' End Shops that are less attractive than the current premises, our business and results of operations could be adversely affected. On January 27, 2017 the Company operated 216 Lands' End Shops at Sears, compared to 227 Lands' End Shops at Sears on January 29, 2016.

Debt Service Costs. Since the Separation, we are also incurring increased costs related to our \$175.0 million ABL Facility and on our Term Loan Facility with an initial balance of \$515.0 million. On January 27, 2017 the Term Loan

Facility had a balance of \$500.8 million. Interest costs related to the Debt Facilities were \$24.6 million and \$24.8 million in Fiscal 2016 and Fiscal 2015, respectively, and \$20.5 million for the ten months the Debt Facilities were in place in Fiscal 2014. The interest costs include approximately \$1.7 million, \$1.7 million and \$1.6 million of amortization of debt issuance costs in Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively. Annual payments under the Debt Facilities are expected to be the cash interest charges plus the Term Loan Facility seven year amortization of principal at a rate equal to 1% per annum. See “Liquidity and Capital Resources - Description of Material Indebtedness” below.

Due to these and other changes related to the Separation, the historical financial information included in this Annual Report on Form 10-K may not necessarily reflect our financial position, results of operations and cash flows in the future or what our financial position, results of operations and cash flows would have been had we been an independent, publicly traded company during the periods prior to the Separation that are presented.

Seasonality

We experience seasonal fluctuations in our net revenue and operating results and historically have realized a significant portion of our net revenue and earnings for the year during our fourth fiscal quarter. We generated 34.4%, 33.4% and 32.4% of our net revenue in the fourth fiscal quarter of Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively. Thus, lower than expected fourth quarter net revenue could have an adverse impact on our annual operating results.

Working capital requirements typically increase during the second and third quarters of the fiscal year as inventory builds to support peak shipping/selling periods and, accordingly, typically decrease during the fourth quarter of the fiscal year as inventory is shipped/sold. Cash provided by operating activities is typically higher in the 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. Fiscal years 2016, 2015 and 2014 each consisted of 52 weeks.

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

<i>(in thousands)</i>	Fiscal 2016		Fiscal 2015		Fiscal 2014	
	\$'s	% of Net Revenue	\$'s	% of Net Revenue	\$'s	% of Net Revenue
Net revenue	\$ 1,335,760	100.0 %	\$ 1,419,778	100.0 %	\$ 1,555,353	100.0 %
Cost of sales (excluding depreciation and amortization)	759,352	56.8 %	767,189	54.0 %	819,422	52.7 %
Gross profit	576,408	43.2 %	652,589	46.0 %	735,931	47.3 %
Selling and administrative	536,576	40.2 %	545,301	38.4 %	573,335	36.9 %
Depreciation and amortization	19,003	1.4 %	17,399	1.2 %	19,703	1.3 %
Intangible asset impairment	173,000	13.0 %	98,300	6.9 %	—	— %
Other operating expense (income), net	460	— %	(3,327)	(0.2)%	3,250	0.2 %
Operating (loss) income	(152,631)	(11.4)%	(5,084)	(0.4)%	139,643	9.0 %
Interest expense	24,630	1.8 %	24,826	1.7 %	20,494	1.3 %
Other expense (income), net	1,619	0.1 %	(671)	— %	(1,408)	(0.1)%
(Loss) income before income taxes	(178,880)	(13.4)%	(29,239)	(2.1)%	120,557	7.8 %
Income tax (benefit) expense	(69,098)	(5.2)%	(9,691)	(0.7)%	46,758	3.0 %
Net (loss) income	\$ (109,782)	(8.2)%	\$ (19,548)	(1.4)%	\$ 73,799	4.8 %

Depreciation and amortization is not included in our cost of sales because we are a reseller of inventory and do not believe that including depreciation and amortization is meaningful. As a result, our gross profits 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 (Loss) Income and Adjusted EBITDA

We recorded Net (loss) income of \$(109.8) million, \$(19.5) million, and \$73.8 million for Fiscal 2016, Fiscal 2015, and Fiscal 2014 respectively. In addition to our Net (loss) income determined in accordance with GAAP, for purposes of

evaluating operating performance, we use an Adjusted EBITDA measurement. Adjusted EBITDA is computed as Net (loss) income appearing on the Consolidated and Combined Statements of Operations net of Income tax expense, Interest expense, Depreciation and amortization, and certain significant items set forth below. Our management uses Adjusted EBITDA to evaluate the operating performance of our business, as well as executive compensation metrics, for comparable periods. Adjusted EBITDA should not be used by investors or other third parties as the sole basis for formulating investment decisions as it excludes a number of important cash and non-cash recurring items.

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 costs.
- Other significant items, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of results. We have adjusted our results for these items to make our statements more comparable and therefore more useful to investors as the items are not representative of our ongoing operations.
 - Intangible asset impairment—charge associated with the non-cash write-down of our trade name intangible asset, Lands' End, in Fiscal 2016 and Fiscal 2015.
 - Product recall—costs associated with a recall of selected styles of children's sleepwear in Fiscal 2014 that did not meet the federal flammability standard for children's sleepwear and the subsequent reversal of some costs in Fiscal 2015 and Fiscal 2016 as customer return rates were lower than Company estimates.
 - Gain or loss on the sale of property and equipment—management considers the gains or losses on sale of assets to result from investing decisions rather than ongoing operations.

<i>(in thousands)</i>	Fiscal 2016		Fiscal 2015		Fiscal 2014	
	\$'s	% of Net Revenue	\$'s	% of Net Revenue	\$'s	% of Net Revenue
Net (loss) income	\$ (109,782)	(8.2)%	\$ (19,548)	(1.4)%	\$ 73,799	4.8 %
Income tax (benefit) expense	(69,098)	(5.2)%	(9,691)	(0.7)%	46,758	3.0 %
Other expense (income), net	1,619	0.1 %	(671)	—%	(1,408)	(0.1)%
Interest expense	24,630	1.8 %	24,826	1.7 %	20,494	1.3 %
Operating (loss) income	(152,631)	(11.4)%	(5,084)	(0.4)%	139,643	9.0 %
Intangible asset impairment	173,000	13.0 %	98,300	6.9 %	—	—%
Depreciation and amortization	19,003	1.4 %	17,399	1.2 %	19,703	1.3 %
Product recall	(212)	—%	(3,371)	(0.2)%	4,713	0.3 %
Loss on disposal of property and equipment	672	0.1 %	44	—%	239	—%
Adjusted EBITDA	\$ 39,832	3.0 %	\$ 107,288	7.6 %	164,298	10.6 %

In assessing the operational performance of our business, we consider a variety of financial measures. We operate in two reportable segments, Direct (sold through e-commerce websites and direct mail catalogs) and Retail (sold through stores). A key measure in the evaluation of our business is revenue performance by segment. We also consider gross margin and Selling and administrative expenses in evaluating the performance of our business.

To evaluate revenue performance for the Direct segment we use Net revenue. For our Retail segment, we use Same Store Sales as a key measure in evaluating performance. A store is included in Same Store Sales calculations on the first day it has comparable prior year sales. Stores in which the selling square footage has changed by 15% or more as a result of a remodel, expansion, reductions or relocations are excluded from Same Store Sales calculations until the first day they have comparable prior year sales. Online sales and sales generated through our in-store computer kiosks are considered revenue in our Direct segment and are excluded from Same Store Sales.

Discussion and Analysis

Fiscal 2016 Compared to Fiscal 2015

Net revenue

Total Net revenue for Fiscal 2016 was \$1.34 billion, compared with \$1.42 billion for Fiscal 2015, a decrease of \$84.0 million. The decrease was primarily attributable to a decrease in our Direct segment of \$65.8 million and a decrease in our Retail segment of \$18.2 million.

Direct segment Net revenue was \$1.15 billion in Fiscal 2016, a decrease of \$65.8 million, or 5.4% from \$1.21 billion during the same period of the prior year. The decrease was driven by a challenging and increasingly promotional retail environment that resulted in a decline in traffic to our websites and a decline in average order value primarily attributable to increased promotional activity with deeper discounts. Additionally, customer acceptance of our fashion offerings, particularly our Canvas by Lands' End collection, did not meet expectations.

Net revenue in the Retail segment was \$186.4 million in Fiscal 2016, a decrease of \$18.2 million, or 8.9% from \$204.6 million during the same period of the prior year. The decrease was attributable to a decline in Same Store Sales and fewer Land's End Shops at Sears. Same Store Sales in the Retail segment decreased 6.0%, driven by lower sales in the Company's Lands' End Shops at Sears. On January 27, 2017 the Company operated 216 Lands' End Shops at Sears and 14 global Lands' End stores compared to 227 Lands' End Shops at Sears, 14 global Lands' End stores and 5 international shop-in-shops on January 29, 2016.

Gross Profit

Total gross profit decreased 11.7% to \$576.4 million and gross margin decreased approximately 280 basis points to 43.2% of total Net revenue in Fiscal 2016 compared with \$652.6 million, or 46.0% of total Net revenue in Fiscal 2015.

The decrease in gross profit was driven by a decrease in Direct segment gross profit to \$502.2 million in Fiscal 2016 compared with \$567.1 million in Fiscal 2015. The Direct segment gross margin decreased 300 basis points to 43.7% in Fiscal 2016 from 46.7% in Fiscal 2015, driven by a highly promotional retail environment which required deeper discounting. The under performance of our Canvas by Land's End collection during Fiscal 2016 negatively affected gross margin in the Direct segment by approximately 70 basis points.

Retail segment gross profit decreased 13.5% to \$74.0 million in Fiscal 2016 compared with \$85.5 million in Fiscal 2015. Retail segment gross margin decreased 210 basis points to 39.7% in Fiscal 2016, from 41.8% in Fiscal 2015, driven by a highly promotional retail environment which required deeper discounting throughout the year.

Selling and Administrative Expenses

Selling and administrative expenses were \$536.6 million, or 40.2% of total Net revenue in Fiscal 2016 compared with \$545.3 million, or 38.4% of total Net revenue in Fiscal 2015. The decrease of \$8.7 million in Selling and administrative expense was primarily attributable to a \$5.9 million decrease in marketing expenses and \$4.7 million decrease in other volume related variable expenses, partially offset by an increase of information technology expenses primarily associated with the ERP.

The Direct segment Selling and administrative expenses were \$423.6 million for Fiscal 2016 compared to \$424.8 million for the prior year. The decrease of \$1.2 million in Selling and administrative expense was primarily due to a \$3.5 million decline in marketing expenses and \$1.7 million decrease in other volume related variable expenses, partially offset by increases in personnel expenses and information technology expenses.

The Retail segment Selling and administrative expenses were \$79.6 million for Fiscal 2016 compared to \$86.1 million for the prior year. The decrease of \$6.5 million in Selling and administrative expense was primarily due to the reduction in the number of locations, including declines in personnel costs of \$3.3 million, and a \$2.4 million reduction in marketing expenses.

Corporate / other Selling and administrative expenses were \$33.4 million for Fiscal 2016 compared to \$34.4 million for the prior year. The decrease of \$1.0 million in selling and administrative expense was primarily due to decreases in various expenses, partially offset by increased personnel expenses.

Depreciation and Amortization

Depreciation and amortization was \$19.0 million in Fiscal 2016, an increase of \$1.6 million or 9.2%, compared with \$17.4 million in Fiscal 2015. The increase in Depreciation and amortization was primarily attributable to increased depreciation associated with information technology assets.

Intangible Asset Impairment

Intangible asset impairment was a non-cash write-down of the trade name asset Lands' End of \$173.0 million and \$98.3 million in Fiscal 2016 and Fiscal 2015, respectively. See Note 2, *Summary of Significant Accounting Policies*, and Note 8, *Goodwill and Intangible Asset*, of the Notes to the Consolidated and Combined Financial Statements in this Annual Report on Form 10-K for more information about the impairment charges.

Other Operating (Income) Expense, Net

Other operating expense, net was \$0.5 million in Fiscal 2016 compared to Other operating income, net of \$3.3 million in Fiscal 2015. Other operating income during Fiscal 2015 was largely comprised of the \$3.4 million reversal of a portion of the product recall accrual recognized in Fiscal 2014. Customer return rates for the recalled products were lower than estimated despite the efforts by the Company to contact impacted customers.

Operating Loss

Operating loss was \$152.6 million in Fiscal 2016, compared with Operating loss of \$5.1 million in Fiscal 2015. The decrease of \$147.5 million was primarily driven by the intangible asset impairment and lower Net revenues.

Interest Expense

Interest expense was \$24.6 million in Fiscal 2016, compared with \$24.8 million in Fiscal 2015.

Other Expense (Income), Net

Other expense, net was \$1.6 million in Fiscal 2016 compared to Other income, net of \$0.7 million in Fiscal 2015. In Fiscal 2016 and Fiscal 2015, we incurred charges of \$3.2 million and \$1.2 million, respectively, due to the reduction of indemnification assets from our former parent company related to reassessments of tax liabilities. There were also corresponding increases to the Income tax benefit of \$3.2 million and \$1.2 million (before consideration of federal income tax impact) in Fiscal 2016 and Fiscal 2015, respectively. These losses were offset by rental and interest income in both years.

Income Tax Benefit

Income tax benefit was \$69.1 million for Fiscal 2016 compared with Income tax benefit of \$9.7 million in Fiscal 2015. The decrease was primarily attributable to lower Operating income. Our effective tax rate was 38.6% and 33.1% in Fiscal 2016 and Fiscal 2015, respectively. The change in the effective tax rate was primarily driven by the near break even pre-tax income in Fiscal 2016, which caused the one time benefits discussed above to have a more pronounced impact on the rate.

Net Loss

Net loss was \$109.8 million, or \$(3.43) per diluted share in Fiscal 2016 compared to Net loss of \$19.5 million, or \$(0.61) per diluted share in Fiscal 2015. The decrease in Net loss was primarily attributable to the higher Intangible asset impairment charge in Fiscal 2016 and lower gross profit, partially offset by lower Selling and administrative expenses.

Adjusted EBITDA

Adjusted EBITDA was \$39.8 million in Fiscal 2016, compared with Adjusted EBITDA of \$107.3 million in Fiscal 2015. The 62.9% decrease was primarily driven by lower Net revenue.

Discussion and Analysis

Fiscal 2015 Compared to Fiscal 2014

Net revenue

Total Net revenue for Fiscal 2015 was \$1.42 billion, compared with \$1.56 billion for Fiscal 2014, a decrease of \$135.6 million. The decrease was primarily attributable to a decrease in our Direct segment of \$105.7 million and a decrease in our Retail segment of \$30.1 million.

Direct segment Net revenue was \$1.21 billion in Fiscal 2015, a decrease of \$105.7 million, or 8% from \$1.3 billion during the same period of the prior year. The decrease was driven by a decrease in catalog circulation, a reduced promotional approach, and lower customer acceptance of our product offering in a challenging retail environment, partially offset by our new marketing initiatives. Changes in foreign currency exchange rates compared with Fiscal 2014 negatively affected Net revenue in the Direct segment by approximately \$26.7 million.

Net revenue in the Retail segment was \$204.6 million in Fiscal 2015, a decrease of \$30.1 million, or 13% from \$234.6 million during the same period of the prior year. The decrease was driven by Same Store Sales and fewer Land's End Shops at Sears. Same Store Sales in the Retail segment decreased 9.3%, driven by lower sales in the Company's Lands' End Shops at Sears. On January 29, 2016 the Company operated 227 Lands' End Shops at Sears, 14 global Lands' End stores and five international shop-in-shops compared to 236 Lands' End Shops at Sears and 14 global Lands' End stores and five international shop-in-shops on January 30, 2015.

Gross Profit

Total gross profit decreased 11.3% to \$652.6 million and gross margin decreased approximately 130 basis points to 46.0% of total Net revenue, compared with \$735.9 million, or 47.3% of total Net revenue in Fiscal 2015 and Fiscal 2014, respectively.

The decrease in gross profit was driven by a decrease in Direct segment gross profit to \$567.1 million in Fiscal 2015 compared with \$636.1 million in Fiscal 2014. The Direct segment gross margin decreased 150 basis points to 46.7% in Fiscal 2015 from 48.2% in Fiscal 2014, driven by a highly promotional retail environment which required deeper discounting during the fourth quarter of the year. Changes in foreign currency exchange rates compared with Fiscal 2014 negatively affected gross margin in the Direct segment by approximately 90 basis points.

Retail segment gross profit decreased 14.2% to \$85.5 million in Fiscal 2015 compared with \$99.7 million in Fiscal 2014. Retail segment gross margin decreased 70 basis points to 41.8% of Retail Net revenue in Fiscal 2015, from 42.5% in Fiscal 2014, driven by a highly promotional retail environment which required deeper discounting during the fourth quarter of the year.

Selling and Administrative Expenses

Selling and administrative expenses were \$545.3 million, or 38.4% of total Net revenue in Fiscal 2015 compared with \$573.3 million, or 36.9% of total Net revenue for the comparable period in the prior year. The decrease of \$28.0 million in Selling and administrative expense was primarily attributable to \$12.9 million in favorable foreign exchange impacts, a \$8.1 million decrease in incentive compensation and a \$7.7 million decrease in personnel costs.

The Direct segment Selling and administrative expenses were \$424.8 million for Fiscal 2015 compared to \$445.0 million for the prior year. The decrease of \$20.2 million in Selling and administrative expense was primarily due to \$12.9 million of favorable foreign exchange impacts, a \$4.3 million decrease in incentive compensation, a \$3.4 million decline in personnel costs and lower marketing investments of \$2.8 million, partially offset by increased information technology expenses.

The Retail segment Selling and administrative expenses were \$86.1 million for Fiscal 2015 compared to \$92.6 million for the prior year. The decrease of \$6.5 million in Selling and administrative expense was primarily due to the reduction in the number of locations, including declines in personnel costs of \$5.5 million, and occupancy costs of \$0.5 million.

Corporate / other Selling and administrative expenses were \$34.4 million for Fiscal 2015 compared to \$35.7 million for the prior year. The decrease of \$1.3 million in selling and administrative expense was primarily due to decreased incentive compensation of \$3.6 million, partially offset by \$2.0 million in increased personnel costs.

Depreciation and Amortization

Depreciation and amortization was \$17.4 million in Fiscal 2015, a decrease of \$2.3 million or 11.7%, compared with \$19.7 million in Fiscal 2014. The decrease in Depreciation and amortization was primarily attributable to lower amortization of intangible assets.

Intangible Asset Impairment

Intangible asset impairment was a non-cash write-down of the trade name asset Lands' End in Fiscal 2015 of \$98.3 million. See Note 2, *Summary of Significant Accounting Policies*, and Note 8, *Goodwill and Intangible Assets*, of the Note to the Consolidated and Combined Financial Statements in this Annual Report on Form 10-K for more information about these assets and the related impairment charge.

Other Operating (Income) Expense, Net

Other operating (income) expense, net was \$(3.3) million in Fiscal 2015 compared to Other operating (income) expense, net of \$3.3 million in Fiscal 2014. Other operating income during Fiscal 2015 was largely comprised of the reversal of a portion of the product recall accrual recognized in Fiscal 2014. Customer return rates for the recalled products were lower than estimated despite the efforts by the Company to contact impacted customers which resulted in the product recall reversal causing Other Operating to be income in Fiscal 2015 and an expense in Fiscal 2014.

Operating (Loss) Income

Operating (loss) income was \$(5.1) million in Fiscal 2015, compared with Operating (loss) income of \$139.6 million in Fiscal 2014. The decrease of \$144.7 million, or 103.6%, was primarily driven by the intangible asset impairment and lower Net revenues.

Interest Expense

Interest expense was \$24.8 million in Fiscal 2015, compared with \$20.5 million in Fiscal 2014. The increase in Interest expense was driven by 2 additional months of interest in Fiscal 2015 versus Fiscal 2014.

Other Income, Net

Other Income, Net was \$0.7 million in Fiscal 2015 compared to \$1.4 million in Fiscal 2014. Other Income, Net consists primarily of rental and interest income. In Fiscal 2015 we incurred a charge of \$1.2 million from the reduction of a tax receivable from our former parent as a result of favorable tax settlements in certain tax jurisdictions. Consequently, there is a \$1.2 million increase in income tax benefit (before consideration of federal income tax impact).

Income Tax (Benefit) Expense

Income tax (benefit) expense was \$(9.7) million for Fiscal 2015 compared with Income tax (benefit) expense of \$46.8 million in Fiscal 2014. The decrease was primarily attributable to lower Operating income. Our effective tax rate was 33.1% and 38.8% in Fiscal 2015 and Fiscal 2014, respectively. The decrease in the effective tax rate was primarily driven by the favorable tax settlements discussed above.

Net (Loss) Income

Net (loss) income was \$(19.5) million, or \$(0.61) per diluted share in Fiscal 2015 compared to Net (loss) income of \$73.8 million, or \$2.31 per diluted share in Fiscal 2014. The decrease in Net (loss) income was primarily attributable to the Intangible asset impairment, lower gross profit and increased Interest expense partially offset by lower Selling and administrative expenses.

Adjusted EBITDA

Adjusted EBITDA was \$107.3 million in Fiscal 2015, compared with Adjusted EBITDA of \$164.3 million in Fiscal 2014. The 34.7% decrease was primarily driven by lower Net revenue.

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. We expect that our cash on hand and cash flows from operations, along with our ABL Facility, will be adequate to meet our capital requirements and operational needs for the next 12 months. 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 disproportionate amount of net revenue and operating cash flows generally occurring in the fourth fiscal quarter of each year.

Prior to the Separation, our working capital needs were met primarily through funds generated from operations, with additional funding from Sears Holdings to meet short-term working capital needs, mainly for our seasonal inventory builds. Sears Holdings used a centralized approach to its United States domestic cash management and financing of its operations. The majority of our cash was transferred to Sears Holdings on a daily basis. Sears Holdings was also our only source of funding for our operating and investing activities prior to the Separation. The principal needs for which Sears Holdings funded Lands' End were to cover corporate and other expenses and to fund our seasonal inventory builds.

Description of Material Indebtedness

Debt Arrangements

On April 4, 2014, Lands' End entered into the ABL Facility, which provides for maximum borrowings of \$175.0 million for Lands' End, subject to a borrowing base, with a \$30.0 million sub facility for the UK Borrower. The ABL Facility has a sub-limit of \$70.0 million for domestic letters of credit and a sub-limit of \$15.0 million for letters of credit for the UK Borrower. The ABL Facility is available for working capital and other general corporate purposes, and was undrawn at January 27, 2017 and January 29, 2016, other than for letters of credit. The Company had borrowing availability under the ABL Facility of \$155.3 million as of January 27, 2017, net of outstanding letters of credit of \$19.7 million.

Also on April 4, 2014, Lands' End entered into a Term Loan Facility of which the proceeds were used to pay a dividend of \$500.0 million to a subsidiary of Sears Holdings Corporation immediately prior to the Separation and to pay fees and expenses associated with the Debt Facilities of approximately \$11.4 million, with the remaining proceeds used for general corporate purposes.

Maturity; Amortization and Prepayments

The Term Loan Facility amortizes at a rate equal to 1% per annum, and is subject to mandatory prepayment in an amount equal to a percentage of the borrower's excess cash flows (as defined in the Term Loan Facility) in each fiscal year, ranging from 0% to 50% depending on Lands' End's secured leverage ratio, and the proceeds from certain asset sales and casualty events. Based on Fiscal 2016 results, a mandatory prepayment triggered, however, excess cash flow was negative resulting in no prepayment to be made in the first quarter of Fiscal 2017.

Guarantees; Security

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

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

Interest; Fees

The interest rates per annum applicable to the loans under the Debt Facilities are based on a fluctuating rate of interest measured by reference to, at the borrowers' election, either (i) LIBOR plus a borrowing margin, or (ii) an alternative base rate plus a borrowing margin. The borrowing margin is fixed for the Term Loan Facility at 3.25% in the case of LIBOR loans and 2.25% in the case of base rate loans. For the Term Loan Facility, LIBOR is subject to a 1% interest rate floor. The borrowing margin for the ABL Facility is subject to adjustment based on the average excess availability under the ABL Facility for the preceding fiscal quarter, and will range from 1.5% to 2.0% in the case of LIBOR borrowings and will range from 0.5% to 1.0% in the case of base rate borrowings.

Customary agency fees are payable pursuant to the terms of the Debt Facilities. The ABL Facility fees also include (i) commitment fees, based on a percentage ranging from approximately 0.25% to 0.375% of the daily unused portions of the facility, and (ii) customary letter of credit fees.

Representations and Warranties; Covenants

Subject to specified exceptions, the Debt Facilities contain various representations and warranties and restrictive covenants that, among other things, restrict the ability of Lands' End and its subsidiaries to incur indebtedness (including guarantees), grant liens, make investments, make dividends or distributions with respect to capital stock, make prepayments on other indebtedness, engage in mergers or change the nature of their business. In addition, if excess availability under the ABL Facility falls below the greater of 10% of the loan cap amount or \$15.0 million, Lands' End will be required to comply with a minimum fixed charge coverage ratio of 1.0 to 1.0. The Debt Facilities do not otherwise contain financial maintenance covenants. The Company was in compliance with all financial covenants related to the Debt Facilities as of January 27, 2017.

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.

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 generated net cash of \$23.7 million, \$35.9 million and \$211.1 million in Fiscal 2016, Fiscal 2015, and Fiscal 2014, 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 2016, net cash provided by operating activities decreased \$12.2 million compared to Fiscal 2015 primarily due to:

- Lower revenues, which drove a decrease in Net (loss) income before non-cash items,

- Prior year cash payments for taxes and incentive compensation and
- Changes in marketing strategies, driving increased prepaid advertising, partially offset by
- Improved inventory management.

In Fiscal 2015, net cash provided by operating activities decreased \$175.2 million compared to Fiscal 2014 primarily due to:

- Lower revenues, which drove a decrease in Net (loss) income before non-cash items and an increase in inventory,
- Increased inventory purchases to replenish inventory levels, as beginning inventory for Fiscal 2014 was \$68.8 million more than beginning inventory for Fiscal 2015,
- Cash payments for taxes and incentive compensation, and
- The one time impact in Fiscal 2014 of items that were settled through inter-company transactions with our former parent prior to the separation as described further below.

Cash Flows from Investing Activities

Net cash used in investing activities was \$33.3 million, \$22.2 million and \$16.6 million for Fiscal 2016, Fiscal 2015, and Fiscal 2014, respectively. Cash used in investing activities for all periods was primarily used in investing in information technology infrastructure, specifically ERP, and property and equipment.

For Fiscal 2017, we plan to invest a total of approximately \$40 to \$50 million in capital expenditures for strategic investments and infrastructure, primarily in technology and general corporate needs.

Cash Flows from Financing Activities

Net cash (used in) / provided in financing activities was \$(5.2) million, \$(5.2) million and \$8.2 million for Fiscal 2016, Fiscal 2015, and Fiscal 2014, respectively. Financing activities in Fiscal 2016 and Fiscal 2015 consisted of required annual payments on our Term Loan Facility. Financing activities in Fiscal 2014 consisted of cash proceeds of \$515.0 million from our Term Loan Facility and a \$8.5 million contribution from Sears Holdings, offset by a \$500.0 million dividend paid to a subsidiary of Sears Holdings Corporation prior to the Separation, \$11.4 million of debt issuance costs related to the Debt Facilities and \$3.9 million of payments on the Term Loan Facility. Financing activities for Fiscal 2014 prior to the Separation consisted of intercompany activity with Sears Holdings. Contributions from / (distributions to) parent company, net is the net effect of our former parent's intercompany settlement for transactions with the Lands' End business of Sears Holdings. Subsequent to the Separation, some of these activities are now included in cash flows from operating activities.

Contractual Obligations and Off-Balance-Sheet Arrangements

We have no material off-balance-sheet arrangements other than the guarantees and contractual obligations that are discussed below.

Information concerning our obligations and commitments to make future payments under contracts such as lease agreements, and under contingent commitments, as of January 27, 2017, is aggregated in the following table:

<i>(in thousands)</i>	Payments Due by Period				
	Total	Less than 1 year	2-3 Years	4-5 Years	After 5 years
Operating leases ⁽¹⁾	\$ 65,219	\$ 27,881	\$ 30,863	\$ 3,754	\$ 2,721
Principal payments on long-term debt	500,838	5,150	10,300	485,388	—
Interest on long-term debt and ABL Facility fees	90,251	22,263	43,128	24,860	—
Purchase obligations ⁽²⁾	189,066	189,066	—	—	—
Total contractual obligations	\$ 845,374	\$ 244,360	\$ 84,291	\$ 514,002	\$ 2,721

- (1) Operating lease obligations consist primarily of future minimum lease commitments related to store operating leases (refer to Note 4, *Leases*, of our consolidated and combined financial statements).
- (2) Purchase obligations primarily represent open purchase orders to purchase inventory.

At January 27, 2017, Lands' End had UTBs of \$6.9 million, which are not reflected in the table above. We are unable to reasonably estimate the timing of liability payments arising from uncertain tax positions in individual years due to uncertainties in the timing of effective settlement of tax positions. Pursuant to the Tax Sharing Agreement, Sears Holdings Corporation is generally responsible for all United States federal, state and local UTBs through the date of the Separation and, as such, the UTBs are recorded in Other liabilities in the Consolidated and Balance Sheets, and an indemnification asset from Sears Holdings Corporation for the \$6.5 million pre-Separation UTBs is recorded in Other assets in the Consolidated Balance Sheets.

Financial Instruments with Off-Balance-Sheet Risk

On April 4, 2014, Lands' End entered into the ABL Facility, which provides for maximum borrowings of \$175.0 million for Lands' End, subject to a borrowing base, with a \$30.0 million sub facility for the UK Borrower. The ABL Facility has a sub-limit of \$70.0 million for domestic letters of credit and a sub-limit of \$15.0 million for letters of credit for the UK Borrower. The ABL Facility is available for working capital and other general corporate purposes, and was undrawn at the Separation and at January 27, 2017, other than for letters of credit. The Company had borrowing availability under the ABL Facility of \$155.3 million as of January 27, 2017, net of outstanding letters of credit of \$19.7 million.

Application of Critical Accounting Policies and Estimates

Our consolidated and combined financial statements have been prepared in accordance with GAAP, which requires management to make estimates and judgments that affect amounts reported in the consolidated and combined financial statements and accompanying notes. While our estimates and assumptions are based on our knowledge of current events and actions we may undertake in the future, actual results may ultimately differ from our estimates and assumptions. Our estimation processes contain uncertainties because they require management to make assumptions and apply judgment to make these estimates. Should actual results be different than our estimates, we could be exposed to gains or losses from differences that may be material.

For a summary of our significant accounting policies, please refer to Note 2, *Summary of Significant Accounting Policies*, of our consolidated and combined financial statements. We believe the accounting policies discussed below represent the accounting policies we apply that are the most critical to understanding our consolidated and combined financial statements.

Inventory Valuation

Our inventories consist of merchandise purchased for resale and are recorded at the lower of cost or market. The nature of our business requires that we make a significant amount of our merchandising decisions and corresponding inventory purchase commitments with vendors several months in advance of the time in which a particular merchandise item is intended to be included in the merchandise offerings. These decisions and commitments are based upon, among other possible considerations, historical sales with identical or similar merchandise, our understanding of then-prevailing fashion trends and influences, and an assessment of likely economic conditions and various competitive factors.

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 market. 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 90% and 88% of total inventory as of January 27, 2017 and January 29, 2016, respectively.

We continually make assessments as to whether the carrying cost of inventory exceeds its market value, and, if so, by what dollar amount. Excess inventories may be disposed of through our Direct segment and Retail segment. Based on historical results experienced through various methods of disposition, we write down the carrying value of inventories that are not expected to be sold at or above cost. The excess and obsolete reserve balances were \$20.1 million and \$15.5 million as of January 27, 2017 and January 29, 2016, respectively, primarily driven by specific reserves related to Canvas by Lands' End inventory. For the inventory marked down to net realizable value, a one percentage point increase in our

adjustment rate at January 27, 2017 would have had an immaterial impact on our consolidated and combined financial statements.

Goodwill and Trade Name Impairment Assessments

Goodwill and the trade name indefinite-lived intangible asset are tested separately for impairment on an annual basis, or are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The goodwill and trade name intangible asset relate to Kmart's acquisition of Sears Roebuck in March 2005.

Frequently our impairment loss calculations contain multiple uncertainties because they require management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting cash flows under different scenarios. We perform annual goodwill and indefinite-lived intangible asset impairment tests on the last day of our November accounting period each year and update the tests between annual tests if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit or indefinite-lived intangible asset below its carrying amount. However, if actual results are not consistent with our estimates and assumptions used in estimating future cash flows and asset fair values, we may be exposed to losses that could be material.

Goodwill impairment assessments. Our goodwill resides in the Direct reporting unit. The goodwill impairment test involves a two-step process. The first step is a comparison of the reporting unit's fair value to its carrying value. We estimate fair value using the best information available, using 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 projection uses management's best estimates of economic and market conditions over the projected period, including growth rates in revenues, costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. In prior years, a market approach was also used, and the Company's final estimate of the fair value of the reporting unit was developed by weighting the fair values determined through both the market participant and income approaches. The market approach determines a value of the reporting unit by deriving market multiples for the reporting unit based on assumptions potential market participants would use in establishing a bid price for the reporting unit, however, this method is dependent on the availability of comparable market participant information. Due to the lack of comparable market participants, the Company adjusted the valuation methodology to only rely on the discounted cash flow valuation.

If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of the reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. Specifically, we allocate the fair value to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that would calculate the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, we record an impairment charge for the difference.

During Fiscal 2016, Fiscal 2015 and Fiscal 2014, the fair value of the reporting unit exceeded the carrying value and, as such, we did not record any goodwill impairment charges. In Fiscal 2016, Fiscal 2015 and Fiscal 2014, the fair value of the reporting unit exceeded the carrying value by 17.1%, 23.8% and 163.3%, respectively.

The use of different assumptions, estimates or judgments in the first step of the goodwill impairment testing process, such as the estimated future cash flows of our reporting units and the discount rate used to discount such cash flows, could significantly increase or decrease the estimated fair value of a reporting unit. At the Fiscal 2016 annual impairment test date, the conclusion that no indication of goodwill impairment existed for the reporting unit would not have changed had the test been conducted assuming: (1) a 100 basis point increase in the discount rate used to discount the aggregate estimated cash flows of our reporting units to their net present value in determining their estimated fair values and/or (2) a 30 basis point decrease in the estimated sales growth rate and/or terminal period growth rate.

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. We review our indefinite-lived intangible asset, the Lands' End trade name, for impairment by comparing the carrying amount of the asset to its fair value. We consider the income approach when testing the intangible asset with indefinite life for impairment on an annual basis. We determined that the income approach, specifically the relief from royalty method, was most appropriate for analyzing our indefinite-lived asset. This method is based on the assumption that, in lieu of ownership, a firm would be willing to pay a royalty in order to exploit the related benefits of this asset class. The relief from royalty method involves two steps: (1) estimation of reasonable royalty rates for the assets and (2) the application of these royalty rates to a net revenue stream and discounting the resulting cash flows to determine a 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 by the selected discount rate and compared to the carrying value of the asset.

In Fiscal 2016, Fiscal 2015 and Fiscal 2014 we tested our indefinite-lived intangible assets as required. As a result of this testing, we recorded a non-cash pretax trade name impairment charge to our Direct segment of \$173.0 million and \$98.3 million in Fiscal 2016 and Fiscal 2015, respectively, due to lower future revenue forecasts as a result of declining results in Fiscal 2016, including a 3% decline in fourth quarter revenues in Fiscal 2016 compared to Fiscal 2015 and a 6% decline in fourth quarter revenues in Fiscal 2015 compared to Fiscal 2014. Revenues in the fourth quarter generally account for approximately one third of annual revenues due to the significance of the holiday selling season to our business, and therefore fourth quarter results have a significant influence on future projections for the Company. The impairment is recorded in Intangible asset impairment in the Consolidated and Combined Statements of Operations in this Annual Report on Form 10-K. No impairment charge was recorded in Fiscal 2014. Future cash expenditures will not result from these impairment charges. If actual results are not consistent with our estimates and assumptions used in estimating future revenue streams, we may be exposed to further losses.

See Note 2, *Summary of Significant Accounting Policies*, and Note 8, *Goodwill and Intangible Assets*, of the Note to the Consolidated and Combined Financial Statements in this Annual Report on Form 10-K for more information about these assets and the related impairment charge.

Revenue Recognition

While revenue recognition for the Company does not involve significant judgment, it represents an important accounting policy. 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. For sales where we ship the merchandise to the customer revenue is recognized at the time the customer receives the merchandise. 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.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which provides new guidance for revenue recognition. This guidance was deferred by ASU 2015-14, issued by the FASB in August 2015, and will be effective for Lands' End in the first quarter of its fiscal year ending February 1, 2019.

The Company is currently assessing the impact of adopting ASU 2014-09 on our revenue recognition practices. We have organized a team and based upon our preliminary assessment believe it could impact the timing of recognition of revenues from gift cards and revenues from our Direct segment. The Company expects to finalize its evaluation in Fiscal 2017 and will provide updates on its progress in future filings. See Note 2, *Summary of Significant Accounting Policies*, for further information.

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. The Company performed an evaluation over its deferred tax assets and determined that a valuation allowance is not considered necessary. Without the \$173.0 million and \$98.3 million non-cash impairment charges to the indefinite-lived intangible asset in Fiscal 2016 and Fiscal 2015, respectively, the Company would not be in a cumulative loss position.

We believe the judgments and estimates discussed above are reasonable. However, if actual results are not consistent with our estimates or assumptions, we may be exposed to losses or gains that could be material.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements made in this Annual Report on Form 10-K contain forward-looking statements. Forward-looking statements are subject to risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements include without limitation information concerning our future financial performance, business strategy, plans, goals and objectives.

Statements preceded or followed by, or that otherwise include, the words “believes,” “expects,” “anticipates,” “intends,” “project,” “estimates,” “plans,” “forecast,” “is likely to” and similar expressions or future or conditional verbs such as “will,” “may,” “would,” “should” and “could” are generally forward-looking in nature and not historical facts. Such statements are based upon the current beliefs and expectations of our management and are subject to significant risks and uncertainties. Actual results may differ materially from those set forth in the forward-looking statements.

The following additional factors, among others, could cause our actual results, performance, and achievements to differ from those described in the forward-looking statements: our ability to offer merchandise and services that customers want to purchase, including a product assortment with improved fit and quality; changes in customer preference from our branded merchandise; customers’ use of our digital platform, including customer acceptance of our efforts to enhance our e-commerce websites; the success of our overall marketing strategies, including our efforts to maintain and grow a robust customer list; customer response to direct mail catalogs and digital/social media marketing efforts; the success of initiatives that are intended to optimize catalog productivity; our dependence on information technology and a failure of information technology systems, including with respect to our e-commerce operations, or an inability to upgrade or adapt our systems; the success of our ERP implementation; our failure to maintain the security of customer, employee or company information; legal, regulatory, economic and political risks associated with international trade and those markets in which we conduct business and source our merchandise; impairment of our relationships with our vendors; the impact on our business of adverse worldwide economic and market conditions, including economic factors that negatively impact consumer spending on discretionary items; our failure to compete effectively in the apparel industry; the success of efforts to optimize promotions to drive sales and maximize gross margin dollars; the success of our efforts to grow and expand into new markets and channels; if Sears Roebuck sells or disposes of its retail stores, including pursuant to recapture rights granted to Seritage Growth Properties and other parties, or if its retail business does not attract customers or does not adequately provide services to Lands’ End Shops at Sears; our failure to timely and effectively obtain shipments of products from our vendors and deliver merchandise to our customers; our failure to efficiently manage inventory levels; our failure to protect or preserve the image of our brands and our intellectual property rights; incurrence of charges due to impairment of goodwill, other intangible assets and long-lived assets; our failure to retain our executive management team and to attract qualified new personnel; fluctuations and increases in the costs of raw materials; increases in postage, paper and printing costs; failure by third parties who provide us with services in connection with certain aspects of our business to perform their obligations; the adverse effect on our reputation if our independent vendors do not use ethical business practices or comply with applicable laws and regulations; our exposure to periodic litigation and other regulatory proceedings, including with respect to product liability claims; assessments for additional state taxes; the seasonal nature of our business; unseasonal or severe weather conditions; the failure of Sears Holdings or its subsidiaries to perform under various agreements due to insolvency or otherwise; the inability of our past performance generally, as reflected on our historical financial statements, to be indicative of

our future performance; our agreements related to the Separation and certain of our agreements that govern our continuing relationship with Sears Holdings were negotiated while we were a subsidiary of Sears Holdings and we may have received better terms from an unaffiliated third party; potential indemnification liabilities to Sears Holdings pursuant to the separation and distribution agreement; the ability of our principal stockholders to exert substantial influence over us; potential liabilities under fraudulent conveyance and transfer laws and legal capital requirements; the impact of increased costs due to a decrease in our purchasing power following the Separation and other losses of benefits associated with being a subsidiary of Sears Holdings; and other factors.

The foregoing factors should not be understood as exhaustive and should be read in conjunction with the other cautionary statements, including the “Risk Factors,” that are included in this Annual Report filed on Form 10-K and in our other filings with the SEC and our other public announcements. While we believe that our forecasts and assumptions are reasonable, we caution that actual results may differ materially. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Consequently, actual events and results may vary significantly from those included in or contemplated or implied by our forward-looking statements. The forward-looking statements included in this Annual Report on Form 10-K are made only as of the date of this Annual Report on Form 10-K, and we undertake no obligation to publicly update or review any forward-looking statement made by us or on our behalf, whether as a result of new information, future developments, subsequent events or circumstances or otherwise, except as required by law.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk inherent in our financial instruments represents the potential loss arising from adverse changes in currency rates. We have not been materially impacted by fluctuations in foreign currency exchange rates as a significant portion of our business is transacted in United States dollars, and is expected to continue to be transacted in United States dollars or United States dollar-based currencies. As of January 27, 2017 we had \$27.6 million of cash denominated in foreign currency, principally in British Pounds, Euros and Yen. We do not enter into financial instruments for trading purposes or hedging and have not used any derivative financial instruments. We do not consider our foreign earnings to be permanently reinvested.

We are subject to interest rate risk with our Term Loan Facility and our ABL Facility, as both require us to pay interest on outstanding borrowings at variable rates. Each one percentage point change in interest rates associated with the Term Loan Facility would result in a \$4.0 million change in our annual cash interest expenses. Assuming our ABL Facility was fully drawn to a principal amount equal to \$175.0 million, each one percentage point change in interest rates would result in a \$1.8 million change in our annual cash interest expense.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

<u>Report of Independent Registered Public Accounting Firm</u>	<u>50</u>
<u>Consolidated and Combined Statements of Operations for Fiscal Years Ended January 27, 2017, January 29, 2016 and January 30, 2015</u>	<u>52</u>
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Lands' End, Inc. and subsidiaries (the "Company") as of January 27, 2017 and January 29, 2016, and the related consolidated and combined statements of operations, comprehensive operations, cash flows, and changes in stockholders' equity for each of the three fiscal years in the period ended January 27, 2017. We also have audited the Company's internal control over financial reporting as of January 27, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel 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 the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated and combined financial statements referred to above present fairly, in all material respects, the financial position of Lands' End Inc. and subsidiaries as of January 27, 2017 and January 29, 2016, and the results of their operations and their cash flows for each of the three fiscal years in the period ended January 27, 2017, in conformity with accounting principles generally accepted in the United States of America. Also, in our

opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 27, 2017, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

As discussed in Note 1 and Note 11, the combined financial statements, constituting the periods prior to April 4, 2014, include the Lands' End business of Sears Holdings Corporation and have been derived from the consolidated financial statements and accounting records of Sears Holdings Corporation. The combined financial statements also include expense allocations for certain corporate functions historically provided by Sears Holdings Corporation. These allocations may not be reflective of the actual expense which would have been incurred had the Company operated as a separate entity apart from Sears Holdings Corporation prior to April 4, 2014.

/s/ DELOITTE & TOUCHE LLP

Davenport, Iowa
March 31, 2017

LANDS' END, INC.
Consolidated and Combined Statements of Operations
for Fiscal Years Ended January 27, 2017, January 29, 2016 and January 30, 2015

(in thousands except per share data)

	2016	2015	2014
REVENUES			
Net revenue	\$ 1,335,760	\$ 1,419,778	\$ 1,555,353
Cost of sales (excluding depreciation and amortization)	759,352	767,189	819,422
Gross profit	576,408	652,589	735,931
Selling and administrative	536,576	545,301	573,335
Depreciation and amortization	19,003	17,399	19,703
Intangible asset impairment	173,000	98,300	—
Other operating expense (income), net	460	(3,327)	3,250
Total costs and expenses	729,039	657,673	596,288
Operating (loss) income	(152,631)	(5,084)	139,643
Interest expense	24,630	24,826	20,494
Other expense (income), net	1,619	(671)	(1,408)
(Loss) income before income taxes	(178,880)	(29,239)	120,557
Income tax (benefit) expense	(69,098)	(9,691)	46,758
NET (LOSS) INCOME	\$ (109,782)	\$ (19,548)	\$ 73,799
NET (LOSS) INCOME PER COMMON SHARE ATTRIBUTABLE TO STOCKHOLDERS (Note 2)			
Basic:	\$ (3.43)	\$ (0.61)	\$ 2.31
Diluted:	\$ (3.43)	\$ (0.61)	\$ 2.31
Basic weighted average common shares outstanding	32,021	31,979	31,957
Diluted weighted average common shares outstanding	32,021	31,979	32,016

See accompanying Notes to Consolidated and Combined Financial Statements.

LANDS' END, INC.
Consolidated and Combined Statements of Comprehensive Operations
for Fiscal Years Ended January 27, 2017, January 29, 2016 and January 30, 2015

(in thousands)

	2016	2015	2014
NET (LOSS) INCOME	\$ (109,782)	\$ (19,548)	\$ 73,799
Other comprehensive loss, net of tax			
Foreign currency translation adjustments	(3,042)	(2,086)	(5,303)
COMPREHENSIVE (LOSS) INCOME	<u>\$ (112,824)</u>	<u>\$ (21,634)</u>	<u>\$ 68,496</u>

See accompanying Notes to Consolidated and Combined Financial Statements.

LANDS' END, INC.
Consolidated Balance Sheets

<i>(in thousands, except share data)</i>	January 27, 2017	January 29, 2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 213,108	\$ 228,368
Restricted cash	3,300	3,300
Accounts receivable, net	39,284	32,061
Inventories, net	325,314	329,203
Prepaid expenses and other current assets	26,394	23,618
Total current assets	607,400	616,550
Property and equipment, net	122,836	109,831
Goodwill	110,000	110,000
Intangible asset, net	257,000	430,000
Other assets	17,155	15,145
Total assets	\$ 1,114,391	\$ 1,281,526
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 162,408	\$ 146,097
Other current liabilities	86,446	83,992
Total current liabilities	248,854	230,089
Long-term debt, net	490,043	493,838
Long-term deferred tax liabilities	90,467	157,252
Other liabilities	13,615	15,838
Total liabilities	842,979	897,017
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Common stock, par value \$0.01 - authorized: 480,000,000 shares; issued and outstanding: 32,029,359, 31,991,668, respectively	320	320
Additional paid-in capital	343,971	344,244
Retained (deficit) earnings	(60,453)	49,329
Accumulated other comprehensive loss	(12,426)	(9,384)
Total stockholders' equity	271,412	384,509
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,114,391	\$ 1,281,526

See accompanying Notes to Consolidated and Combined Financial Statements.

LANDS' END, INC.
Consolidated and Combined Statements of Cash Flows
for Fiscal Years Ended January 27, 2017, January 29, 2016 and January 30, 2015

(in thousands)

	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	\$ (109,782)	\$ (19,548)	\$ 73,799
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	19,003	17,399	19,703
Intangible asset impairment	173,000	98,300	—
Product recall	(212)	(3,371)	4,713
Amortization of debt issuance costs	1,712	1,741	1,563
Loss on disposal of property and equipment	672	44	239
Stock-based compensation	2,230	2,395	2,118
Deferred income taxes	(67,253)	(22,670)	17,545
Change in operating assets and liabilities:			
Inventories	755	(29,819)	64,252
Accounts payable	16,951	10,005	19,207
Other operating assets	(12,356)	3,462	(9,342)
Other operating liabilities	(1,027)	(22,047)	17,324
Net cash provided by operating activities	<u>23,693</u>	<u>35,891</u>	<u>211,121</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property and equipment	47	—	—
Purchases of property and equipment	(33,319)	(22,224)	(16,608)
Net cash used in investing activities	<u>(33,272)</u>	<u>(22,224)</u>	<u>(16,608)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions from / (distributions to) Sears Holdings, net	—	—	8,481
Proceeds from issuance of long-term debt	—	—	515,000
Payments on term loan facility	(5,150)	(5,150)	(3,862)
Debt issuance costs	—	—	(11,433)
Dividend paid to a subsidiary of Sears Holdings Corporation	—	—	(500,000)
Net cash (used in) provided by financing activities	<u>(5,150)</u>	<u>(5,150)</u>	<u>8,186</u>
Effects of exchange rate changes on cash	(531)	(1,603)	(3,656)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(15,260)</u>	<u>6,914</u>	<u>199,043</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>228,368</u>	<u>221,454</u>	<u>22,411</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 213,108</u>	<u>\$ 228,368</u>	<u>\$ 221,454</u>
SUPPLEMENTAL INFORMATION:			
Supplemental Cash Flow Data:			
Unpaid liability to acquire property and equipment	\$ 8,419	\$ 8,182	\$ 4,157
Income taxes paid	\$ 3,653	\$ 23,991	\$ 19,842
Interest paid	\$ 22,484	\$ 22,690	\$ 18,726

See accompanying Notes to Consolidated and Combined Financial Statements.

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

<i>(in thousands except share data)</i>	Common Stock Issued		Additional Paid- in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Net Parent Company Investment	Total Stockholders' Equity
	Shares	Amount					
Balance at February 1, 2014	—	\$ —	\$ —	\$ —	\$ (1,995)	\$ 794,309	\$ 792,314
Net income	—	—	—	68,877	—	4,922	73,799
Cumulative translation adjustment, net of tax	—	—	—	—	(5,303)	—	(5,303)
Stock-based compensation expense	—	—	2,118	—	—	—	2,118
Contribution from Sears Holdings, net	—	—	—	—	—	8,481	8,481
Dividend paid to parent company	—	—	—	—	—	(500,000)	(500,000)
Separation related adjustment	—	—	—	—	—	32,784	32,784
Reclassification of net parent company investment to common stock and additional paid-in capital in conjunction with the separation	31,956,521	320	340,176	—	—	(340,496)	—
Balance at January 30, 2015	31,956,521	320	342,294	68,877	(7,298)	—	404,193
Net loss	—	—	—	(19,548)	—	—	(19,548)
Cumulative translation adjustment, net of tax	—	—	—	—	(2,086)	—	(2,086)
Stock-based compensation expense	—	—	2,395	—	—	—	2,395
Vesting of restricted shares	52,948	—	—	—	—	—	—
Restricted stock shares surrendered for taxes	(17,801)	—	(445)	—	—	—	(445)
Balance at January 29, 2016	31,991,668	320	344,244	49,329	(9,384)	—	384,509
Net loss	—	—	—	(109,782)	—	—	(109,782)
Cumulative translation adjustment, net of tax	—	—	—	—	(3,042)	—	(3,042)
Adjustment from pre-Separation deferred tax liabilities	—	—	(2,107)	—	—	—	(2,107)
Stock-based compensation expense	—	—	2,230	—	—	—	2,230
Vesting of restricted shares	57,543	—	—	—	—	—	—
Restricted stock shares surrendered for taxes	(19,852)	—	(396)	—	—	—	(396)
Balance at January 27, 2017	32,029,359	\$ 320	\$ 343,971	\$ (60,453)	\$ (12,426)	\$ —	\$ 271,412

See accompanying Notes to Consolidated and Combined Financial Statements.

LANDS' END, INC.
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

NOTE 1. BACKGROUND AND BASIS OF PRESENTATION

Description of Business and Separation

Lands' End, Inc. ("Lands' End" or the "Company") is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products. Lands' End offers products through catalogs, online at www.landsend.com and affiliated specialty and international websites, and through retail locations, primarily at Lands' End Shops at Sears and Lands' End stores.

Terms that are commonly used in the Company's notes to consolidated financial statements are defined as follows:

- ABL Facility - Asset-based senior secured credit agreements, dated as of April 4, 2014, with Bank of America, N.A and certain other lenders
- Adjusted EBITDA - Adjusted Earnings before Interest, Taxes, Depreciation and Amortization, Other Income, net, and certain significant items
- ASC - Financial Accounting Standards Board Accounting Standards Codification, which serves as the source for authoritative GAAP, except that rules and interpretive releases by the SEC are also sources of authoritative GAAP for SEC registrants
- ASU - Financial Accounting Standards Board Accounting Standards Update
- CAM - Common area maintenance for leased properties
- Debt Facilities - Collectively, the ABL Facility and the Term Loan Facility
- Deferred Awards - Time vesting stock awards
- EPS - Earnings per share
- ERP - Enterprise resource planning software solutions
- ESL - ESL Investments, Inc. and its investment affiliates, including Edward S. Lampert
- FASB - Financial Accounting Standards Board
- First Quarter 2016 - The 13 weeks ended April 29, 2016
- First Quarter 2015 - The 13 weeks ended May 1, 2015
- Fiscal 2017 - The Company's next fiscal year representing the 53 weeks ending February 2, 2018
- Fiscal 2016 - The 52 weeks ended January 27, 2017
- Fiscal 2015 - The 52 weeks ended January 29, 2016
- Fiscal 2014 - The 52 weeks ended January 30, 2015
- Fourth Quarter 2016 - The 13 weeks ended January 27, 2017
- Fourth Quarter 2015 - The 13 weeks ended January 29, 2016
- GAAP - Accounting principles generally accepted in the United States
- LIBOR - London inter-bank offered rate
- Performance Awards - Performance-based stock awards
- Sears Holdings or Sears Holdings Corporation - Sears Holdings Corporation, a Delaware Corporation, and its consolidated subsidiaries (other than, for all periods following the Separation, Lands' End)
 - Sears Roebuck - Sears, Roebuck and Co., a subsidiary of Sears Holdings Corporation
 - SEC - United States Securities and Exchange Commission

- Second Quarter 2016 - The 13 weeks ended July 29, 2016
- Second Quarter 2015 - The 13 weeks ended July 31, 2015
- Separation - On April 4, 2014 Sears Holdings distributed 100% of the outstanding common stock of Lands' End to its shareholders
- SHMC - Sears Holdings Management Corporation, a subsidiary of Sears Holdings Corporation
- SHCP - SHC Promotions LLC, a subsidiary of Sears Holdings Corporation
- SYW - Shop Your Way member loyalty program
- Tax Sharing Agreement - A tax sharing agreement entered into by Sears Holdings Corporation and Lands' End in connection with the Separation
- Term Loan Facility - Term loan credit agreements, dated as of April 4, 2014, with Bank of America, N.A. and certain other lenders
- Third Quarter 2016 - The 13 weeks ended October 28, 2016
- Third Quarter 2015 - The 13 weeks ended October 31, 2015
- UK Borrower - A United Kingdom subsidiary borrower of Lands' End under the ABL Facility
- UTBs - Gross unrecognized tax benefits

On March 14, 2014, the board of directors of Sears Holdings approved the distribution of the issued and outstanding shares of Lands' End common stock on the basis of 0.300795 shares of Lands' End common stock for each share of Sears Holdings Corporation common stock held on March 24, 2014. Sears Holdings Corporation distributed 100 percent of the outstanding common stock of Lands' End to its shareholders on April 4, 2014.

A Registration Statement on Form 10 relating to the Separation was filed by the Company with the SEC, and was subsequently amended by the Company and declared effective by the SEC on March 17, 2014. The Company's common stock began "regular way" trading on the NASDAQ Stock Market after the distribution date under the symbol "LE".

Prior to the completion of the Separation, Sears Holdings transferred all the remaining assets and liabilities of Lands' End that were held by Sears Holdings to Lands' End or its subsidiaries. Lands' End also paid a dividend of \$500.0 million to a subsidiary of Sears Holdings Corporation.

Basis of Presentation

The financial statements presented herein represent (1) periods prior to April 4, 2014 when Lands' End was a wholly owned subsidiary of Sears Holdings Corporation (referred to as "Combined Financial Statements") and (2) the period as of and subsequent to April 4, 2014 when Lands' End became a separate publicly-traded company (referred to as "Consolidated Financial Statements").

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

Our historical Combined Financial Statements have been prepared on a stand-alone basis and have been derived from the consolidated financial statements and accounting records of Sears Holdings. The Combined Financial Statements include Lands' End, Inc. and subsidiaries and certain other items related to the Lands' End business which were held by Sears Holdings prior to the Separation. These items were contributed by Sears Holdings to Lands' End, Inc. prior to the Separation. These historical Combined Financial Statements reflect the Company's financial position, results of operations and cash flows in conformity with GAAP.

All intracompany transactions and accounts have been eliminated. Prior to the Separation, all intercompany transactions between Sears Holdings and Lands' End were considered to be effectively settled in the Combined Financial Statements at the time the transactions were recorded. The total net effect of the settlement of these intercompany transactions is reflected in the Combined Statements of Cash Flows as a financing activity and in the Combined Statements of Stockholders' Equity as Net parent company investment.

Through April 4, 2014, Sears Holdings Corporation's investment in Lands' End was shown as Net parent company investment in the Balance Sheet. Upon completion of the Separation, the Company had 31,956,521 shares of common stock outstanding at a par value of \$0.01 per share. After Separation adjustments were recorded, the remaining Net parent company investment, which includes all earnings prior to Separation, was transferred to Additional paid-in capital.

As a business operation of Sears Holdings, Lands' End did not maintain its own tax and certain other corporate support functions prior to the Separation. Lands' End entered into agreements with Sears Holdings for the continuation of certain of these services, as well as to support the Lands' End Shops at Sears. These expenses had been allocated to Lands' End based on direct usage or benefit where identifiable, with the remainder allocated on a pro rata basis based upon revenue, headcount, square footage or other measures. Lands' End considers the expense allocation methodology and results to be reasonable for all periods presented. However, the costs and allocations charged to the Company by Sears Holdings do not necessarily reflect the costs of obtaining the services from unaffiliated third parties or of the Company providing the applicable services itself. The historical Combined Financial Statements contained herein may not be indicative of the Company's financial position, operating results, and cash flows in the future, or what they would have been if it had been a stand-alone company during all periods presented. See Note 11, *Related Party Agreements and Transactions*.

Prior to the Separation, Sears Holdings provided financing, cash management and other treasury services to Lands' End. Sears Holdings used a centralized approach to its United States domestic cash management and financing of its operations. The majority of the Company's cash was transferred to Sears Holdings on a daily basis. Sears Holdings was also the Company's only source of funding for its operating and investing activities. Upon Separation, cash and restricted cash held by Sears Holdings were not allocated to Lands' End unless the cash or restricted cash was held by an entity that was transferred to Lands' End. Sears Holdings' third-party debt, and the related interest expense, was not allocated to Lands' End for any of the periods presented as it was not the legal obligor of the debt and the Sears Holdings' borrowings were not directly attributable to the Company's business.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

The Company's fiscal year end is on the Friday preceding the Saturday closest to January 31 each year. Fiscal Years 2016, 2015 and 2014 each consisted of 52 weeks. Unless the context otherwise requires. The following fiscal periods are presented in this report.

Fiscal Year	Ended	Weeks
2016	January 27, 2017	52
2015	January 29, 2016	52
2014	January 30, 2015	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 demand during the year-end holiday selling season. The impact of seasonality on results of operations is more pronounced since the level of certain fixed costs, such as occupancy and overhead expenses, do not vary with sales. The Company's results of operations also may fluctuate based upon such factors as the timing of certain holiday seasons and promotions, the amount of net revenue contributed by new and existing stores, the timing and level of markdowns, competitive factors, weather and general economic conditions.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reportable amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid temporary instruments purchased with original maturities of three months or less and includes deposits in-transit from banks for payments related to third-party credit card and debit card transactions within cash.

Restricted cash

The Company classifies cash balances pledged as collateral for an employee benefit trust fund as Restricted cash on the Consolidated Balance Sheets.

Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts based on both historical experience and specific identification. Allowances for doubtful accounts on accounts receivable balances were \$0.6 million as of January 27, 2017 and January 29, 2016. Accounts receivable balance is presented net of the Company's allowance for doubtful accounts and is comprised of various customer-related accounts receivable.

Changes in the balance of the allowance for doubtful accounts are as follows for the following years:

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
Beginning balance	\$ 626	\$ 688	\$ 1,031
Provision	281	286	371
Write-offs	(328)	(348)	(714)
Ending balance	\$ 579	\$ 626	\$ 688

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 market. 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 90% and 88% of total inventory as of January 27, 2017 and January 29, 2016, respectively. If the FIFO method of accounting for inventory had been used, the effect on inventory would have been immaterial as of January 27, 2017 and January 29, 2016.

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 \$20.1 million and \$15.5 million as of January 27, 2017 and January 29, 2016, respectively. In Fiscal 2016, the Company sold approximately \$3.8 million of inventory in exchange for marketing trade credits. This was recorded as a non-monetary transaction and the trade credits receivable was recorded at the value of the inventory exchanged. As of January 27, 2017, the Company had approximately \$1.0 million and \$3.6 million of trade credits receivable recorded in Accounts receivable, net and Other assets, respectively, including trade credits recorded in prior years, based on the time period in which the credits are expected to be used.

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 \$12.7 million and \$11.5 million as of January 27, 2017 and January 29, 2016, 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, website-related costs and other print media were \$193.2 million, \$199.0 million and \$208.0 million for Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively. These costs are included within Selling and administrative expenses in the accompanying Consolidated and Combined 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>	Asset Lives	January 27, 2017	January 29, 2016
Land	—	\$ 3,466	\$ 3,509
Buildings and improvements	15-30	98,213	99,957
Furniture, fixtures and equipment	3-10	78,563	78,864
Computer hardware and software	3-5	82,491	75,170
Leasehold improvements	3-7	11,176	12,841
Assets in development		34,882	17,020
Gross property and equipment		308,791	287,361
Accumulated depreciation		(185,955)	(177,530)
Total property and equipment, net		<u>\$ 122,836</u>	<u>\$ 109,831</u>

As of January 27, 2017 and January 29, 2016, assets in development relate primarily to technological investments in a new ERP system.

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 included within Depreciation and amortization expense reported in the accompanying Consolidated and Combined Statements of Operations was \$19.0 million, \$17.0 million and \$17.1 million for Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively.

Impairment of Long-Lived Assets

Long-lived assets, including 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. If the sum of the expected future undiscounted cash flows generated by an asset or asset group is less than its carrying amount, the Company then determines the fair value of the asset generally by using a discounted cash flow model. When an impairment loss is recognized, the carrying amount of the asset is reduced to its estimated fair value as determined based on quoted market prices or through the use of other valuation techniques. There were no impairments of long-lived assets recognized in Fiscal 2016, Fiscal 2015 or Fiscal 2014.

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 are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company's goodwill and trade name intangible asset relate to Kmart Holding Corporation's acquisition of Sears Roebuck in March 2005.

Frequently the Company's impairment loss calculations contain multiple uncertainties because they require management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting cash flows under different scenarios. Lands' End performs annual goodwill and indefinite-lived intangible asset impairment tests on the last day of the Company's November accounting period each year and

updates the tests between annual tests if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit or indefinite-lived intangible asset below its carrying amount. However, if actual results are not consistent with the Company's estimates and assumptions used in estimating future cash flows and asset fair values, the Company may be exposed to losses that could be material.

Goodwill impairment assessments. The Company's goodwill resides in the Direct reporting unit. The goodwill impairment test involves a two-step process. The first step is a comparison of the reporting unit's fair value to its carrying value. Lands' End estimates fair value using the best information available, 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 projection uses management's best estimates of economic and market conditions over the projected period, including growth rates in revenues, costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. In prior years, a market approach was also used, and the Company's final estimate of the fair value of the reporting unit was developed by weighting the fair values determined through both the market participant and income approaches. The market approach determines a value of the reporting unit by deriving market multiples for the reporting unit based on assumptions potential market participants would use in establishing a bid price for the reporting unit, however, this method is dependent on the availability of comparable market participant information. Due to the lack of comparable market participants, the Company adjusted the valuation methodology to only rely on the discounted cash flow valuation.

If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. Specifically, the Company allocates the fair value to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that would calculate the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, the Company records an impairment charge for the difference.

During Fiscal 2016, Fiscal 2015 and Fiscal 2014, the fair value of the reporting unit exceeded the carrying value and, as such, the Company did not record any goodwill impairment charges. In Fiscal 2016, Fiscal 2015 and Fiscal 2014, the fair value of the reporting unit exceeded the carrying value by 17.1%, 23.8% and 163.3%, respectively.

Indefinite-lived intangible asset impairment assessments. The Company's indefinite-lived intangible asset, the Lands' End trade name, resides in the Direct reporting unit. Lands' End reviews the trade name for impairment by comparing the carrying amount to its fair value. The Company considers the income approach when testing the indefinite-lived intangible asset for impairment on an annual basis. Lands' End determined that the income approach, specifically the relief from royalty method, was most appropriate for analyzing the Company's indefinite-lived asset. This method is based on the assumption that, in lieu of ownership, a firm would be willing to pay a royalty in order to exploit the related benefits of this asset class. The relief from royalty method involves two steps: (1) estimation of reasonable royalty rates for the assets and (2) the application of these royalty rates to a net 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 2016, Fiscal 2015 and Fiscal 2014, the Company tested the indefinite-lived intangible assets as required. As a result of this testing, in Fiscal 2016 and Fiscal 2015 the Company recorded a non-cash pretax trade name impairment charge to the Direct segment of approximately \$173.0 million and \$98.3 million, respectively, to the Intangible asset impairment line in the Consolidated and Combined Statements of Operations. No trade name impairment charges were recorded in Fiscal 2014.

Financial Instruments with Off-Balance-Sheet Risk

Lands' End entered into the ABL Facility, which provides for maximum borrowings of \$175.0 million for Lands' End, subject to a borrowing base, with a \$30.0 million sub facility for the UK Borrower. The ABL Facility has a sub-limit of \$70.0 million for domestic letters of credit and a sub-limit of \$15.0 million for letters of credit for the UK Borrower. The ABL Facility is available for working capital and other general corporate purposes, and was undrawn at January 27, 2017 and January 29, 2016, other than for letters of credit. See Note 3, *Debt*.

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 were \$39.3 million and \$32.1 million as of January 27, 2017 and January 29, 2016, respectively. Bad debt expense was \$0.3 million, \$0.3 million and \$0.4 million in Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively. At January 27, 2017 and January 29, 2016 accounts receivable included \$3.7 million and \$3.9 million, respectively, due from Sears Holdings.

Cash and cash equivalents, Accounts receivable, Accounts payable and Other current liabilities 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 is reflected in the Consolidated Balance Sheets at amortized cost. The fair value of debt was determined utilizing level 2 valuation techniques based on the closing inactive market bid price on January 27, 2017 and January 29, 2016. See Note 7, *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 and Combined Statements of Changes in Stockholders' Equity. The Company recognized insignificant net foreign exchange transaction losses in Fiscal 2016, and losses of \$5.7 million and \$4.7 million in Fiscal 2015 and Fiscal 2014, respectively, in the accompanying Consolidated and Combined Statements of Operations.

Revenue Recognition

Revenues include sales of merchandise and delivery revenues related to merchandise sold. Revenue is recognized for the Direct segment when the merchandise is expected to be received by the customer and for the Retail segment at the time of sale in the store.

Net revenues are reported net of estimated returns and allowances and exclude sales taxes. Estimated returns and allowances are recorded as a reduction of sales and cost of sales. The reserve for sales returns and allowances is calculated based on historical experience and future expectations and is included in Other current liabilities on the Consolidated Balance Sheets.

Reserves for sales returns and allowances consisted of the following:

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
Beginning balance	\$ 12,605	\$ 13,868	\$ 13,805
Provision	143,410	166,579	187,000
Write-offs	(144,221)	(167,842)	(186,937)
Ending balance	<u>\$ 11,794</u>	<u>\$ 12,605</u>	<u>\$ 13,868</u>

The Company sells gift certificates, gift cards and e-certificates (collectively, “gift cards”) to customers through both the Direct and Retail segments. The gift cards do not have expiration dates. Revenue from gift cards are recognized when (i) the gift card is redeemed by the customer for merchandise, or (ii) after three years when the likelihood of the gift card being redeemed by the customer is remote (“gift card breakage”) and the Company does not have a legal obligation to remit the value of the unredeemed gift cards to the relevant jurisdictions. Revenue recognized from gift card breakage was \$2.3 million, \$2.2 million and \$1.7 million in Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively.

Cost of Sales

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

The Company participates in Sears Holdings’ SYW program. The expenses for this program are recorded in Cost of sales, as described in Note 11, *Related Party Agreements and Transactions*.

Selling and Administrative Expenses

Selling and administrative expenses are comprised principally of payroll and benefits costs for direct, retail and corporate employees, marketing, occupancy costs of retail stores and corporate facilities, buying, pre-opening costs and other administrative expenses. All stock-based compensation is recorded in Selling and administrative expenses. See Note 5, *Stock-Based Compensation*.

Prior to the Separation, expenses related to the Lands’ End Shops at Sears were allocated to the Company by Sears Holdings, as well as shared services, co-location and services costs. Subsequent to the Separation, these expenses were charged to the Company by Sears Holdings. Selling and administrative expenses included \$52.9 million, \$56.6 million and \$62.3 million in Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively, of costs allocated or charged to the Company by Sears Holdings. See Note 11, *Related Party Agreements and Transactions*.

Product Recall

In Fiscal 2014, the Company recorded a \$4.7 million accrual related to a recall of selected styles of children’s sleepwear that did not meet the federal flammability standard. In Fiscal 2016 and Fiscal 2015, \$0.2 million and \$3.4 million, respectively, was reversed due to customer return rates for the recalled products being lower than estimated despite the efforts by the Company to contact impacted customers. This reversal was recorded in Other operating income (expense), net.

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 and Combined Statements of Operations. See Note 9—Income Taxes.

The Company performed an evaluation over its deferred tax assets and determined that a valuation allowance is not considered necessary. Without the \$173.0 million and \$98.3 million non-cash impairment charges to the indefinite-lived intangible asset in Fiscal 2016 and Fiscal 2015, respectively, the Company would not be in a cumulative loss position.

Lands' End and Sears Holdings Corporation entered into the Tax Sharing Agreement in connection with the Separation which governs Sears Holdings Corporation's and Lands' End's respective rights, responsibilities and obligations after the Separation with respect to liabilities for United States federal, state, local and foreign taxes attributable to the Lands' End business. In addition to the allocation of tax liabilities, the Tax Sharing Agreement addresses the preparation and filing of tax returns for such taxes and dispute resolution with taxing authorities regarding such taxes. Generally, Sears Holdings Corporation is liable for all pre-Separation United States federal, state and local income taxes. Lands' End generally is liable for all other taxes attributable to its business, including all foreign income taxes.

For purposes of the Combined Financial Statements, the income tax provision represents the tax attributable to these operations as if the Company were required to file separate tax returns. Sears Holdings paid all United States federal, state and local income taxes attributable to the Lands' End business prior to the Separation and the related taxes payable and tax payments were reflected directly in Net parent company investment in the Balance Sheets. Prior to the Separation, income taxes paid by Lands' End only represent taxes for its wholly owned foreign subsidiaries. Following the Separation, Lands' End is responsible for all taxes due.

Self-Insurance

The Company has a self-insured plan for health and welfare benefits and provides an accrual to cover the obligation. The accrual for the self-insured liability is based on claims filed and an estimate of claims incurred but not yet reported. The Company considers a number of factors, including historical claims information, when determining the amount of the accrual. Costs related to the administration of the plan and related claims are expensed as incurred. Total expenses were \$18.2 million, \$16.2 million and \$14.1 million for Fiscal 2016, Fiscal 2015 and Fiscal 2014, 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 self-insured risk.

Postretirement Benefit Plan

Effective January 1, 2006, the Company decided to indefinitely suspend eligibility to the postretirement medical plan for future company retirees. In addition, the Company elected to immediately recognize all existing net actuarial losses and prior service costs and were not material in Fiscal 2014 prior to the Separation. At the time of the Separation the \$1.5 million liability related to postretirement benefits was transferred to Sears Holdings Corporation as it assumed administration and funding of the plan after the Separation. This transaction was accounted for as an adjustment to Net parent company investment and did not result in cash flows.

The Company also has a 401(k) retirement plan, which covers most regular employees and allows them to make contributions. The Company also provides a matching contribution on a portion of the employee contributions.

Total expense provided under this plan was \$3.3 million, \$3.3 million and \$3.4 million for Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively.

Other Comprehensive Loss

Other comprehensive loss 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.

(in thousands)

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Beginning balance: Accumulated other comprehensive loss (net of tax of \$5,053, \$3,931 and \$1,211, respectively)	\$ (9,384)	\$ (7,298)	\$ (1,995)
Other comprehensive loss			
Foreign currency translation adjustments (net of tax of \$1,638, \$1,122, and \$2,720, respectively)	(3,042)	(2,086)	(5,303)
Ending balance: Accumulated other comprehensive loss (net of tax of \$6,691, \$5,053, and \$3,931, respectively)	<u>\$ (12,426)</u>	<u>\$ (9,384)</u>	<u>\$ (7,298)</u>

Comprehensive loss—no amounts were reclassified out of Accumulated other comprehensive loss during any of the periods presented.

Stock-Based Compensation

Stock-based compensation expense for restricted stock units 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. The Company recognizes stock-based compensation cost net of estimated forfeitures and revises the estimates 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 and Combined Statements of Operations over the period in which the employee is required to provide service in exchange for the restricted stock units.

Earnings per Share

The numerator for both basic and diluted EPS is net income attributable to Lands' End. The denominator for basic EPS is based upon the number of weighted average shares of Lands' End common stock outstanding during the reporting periods. The denominator for diluted EPS is based upon the number of weighted average shares of Lands' End common stock and common stock equivalents outstanding during the reporting periods using the treasury stock method in accordance with the ASC.

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

(in thousands, except per share amounts)

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Net (loss) income	\$ (109,782)	\$ (19,548)	\$ 73,799
Basic weighted average shares outstanding	32,021	31,979	31,957
Dilutive effect of stock awards	—	—	59
Diluted weighted average shares outstanding	<u>32,021</u>	<u>31,979</u>	<u>32,016</u>
Basic (loss) earnings per share	<u>\$ (3.43)</u>	<u>\$ (0.61)</u>	<u>\$ 2.31</u>
Diluted (loss) earnings per share	<u>\$ (3.43)</u>	<u>\$ (0.61)</u>	<u>\$ 2.31</u>

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 163,633 and 41,994 anti-dilutive shares excluded from the diluted weighted average shares

outstanding in Fiscal 2016 and Fiscal 2015, respectively. There were no anti-dilutive securities excluded from the diluted weighted average shares outstanding in Fiscal 2014.

New Accounting Pronouncements

Simplifying the Measurement of Inventory

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory*. Under this ASU, non-LIFO inventory will be measured at the lower of cost and net realizable value, eliminating the options that currently exist for market valuation. The ASU defines net realizable value as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. No other changes were made to the current guidance on inventory measurement. This guidance was effective for Lands' End in the First Quarter 2016 and only applies to our international inventory as United States inventory is valued using LIFO. The adoption of this guidance did not have a material impact on the Company's Consolidated and Combined Financial Statements.

Customer's Accounting for Fees Paid in a Cloud Computing Arrangement

In April 2015, the FASB issued ASU 2015-05, *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement*, which clarifies the circumstances under which a cloud computing customer would account for the arrangement as a license of internal-use software under ASC 350-40. This guidance was effective for Lands' End in the First Quarter 2016. The adoption of this guidance did not have a material impact on the Company's Consolidated and Combined Financial Statements.

Simplifying the Presentation of Debt Issuance Costs

In April 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which changed the required presentation of debt issuance costs from an asset on the balance sheet to a deduction from the related debt liability. This guidance was adopted by the Company during First Quarter 2016. See Note 4, *Debt*, for further discussion.

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which provides guidance for revenue recognition. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under today's guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. This guidance was deferred by ASU 2015-14, *Revenue from Contracts with Customers*, issued by the FASB in August 2015, and will be effective for Lands' End in the first quarter of its fiscal year ending February 1, 2019. Subsequently, the FASB has also issued ASUs which clarify the guidance.

The Company is currently assessing the impact of adopting ASU 2014-09 on our revenue recognition practices. We have organized a team and based upon our preliminary assessment believe it could impact the timing of recognition of revenues from gift cards and revenues from our Direct segment. The Company expects to finalize its evaluation in Fiscal 2017 and will provide updates on its progress in future filings.

Compensation - Stock Compensation

In March 2016, the FASB issued ASU 2016-09, *Compensation - Stock Compensation*, which simplifies the accounting for the taxes related to stock based compensation, including adjustments to how excess tax benefits and a company's payments for tax withholdings should be classified. This guidance will be effective for Lands' End in the first quarter of its fiscal year ending February 2, 2018. The adoption of this guidance is not expected to have a material impact on the Company's Consolidated and Combined Financial Statements.

Recognition of Breakage for Certain Prepaid Stored-Value Products

In March 2016, the FASB issued ASU 2016-04, *Recognition of Breakage for Certain Prepaid Stored-Value Products*. This update clarifies when it is acceptable to recognize the unredeemed portion of prepaid gift cards into income. This guidance will be effective for Lands' End in the first quarter of its fiscal year ending February 1, 2019. The Company is currently in the process of evaluating the impact of adoption of this ASU on the Company's Consolidated and Combined Financial Statements.

Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments*. This update clarifies issues to reduce the current and potential future diversity in practice of the classification of certain cash receipts and cash payments within the statement of cash flows. This guidance will be effective for Lands' End in the first quarter of its fiscal year ending February 1, 2019. The Company is currently in the process of evaluating the impact of adoption of this ASU on the Company's Consolidated and Combined Financial Statements.

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases*, which will replace the existing guidance in ASC 840, *Leases*. This ASU requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability. For finance leases, the lessee would recognize interest expense and amortization of the right-of-use asset, and for operating leases, the lessee would recognize a straight-line total lease expense. This guidance will be effective for Lands' End in the first quarter of its fiscal year ending January 31, 2020. The Company is currently in the process of evaluating the impact of adoption of this ASU on the Company's Consolidated and Combined Financial Statements.

Intangibles - Goodwill and Other

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other*, which simplifies the test for goodwill impairment. This update removes the second step of the goodwill impairment test. An entity will apply a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit's carrying amount over its fair value, not to exceed the total amount of goodwill allocated to the reporting unit. The new guidance does not amend the optional qualitative assessment of goodwill impairment. This guidance will be effective for Lands' End for its fiscal year ending January 29, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company is currently in the process of evaluating the impact of adoption of this ASU on the Company's Consolidated and Combined Financial Statements.

Reclassifications

In First Quarter 2016, the Company adopted ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which changed the required presentation of debt issuance costs from an asset on the balance sheet to a deduction from related debt liability. As a result of the adoption, the Company reclassified debt issuance costs from Prepaid expenses and other current assets and Other assets as of January 29, 2016 to Long-term debt. This reclassification had no effect on the Consolidated Statements of Operations, Comprehensive Operations, Stockholders' Equity or Cash Flows. See Note 3, *Debt*, for further discussion.

NOTE 3. DEBT

Debt Arrangements

On April 4, 2014, Lands' End entered into the ABL Facility, which provides for maximum borrowings of \$175.0 million for Lands' End, subject to a borrowing base, with a \$30.0 million sub facility for the UK Borrower. The ABL Facility has a sub-limit of \$70.0 million for domestic letters of credit and a sub-limit of \$15.0 million for letters of credit for the UK Borrower. The ABL Facility is available for working capital and other general corporate purposes, and was undrawn at January 27, 2017 and January 29, 2016, other than for letters of credit.

Also on April 4, 2014, Lands' End entered into the Term Loan Facility of \$515.0 million, the proceeds of which were used to pay a dividend of \$500.0 million to a subsidiary of Sears Holdings Corporation immediately

prior to the Separation and to pay fees and expenses associated with the Debt Facilities of approximately \$1.4 million, with the remaining proceeds used for general corporate purposes. The fees were capitalized as debt issuance costs and are being amortized as an adjustment to Interest expense over the remaining life of the Debt Facilities.

The Company's debt consisted of the following:

<i>(in thousands)</i>	January 27, 2017		January 29, 2016	
	Principal Amount	Interest Rate	Principal Amount	Interest Rate
Term Loan Facility, maturing April 4, 2021	\$ 500,838	4.25%	\$ 505,988	4.25%
ABL Facility, maturing April 4, 2019	—	—%	—	—%
	500,838		505,988	
Less: current maturities in Other current liabilities	5,150		5,150	
Less: unamortized debt issuance costs	5,645		7,000	
Long-term debt, net	\$ 490,043		\$ 493,838	

During First Quarter 2016, the Company adopted ASU 2015-03, *Simplifying the Presentation of Debt Issuance*, which requires an entity to present debt issuance costs as a deduction from the related debt liability. To conform to the current year presentation the Company reclassified \$1.4 million of Prepaid expenses and other current assets and \$5.6 million of Other assets to Long-term debt as of January 29, 2016.

The following table summarizes the Company's borrowing availability under the ABL Facility:

<i>(in thousands)</i>	January 27, 2017	January 29, 2016
ABL maximum borrowing	\$ 175,000	\$ 175,000
Outstanding letters of credit	19,705	24,311
Borrowing availability under ABL	\$ 155,295	\$ 150,689

Interest; Fees

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

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

Amortization and Prepayments

The Term Loan Facility amortizes at a rate equal to 1% per annum, and is subject to mandatory prepayment in an amount equal to a percentage of the borrower's excess cash flows (as defined in the Term Loan Facility) in each fiscal year, ranging from 0% to 50% depending on Lands' End's secured leverage ratio, and the proceeds from certain asset sales and casualty events. Based on Fiscal 2016 results, a mandatory prepayment triggered, however, excess cash flow was negative resulting in no prepayment to be made in the first quarter of Fiscal 2017. The Company's aggregate scheduled maturities of the Term Loan Facility as of January 27, 2017 are as follows:

(in thousands)

Less than 1 year	\$	5,150
1 - 2 years		5,150
2 - 3 years		5,150
3 - 4 years		5,150
4 - 5 years		480,238
	\$	<u>500,838</u>

Guarantees; Security

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

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

Representations and Warranties; Covenants

Subject to specified exceptions, the Debt Facilities contain various representations and warranties and restrictive covenants that, among other things, restrict the ability of Lands' End and its subsidiaries to incur indebtedness (including guarantees), grant liens, make investments, make dividends or distributions with respect to capital stock, make prepayments on other indebtedness, engage in mergers or change the nature of their business. In addition, if excess availability under the ABL Facility falls below the greater of 10% of the loan cap amount or \$15.0 million, Lands' End will be required to comply with a minimum fixed charge coverage ratio of 1.0 to 1.0. The Debt Facilities do not otherwise contain financial maintenance covenants. The Company was in compliance with all financial covenants related to the Debt Facilities as of January 27, 2017.

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.

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.

NOTE 4. LEASES

The Company leases stores, office space and warehouses under various leasing arrangements. As of January 27, 2017, the Company leases store space in 216 Sears Holdings store locations (see Note 11, *Related Party Agreements and Transactions*) and 12 Lands' End Stores. The total number of retail stores, 230, includes two Lands' End stores that are owned by the Company which have no required minimum lease payments. All leases are accounted for as operating leases. Operating lease obligations are based upon contractual minimum rents. Certain leases include renewal options.

Total rental expense under operating leases was \$30.6 million, \$31.1 million and \$32.0 million for Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively.

Total future commitments under these operating leases (primarily leased Lands' End Shops at Sears space at Sears Holdings locations as described in Note 11, *Related Party Agreements and Transactions*) as of January 27, 2017 are as follows for the fiscal years ending (in thousands):

2017	\$	27,881
2018		18,663
2019		12,199
2020		2,180
2021		1,574
Thereafter		2,721

NOTE 5. STOCK-BASED COMPENSATION

Accounting standards require, among other things, that (i) the fair value of all stock awards be expensed over their respective vesting periods; (ii) the amount of cumulative compensation cost recognized at any date must at least be equal to the portion of the grant-date value of the award that is vested at that date and (iii) compensation expense include a forfeiture estimate for those shares not expected to vest. Also in accordance with these provisions, for awards that only have a service requirement with multiple vest dates, the Company is required to recognize compensation cost on a straight-line basis over the requisite service period for the entire award.

The Company has granted Deferred Awards and Performance Awards to employees at management levels and above. Deferred Awards were granted in the form of restricted stock units that only require each recipient to complete a service period. Deferred Awards generally vest ratably over three years or in full after a three year period. Performance Awards were granted in the form of restricted stock units which have, in addition to a service requirement, performance criteria that must be achieved for the awards to be earned. Performance Awards have annual vesting, but due to the performance criteria, are not eligible for straight-line expensing. Therefore, Performance Awards are amortized using a graded expense process. The fair value of all awards is based on the closing price of the Company's common stock on the grant date. Compensation expense is reduced for estimated forfeitures of those awards not expected to vest due to employee turnover.

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

(in thousands)

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Deferred Awards	\$ 1,599	\$ 1,534	\$ 235
Performance Awards	631	861	1,883
Total stock-based compensation expense	<u>\$ 2,230</u>	<u>\$ 2,395</u>	<u>\$ 2,118</u>

Awards Granted

In Fiscal 2016, the Company granted Deferred Awards to various employees. In general Deferred Awards granted during Fiscal 2016 have a three year vesting period with 25% of the award vesting in both the first and second years and 50% vesting in the third year. In Fiscal 2015 the Company granted Deferred Awards and Performance Awards to various employees. In general Deferred Awards granted during Fiscal 2015 have a three year vesting period with 25% of the award vesting in both the first and second years and 50% vesting in the third year. The Performance Awards granted to executives vest over a four year service period and have a performance measure at the end of the second year of service. If earned, 25% of the awards vest in the second and third years and 50% vests in the fourth year.

Changes in the Company's Unvested Stock Awards

Deferred Awards

(in thousands, except per share amounts)

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested Deferred Awards, as of January 30, 2015	44	\$ 28.01
Granted	165	31.20
Vested	(9)	28.02
Forfeited	(25)	28.74
Unvested Deferred Awards, as of January 29, 2016	175	30.87
Granted	242	23.93
Vested	(27)	33.53
Forfeited	(138)	30.05
Unvested Deferred Awards, as of January 27, 2017	252	24.42

Total unrecognized stock-based compensation expense related to unvested Deferred Awards approximated \$4.1 million as of January 27, 2017, which will be recognized over a weighted average period of approximately 1.7 years.

Performance Awards

(in thousands, except per share amounts)

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested Performance Awards, as of January 30, 2015	197	\$ 28.01
Granted	19	21.94
Vested	(43)	27.86
Forfeited	(64)	28.34
Unvested Performance Awards, as of January 29, 2016	109	26.81
Vested	(30)	27.84
Forfeited	(10)	26.73
Unvested Performance Awards, as of January 27, 2017	69	26.38

Total unrecognized stock-based compensation expense related to unvested Performance Awards approximated \$0.1 million as of January 27, 2017, which will be recognized over a weighted average period of approximately 0.3 years.

NOTE 6. OTHER CURRENT LIABILITIES

Other current liabilities consisted of the following:

(in thousands)

	January 27, 2017	January 29, 2016
Deferred gift card revenue	\$ 19,999	\$ 20,802
Accrued employee compensation and benefits	13,165	12,785
Reserve for sales returns and allowances	11,794	12,605
Deferred revenue	10,660	11,097
Accrued property, sales and other taxes	7,578	7,536
Short-term portion of long-term debt	5,150	5,150
Product recall	—	207
Other	18,100	13,810
Total other current liabilities	\$ 86,446	\$ 83,992

NOTE 7. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company determines fair value of financial assets and liabilities based on the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs—unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. An active market for the asset or liability is one in which transactions for the asset or liability 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 as of January 27, 2017 and January 29, 2016 was \$3.3 million, 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:

(in thousands)	January 27, 2017		January 29, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including short-term portion	\$ 500,838	\$ 379,385	\$ 505,988	\$ 418,073

Long-term debt was valued utilizing level 2 valuation techniques based on the closing inactive market bid price on January 27, 2017. There were no nonfinancial assets or nonfinancial liabilities recognized at fair value on a nonrecurring basis as of January 27, 2017 and January 29, 2016.

Goodwill and indefinite-lived intangible assets are also tested annually or if a triggering event occurs that indicates an impairment loss may have incurred using fair value measurements with unobservable inputs (Level 3). As part of the annual testing in Fiscal 2016, the fair value of the indefinite-lived trade name asset was estimated to be \$257.0 million as of January 27, 2017, less than its carrying amount of \$430.0 million as of January 29, 2016. During the annual testing in Fiscal 2015, the fair value of the indefinite-lived trade name asset was estimated to be \$430.0 million as of January 29, 2016, less than its carrying amount of \$528.3 million as of January 30, 2015. As a result of these annual tests, the Company recorded a non-cash impairment charge of \$173.0 million and \$98.3 million in Fiscal 2016 and Fiscal 2015, respectively, related to the trade name intangible asset, Lands' End. See Note 2, *Summary of Significant Accounting Policies-Goodwill and Intangible Asset Impairment Assessments*, and Note 8, *Goodwill and Intangible Assets*, for further details on the impairment charge and for further description of the valuation methodology used.

NOTE 8. GOODWILL AND INDEFINITE-LIVED INTANGIBLE ASSET

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in business combinations accounted for under the purchase accounting method. The net carrying amounts of goodwill, trade name and customer lists are included within the Company's Direct segment.

ASC 350 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 Fiscal 2016, Fiscal 2015 and Fiscal 2014 the Company conducted annual impairment testing of its goodwill and indefinite-lived intangible asset. As a result of this testing the Company recorded non-cash pretax indefinite-lived intangible asset impairment charges of \$173.0 million and \$98.3 million to our Direct segment during Fiscal 2016 and Fiscal 2015, respectively. The impairment is recorded in Intangible asset impairment on the Consolidated and Combined Statements of Operations. There was no impairment charge for intangible assets recorded in Fiscal 2014. There were no impairments of goodwill during any periods presented or since goodwill was first recognized. In Fiscal 2016, Fiscal 2015 and Fiscal 2014, the fair value of the reporting unit exceeded the carrying value by 17.1%, 23.8% and 163.3%, respectively. If actual results are not consistent with the Company's estimates and assumptions used in estimating revenue growth, future cash flows and asset fair values, the Company could incur further impairment charges for the intangible asset or goodwill, which could have an adverse effect on its results of operations. (See also Note 2, *Summary of Significant Accounting Policies-Goodwill and Intangible Asset Impairment Assessments*, for further details on the impairment charge).

The following summarizes goodwill and intangible assets:

<i>(in thousands)</i>	January 27, 2017	January 29, 2016
Indefinite-lived intangible asset:		
Trade name	\$ 430,000	\$ 528,300
Impairments	(173,000)	(98,300)
Total intangible asset, net	<u>\$ 257,000</u>	<u>\$ 430,000</u>
Goodwill	<u>\$ 110,000</u>	<u>\$ 110,000</u>

Annual amortization expense *(in thousands)*

Fiscal 2016	—
Fiscal 2015	412
Fiscal 2014	2,630

NOTE 9. INCOME TAXES

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

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
(Loss) income before income taxes:			
United States	\$ (174,461)	\$ (31,206)	\$ 114,772
Foreign	(4,419)	1,967	5,785
Total (loss) income before income taxes	<u>\$ (178,880)</u>	<u>\$ (29,239)</u>	<u>\$ 120,557</u>

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

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
United States	\$ (70,316)	\$ (9,737)	\$ 44,503
Foreign	1,218	46	2,255
Total (benefit) provision	<u>\$ (69,098)</u>	<u>\$ (9,691)</u>	<u>\$ 46,758</u>

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
Current:			
Federal	\$ (2,834)	\$ 10,524	\$ 20,902
State	(229)	2,409	6,361
Foreign	1,218	46	1,950
Total current	<u>(1,845)</u>	<u>12,979</u>	<u>29,213</u>
Deferred:			
Federal	(62,645)	(20,956)	14,579
State	(4,608)	(1,714)	2,661
Foreign	—	—	305
Total deferred	<u>(67,253)</u>	<u>(22,670)</u>	<u>17,545</u>
Total (benefit) provision	<u>\$ (69,098)</u>	<u>\$ (9,691)</u>	<u>\$ 46,758</u>

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

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Tax at statutory federal tax rate	35.0%	35.0 %	35.0%
State income taxes, net of federal tax benefit	2.7%	(1.6)%	2.9%
Other, net	0.9%	(0.3)%	0.9%
Total	38.6%	33.1 %	38.8%

Deferred tax assets and liabilities consisted of the following:

(in thousands)	January 27, 2017	January 29, 2016
Deferred tax assets:		
Deferred revenue	\$ 4,903	\$ 5,349
Legal and other reserves	1,892	1,839
Deferred compensation	4,653	3,199
Reserve for returns	3,578	4,911
Inventory	7,817	4,231
Currency translation adjustment - foreign subsidiaries	6,691	5,053
Other	8,197	6,935
Total deferred tax assets	37,731	31,517
Deferred tax liabilities:		
Intangible assets	96,812	161,503
LIFO reserve	24,601	20,153
Unremitted foreign earnings	5,208	5,722
Catalog marketing	1,577	1,390
Total deferred tax liabilities	128,198	188,768
Net deferred tax liability	\$ 90,467	\$ 157,251

A reconciliation of the beginning and ending amount of UTBs for the fiscal years is as follows:

(in thousands)	Federal, State and Foreign Tax		
	Fiscal 2016	Fiscal 2015	Fiscal 2014
Gross UTB balance at beginning of period	\$ 8,311	\$ 9,082	\$ 8,718
Tax positions related to the current period—gross increases	120	116	364
Tax positions related to the prior periods—gross decreases	(1,530)	(697)	—
Settlements	—	(190)	—
Gross UTB balance at end of period	\$ 6,901	\$ 8,311	\$ 9,082

As of January 27, 2017, the Company had UTBs of \$6.9 million. Of this amount, \$4.5 million would, if recognized, impact its effective tax rate. The Company does not expect that UTBs will fluctuate in the next 12 months for tax audit settlements and the expiration of the statute of limitations for certain jurisdictions. Pursuant to the Tax Sharing Agreement, Sears Holdings Corporation is generally responsible for all United States federal, state and local UTBs through the date of the Separation and, as such, the UTBs are recorded in Other liabilities in the Consolidated Balance Sheets, and an indemnification asset from Sears Holdings Corporation for the \$6.5 million pre-Separation UTBs is recorded in Other assets in the Consolidated Balance Sheets. Prior to the Separation, the tax provision and related tax accounts represented the tax attributable to the Company as if the Company filed a separate tax return. However, the computed obligations were settled through Sears Holdings Corporation.

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, 2017, the total amount of interest expense and penalties recognized on the balance sheet was \$4.9 million (\$3.2 million net of federal benefit). As of

January 29, 2016, the total amount of interest and penalties recognized on the balance sheet was \$5.7 million (\$3.7 million net of federal benefit). The total amount of net interest expense recognized in the Consolidated and Combined Statements of Operations were insignificant for all periods presented. Sears Holdings and Lands' End files income tax returns in both the United States and various foreign jurisdictions. The Internal Revenue Service has completed its examination of all federal income tax returns of Sears Holdings through the 2009 return, and all matters arising from such examinations have been resolved. The Company is currently under audit by the Internal Revenue Service for the year 2014. Sears Holdings and the Company are under examination by various state income tax jurisdictions for the years 2011 to 2014.

Impacts of Separation

Prior to the Separation, the tax provision and related tax accounts represented the tax attributable to the Company as if the Company filed a separate tax return. However, the computed obligations were settled through Sears Holdings Corporation. Accordingly, the taxes payable and related tax payments were reflected directly in Net parent company investment in the Consolidated Balance Sheets.

As a result of the Separation, the Company began filing its own income tax returns and, as a result certain tax attributes previously included in Net parent company investment were reclassified. Specifically, subsequent to the Separation the Company reclassified (i) \$30.4 million of deferred tax assets related primarily to foreign tax credits; and (ii) a \$13.7 million reserve for uncertain tax positions (including penalties and interest) out of Net parent company investment and into Deferred tax liabilities and Other liabilities, respectively, in the Consolidated Balance Sheets. As a result of the 2015 income tax return filed by the Company during Fiscal 2016, the Company recorded an increase in the deferred tax liabilities and a decrease in additional paid-in capital of \$2.1 million related to the calculation of a deferred tax liability related to the LIFO inventory calculation that existed as of the date of the Separation. In addition, pursuant to the tax sharing agreement, a \$13.7 million receivable was recorded by the Company to reflect the indemnification by Sears Holdings Corporation of the pre-Separation uncertain tax positions (including penalties and interest) for which Sears Holdings is responsible. This receivable is included in Other assets in the Consolidated Balance Sheets and was \$11.4 million and \$13.7 million at January 27, 2017 and January 29, 2016, respectively.

NOTE 10. 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.

Beginning in 2005, the Company initiated claims in Iowa County Circuit Court against the City of Dodgeville (the "City") to recover overpaid taxes resulting from the City's excessive property tax assessment of the Company's headquarters campus for each tax year from 2005 through 2016. As of March 31, 2017, the City has refunded, as the result of various court decisions, over \$6.5 million in excessive taxes and interest to the Company in the following amounts: (1) approximately \$1.6 million arising from the 2005 and 2006 tax years that was recognized in Fiscal 2009; (2) approximately \$1.6 million arising from the 2007, 2009 and 2010 tax years, recognized in Fiscal 2014; (3) approximately \$0.9 million arising from the 2008 tax year, recognized in Fiscal 2015, and (4) approximately \$2.4 million arising from the 2007, 2009, 2010, 2011 and 2012 tax years, recognized in Fiscal 2016.

The claims arising from 2005 through 2010 and 2012 tax years are closed. The Company's claims arising from tax years 2011 and 2013 through 2016 remain unresolved and are still pending before the courts.

NOTE 11. RELATED PARTY AGREEMENTS AND TRANSACTIONS

According to statements on form Schedule 13D filed with the SEC by ESL, ESL beneficially owned significant portions of both the Company's and Sears Holdings Corporation's outstanding shares of common stock. Therefore Sears Holdings Corporation, the Company's former parent company, is considered a related party both prior to and subsequent to the Separation. Additionally, in Fiscal 2016, ESL purchased approximately \$10.7 million of the Company's outstanding debt at a discount of approximately \$2.7 million. Due to the related party relationship, this discount was considered a cancellation of debt under Section 108 of the Internal Revenue Code, triggering additional income tax payments due in the current period for the Company.

Prior to the Separation, Sears Holdings Corporation (including certain non-Lands' End subsidiaries) and the Company entered into various agreements to, among other things: (i) support the Lands' End Shops at Sears; (ii) provide various general corporate services; (iii) support the Company's participation in the SYW program; and (iv) allow for the use of intellectual property or services. The amounts charged to the Company by Sears Holdings do not necessarily reflect the costs of obtaining the services from unaffiliated third parties or of the Company providing the applicable services itself. Management believes that such costs are reasonable; however, the Combined Financial Statements contained herein may not be indicative of the Company's financial position, operating results, and cash flows in the future, or what they would have been if it had been a stand-alone company during all periods presented. Unless indicated otherwise, the fees and expense charged are included in Selling and administrative expense in the Consolidated and Combined Statements of Operations.

In its annual report on Form 10-K for its fiscal year ended January 28, 2017, Sears Holdings disclosed that its historical operating results indicate substantial doubt exists related to its ability to continue as a going concern. Sears Holdings also disclosed they believe that actions they have taken in the last 12 months and expected benefits from actions in 2017 are probable of occurring and mitigating the substantial doubt raised by their historical operating results and therefore will satisfy their liquidity needs the 12 months following the issuance of their financial statements.

In connection with the Separation, the Company entered into various agreements with Sears Holdings, certain of which have been subsequently amended, which, among other things, (i) govern specified aspects of the Company's relationship following the Separation, especially with regards to the Lands' End Shops at Sears, and (ii) establish terms pursuant to which subsidiaries of Sears Holdings Corporation are providing services to the Company, including the International Buying Office under the Buying Agency Agreement.

References to and descriptions of the agreements below represent the agreements entered into in connection with the Separation, and as amended, where applicable.

The components of the transactions between the Company and Sears Holdings, which exclude pass-through payments to third parties, are as follows:

Lands' End Shops at Sears

Related party costs charged by Sears Holdings to the Company related to Lands' End Shops at Sears are as follows:

<i>(in thousands)</i>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>
Rent, CAM and occupancy costs	\$ 24,727	\$ 25,239	\$ 26,605
Retail services, store labor	24,052	26,773	31,087
Financial services and payment processing	2,834	2,792	3,034
Supply chain costs	979	985	1,044
Total expenses	<u>\$ 52,592</u>	<u>\$ 55,789</u>	<u>\$ 61,770</u>
Number of Lands' End Shops at Sears at period end ⁽¹⁾	<u>216</u>	<u>227</u>	<u>236</u>

⁽¹⁾ During Fiscal 2016, Fiscal 2015 and Fiscal 2014, 11, 9 and 38 Lands' End Shops at Sears were closed, respectively.

Rent, CAM and Occupancy Costs

The Company rents space in store locations owned or leased by Sears Roebuck. The agreements include a cost per square foot for rent, CAM and occupancy costs. The lease terms for the individual store locations generally terminate effective January 31, 2018, 2019, or 2020.

Retail Services, Store Labor

The Company contracts with Sears Roebuck to provide hourly labor and required systems and tools to service customers in the Lands' End Shops at Sears. This includes dedicated staff to directly engage with customers and allocated overhead. The dedicated staff undergoes specific Lands' End brand training. Required tools include point-of-sale, price lookup and labor scheduling systems.

Financial Services and Payment Processing

The Company contracts with SHMC to provide retail financing and payment solutions, primarily based upon customer credit card activity, including third-party payment acceptance, credit cards and gift cards.

Supply Chain Costs

The Company contracts with Sears Roebuck to provide logistics, handling, transportation and other services, primarily based upon inventory units processed, to assist in the flow of merchandise from vendors to the Lands' End Shops at Sears locations.

General Corporate Services

Related party costs charged by Sears Holdings to the Company for general corporate services are as follows:

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
Sourcing	\$ 10,878	\$ 9,609	\$ 8,986
Shop Your Way	2,301	2,896	4,202
Shared services	192	484	559
Co-location and services	—	—	15
Total expenses	\$ 13,371	\$ 12,989	\$ 13,762

Sourcing

The Company contracts with a subsidiary of Sears Holdings to provide agreed upon buying agency services, on a non-exclusive basis, in foreign territories from where the Company purchases merchandise. These services, primarily based upon quantities purchased, include quality-control functions, regulatory compliance, product claims management and new vendor selection and setup assistance. During Second Quarter 2016 the Company entered into a new buying agency services agreement with a subsidiary of Sears Holding and terminated the agreement that was entered into at the time of the Separation. The new agreement provides for a higher commission rate and a higher annual commission minimum, as well as enhanced sourcing services, including for product development, costing analyses, vendor communications, vendor strategy and quality assurance. Certain of these amounts are capitalized into inventory and are expensed through cost of goods sold over the course of inventory turns and included in Cost of sales in the Consolidated and Combined Statements of Operations.

Shop Your Way

The Company contracts with SHMC to participate in Sears Holdings' SYW program. Customers earn points issued by SHMC on purchases which may be redeemed to pay for future purchases. The Company pays SHMC an agreed-upon fee for points issued in connection with purchases from the Company. Depending on the ratio of points redeemed in Lands' End formats to points issued in Lands' End formats in the previous 12 months, the Company generally either pays additional fees or is reimbursed fees by SHMC. All SYW program expenses are recorded in Cost of sales in the Consolidated and Combined Statements of Operations.

Shared Services

The Company contracts with SHMC to provide certain shared corporate services. These shared services include compliance.

Use of Intellectual Property or Services

Related party revenue and costs charged by the Company to and from Sears Holdings for the use of intellectual property or services is as follows:

<i>(in thousands)</i>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>
Call center services	\$ 2,124	\$ 2,344	\$ 2,346
Lands' End business outfitters revenue	1,574	1,398	1,995
Credit card revenue	1,147	1,274	1,519
Royalty income	221	220	79
Gift card revenue (expense)	(32)	(33)	239
Total	<u>\$ 5,034</u>	<u>\$ 5,203</u>	<u>\$ 6,178</u>

Call Center Services

The Company has entered into a contract with SHMC to provide call center services in support of Sears Holdings' SYW program. This income is net of agreed upon costs directly attributable for the Company providing these services. The income is included in Net revenue and costs are included in Selling and administrative expenses in the Consolidated and Combined Statements of Operations. Total call center service income included in Net revenue was \$8.2 million, \$8.6 million and \$8.1 million in Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively. The contract for call center services will expire on April 30, 2017.

Lands' End Business Outfitters Revenue

The Company sells store uniforms and other company apparel to Sears Holdings from time to time. Revenue related to these sales is included in Net revenue in the Consolidated and Combined Statements of Operations.

Credit Card Revenue

The Company has entered into a contract with SHMC to provide credit cards for customer sales transactions. The Company earns revenue based on the dollar volume of revenue and receives a fee based on the generation of new credit card accounts. This income is included in Net revenue in the Consolidated and Combined Statements of Operations.

Royalty Income

The Company entered into a licensing agreement with SHMC whereby royalties are paid in consideration for sharing or use of intellectual property. Royalties received under this agreement are included in Net revenue in the Consolidated and Combined Statements of Operations.

Gift Card Revenue (Expense)

The Company has entered into a contract with SHCP to provide gift cards for use by the Company. The Company offers gift cards for sale on behalf of SHCP and redeems such items on the Company's internet websites, retail stores and other retail outlets for merchandise. The Company receives a commission fee on the face value for each gift card it sells, and a payment from Sears Holdings for certain Lands' End-branded gift cards that are redeemed by Sears Holdings for non-Lands' End merchandise. The Company pays a transaction/redemption fee to SHCP for each gift card the Company redeems. The income, net of associated expenses, is included in Net revenue in the Consolidated and Combined Statements of Operations.

Additional Related Party Balance Sheet Information

At January 27, 2017 and January 29, 2016, the Company included \$3.7 million and \$3.9 million in Accounts Receivable, net, respectively, and \$3.1 million and \$2.7 million in Accounts payable, respectively, in the Consolidated Balance Sheets to reflect amounts due from and owed to Sears Holdings. At January 27, 2017 and January 29, 2016, a \$11.4 million and \$13.7 million receivable, respectively, was recorded by the Company in Other assets in the Consolidated Balance Sheets to reflect the indemnification by Sears Holdings Corporation of the pre-Separation uncertain tax positions (including penalties and interest) for which Sears Holdings Corporation is responsible.

NOTE 12. SEGMENT REPORTING

The Company is a leading multi-channel retailer of casual clothing, accessories and footwear, as well as home products, and has two reportable segments: Direct and Retail. Both segments sell similar products and provide services. Product revenues are divided by product categories: Apparel and Non-apparel. The Non-apparel sales include accessories, footwear, and home goods. Services and other revenue includes embroidery, monogramming, gift wrapping, shipping and other services. Net revenue is aggregated by product category in the following table:

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
Net revenue:			
Apparel	\$ 1,086,439	\$ 1,156,047	\$ 1,248,847
Non-apparel	168,945	183,073	220,385
Services and other	80,376	80,658	86,121
Total Net revenue	<u>\$ 1,335,760</u>	<u>\$ 1,419,778</u>	<u>\$ 1,555,353</u>

The Company identifies reportable segments according to how business activities are managed and evaluated. Each of the Company's operating segments are reportable segments and are strategic business units that offer similar products and services but are sold either directly from its warehouses (Direct) or through its retail stores (Retail). Adjusted EBITDA is the primary measure used to make decisions on allocating resources and assessing performance of each operating segment. Adjusted EBITDA is computed as Income before taxes appearing on the Consolidated and Combined Statements of Operations net of interest expense, depreciation and amortization and other significant items that while periodically affecting the Company's results, may vary significantly from period to period and may have a disproportionate effect in a given period, which may affect comparability of results. Reportable segment assets are those directly used in or clearly allocable to an operating segment's operations. Depreciation, amortization, and property and equipment expenditures are recognized in each respective segment. There were no material transactions between reporting segments for the years ended January 27, 2017, January 29, 2016 and January 30, 2015.

- The Direct segment sells products through the Company's e-commerce websites and direct mail catalogs. Operating costs consist primarily of direct marketing costs (catalog and e-commerce marketing costs); order processing and shipping costs; direct labor and benefits costs and facility costs. Assets primarily include goodwill and trade name intangible assets, inventory, accounts receivable, prepaid expenses (deferred catalog costs), technology infrastructure, and property and equipment.
- The Retail segment sells products and services through dedicated Lands' End Shops at Sears across the United States, the Company's Lands' End stores and international shop-in-shops. Operating costs consist primarily of labor and benefits costs; rent, CAM and occupancy costs; distribution costs; and in-store marketing costs. Assets primarily include inventory in the retail stores, fixtures and leasehold improvements.
- Corporate overhead and other expenses include unallocated shared-service costs, which primarily consist of employee services and financial services, legal and corporate expenses. These expenses include labor and benefits costs, corporate headquarters occupancy costs and other administrative expenses. Assets include corporate headquarters and facilities, corporate cash and cash equivalents and deferred income taxes.

Financial information by segment is presented as follows:

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
Net revenue:			
Direct	\$ 1,149,149	\$ 1,214,993	\$ 1,320,642
Retail	186,390	204,566	234,632
Corporate/other	221	219	79
Total Net revenue	<u>\$ 1,335,760</u>	<u>\$ 1,419,778</u>	<u>\$ 1,555,353</u>

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
Adjusted EBITDA:			
Direct	\$ 78,582	\$ 141,936	\$ 192,763
Retail	(5,560)	(520)	7,161
Corporate/other	(33,190)	(34,128)	(35,626)
Total adjusted EBITDA	<u>\$ 39,832</u>	<u>\$ 107,288</u>	<u>\$ 164,298</u>
Loss on disposal of property and equipment	672	44	239
Product recall	(212)	(3,371)	4,713
Depreciation and amortization	19,003	17,399	19,703
Intangible asset impairment	173,000	98,300	—
Operating (loss) income	<u>\$ (152,631)</u>	<u>\$ (5,084)</u>	<u>\$ 139,643</u>
Interest expense	24,630	24,826	20,494
Other income, net	1,619	(671)	(1,408)
Income tax (benefit) expense	(69,098)	(9,691)	46,758
Net (loss) income	<u>\$ (109,782)</u>	<u>\$ (19,548)</u>	<u>\$ 73,799</u>

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
Depreciation and amortization:			
Direct	\$ 15,877	\$ 13,916	\$ 15,640
Retail	1,674	2,029	2,618
Corporate/other	1,452	1,454	1,445
Total Depreciation and amortization	<u>\$ 19,003</u>	<u>\$ 17,399</u>	<u>\$ 19,703</u>

<i>(in thousands)</i>	January 27, 2017	January 29, 2016
Total assets:		
Direct	\$ 805,201	\$ 953,502
Retail	69,792	69,321
Corporate/other	239,398	258,703
Total assets	<u>\$ 1,114,391</u>	<u>\$ 1,281,526</u>

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
Capital expenditures:			
Direct	\$ 32,590	\$ 21,630	\$ 15,160
Retail	635	318	1,004
Corporate/other	94	276	444
Total capital expenditures	<u>\$ 33,319</u>	<u>\$ 22,224</u>	<u>\$ 16,608</u>

The geographical allocation of Net revenue is based upon country of order fulfillment. Other foreign amounts represent orders fulfilled from the United States and shipped to customers in another country. The following presents summarized geographical information:

<i>(in thousands)</i>	Fiscal 2016	Fiscal 2015	Fiscal 2014
Net revenue:			
United States	\$ 1,143,529	\$ 1,211,226	\$ 1,309,252
Europe	125,410	136,890	159,796
Asia	50,030	51,808	56,014
Other foreign	16,791	19,854	30,291
Total Net revenue	\$ 1,335,760	\$ 1,419,778	\$ 1,555,353

<i>(in thousands)</i>	January 27, 2017	January 29, 2016
Property and equipment, net:		
United States	\$ 113,045	\$ 98,153
Europe	9,075	10,980
Asia	716	698
Total Property and equipment, net	\$ 122,836	\$ 109,831

Other than the United States, no one country is greater than 10% of total Net revenue or of total Property and equipment, net.

NOTE 13. QUARTERLY FINANCIAL DATA (UNAUDITED)

<i>(in thousands except share data)</i>	Fiscal 2016							
	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	\$'s	% Net Sales	\$'s	% Net Sales	\$'s	% Net Sales	\$'s	% Net Sales
Net revenue	\$ 273,433	100.0 %	\$ 292,010	100.0 %	\$ 311,476	100.0 %	\$ 458,841	100.0 %
Gross profit	129,670	47.4 %	136,152	46.6 %	133,651	42.9 %	176,935	38.6 %
Operating income (loss) ⁽²⁾	(3,486)	(1.3)%	2,712	0.9 %	(3,423)	(1.1)%	(148,434)	(32.3)%
Net loss ⁽²⁾	\$ (5,759)	(2.1)%	\$ (1,980)	(0.7)%	\$ (7,222)	(2.3)%	\$ (94,821)	(20.7)%
Basic loss per common share ⁽¹⁾	\$ (0.18)		\$ (0.06)		\$ (0.23)		\$ (2.96)	
Diluted loss per common share ⁽¹⁾	\$ (0.18)		\$ (0.06)		\$ (0.23)		\$ (2.96)	

Fiscal 2015

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	\$'s	Net Sales	\$'s	Net Sales	\$'s	Net Sales	\$'s	Net Sales
<i>(in thousands except share data)</i>								
Net revenue	\$ 299,387	100.0%	\$ 312,414	100.0%	\$ 334,434	100.0%	\$ 473,543	100.0 %
Gross profit	146,564	49.0%	144,500	46.3%	162,415	48.6%	199,110	42.0 %
Operating income ⁽³⁾	8,495	2.8%	17,918	5.7%	23,297	7.0%	(54,794)	(11.6)%
Net income (loss) ⁽³⁾	\$ 1,724	0.6%	\$ 7,461	2.4%	\$ 10,725	3.2%	\$ (39,458)	(8.3)%
Basic earnings (loss) per common share ⁽¹⁾	\$ 0.05		\$ 0.23		\$ 0.34		\$ (1.23)	
Diluted earnings (loss) per common share ⁽¹⁾	\$ 0.05		\$ 0.23		\$ 0.33		\$ (1.23)	

- (1) The sum of the quarterly earnings per share—basic and diluted amounts may not equal the fiscal year amount due to rounding.
- (2) Fourth Quarter 2016 Net loss includes an impairment charge of \$173.0 million related to the non-cash write-down of our trade name indefinite-lived asset, Lands' End.
- (3) Fourth Quarter 2015 Net loss includes an impairment charge of \$98.3 million related to the non-cash write-down of our trade name indefinite-lived asset, Lands' End.

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 President and Chief Executive Officer and Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) are effective as of January 27, 2017.

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 President and Chief Executive Officer and Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer 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 President and Chief Executive Officer and Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer 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, 2017. Our independent registered public accounting firm has issued an audit report on the effectiveness of our internal control over financial reporting, which is included herein.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the Company's fourth fiscal quarter ended January 27, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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 “Other Information - Section 16(a) Beneficial Ownership Reporting Compliance” of our definitive proxy statement for our annual meeting of stockholders to be held on May 11, 2017 (the “2017 Proxy Statement.”) and is incorporated herein by reference.

The information required by this Item 10 regarding the Company’s executive officers is set forth under the heading “Executive Officers of the Registrant” 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. 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

Information regarding executive and director compensation is incorporated by reference to the material under the headings “Item 1. Election of Directors - Executive Compensation,” “- Executive Compensation - Compensation Committee Interlocks and Insider Participation,” “- Executive Compensation - Compensation Committee Report” and “- Compensation of Directors,” of the 2017 Proxy Statement. The material incorporated herein by reference to the information set forth under the heading “- Executive Compensation - Compensation Committee Report” of the 2017 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 - Amount and Nature of Beneficial Ownership” of the 2017 Proxy Statement. See also “Equity Compensation Plan Information” in Item 5 of this Report for a discussion of securities authorized for issuance under equity compensation plans.

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 2017 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 Accounting Firm Fees” of the 2017 Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The financial statements filed as part of this Annual Report on Form 10-K are listed under Part II, Item 8.

Exhibits:

The following documents are filed as exhibits hereto:

<u>Exhibit Number</u>	<u>Exhibit Description</u>
2.1	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. 002-09769)).
3.1	Amended and Restated Certificate of Incorporation of Lands' End, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 20, 2014 (File No. 001-09769)).
3.2	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)).
4.1	ABL Credit Agreement, dated as of April 4, 2014, by and between Lands' End, Inc. (as the Domestic Borrower), Lands' End Europe Limited (as the UK Borrower), Bank of America, N.A. (as Administrative Agent and Collateral Agent), the Other Lenders party thereto, Bank of America, N.A. and GE Capital Markets, Inc. (as Joint Lead Arrangers and Joint Bookrunners), General Electric Capital Corporation (as Syndication Agent) and Bank of Montreal (as Documentation Agent) (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
4.2	Term Loan Credit Agreement, dated as of April 4, 2014, among Lands' End, Inc. (as the Borrower), Bank of America, N.A. (as Administrative Agent and Collateral Agent and as Arranger and Bookrunner) and the Lenders party thereto (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
4.3	Guaranty and Security Agreement, dated as of April 4, 2014, among Lands' End, Inc. (as Domestic Borrower) and certain of its wholly-owned subsidiaries, each as a Grantor, the other grantors from time to time party thereto and Bank of America, N.A., as Agent (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
4.4	Term Loan Guarantee and Security Agreement, dated as of April 4, 2014, among Lands' End, Inc., as Borrower and certain of its wholly-owned subsidiaries, each as a Grantor, the other grantors from time to time party thereto and Bank of America, N.A., as Agent (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
10.1	Transition Services Agreement, dated as of April 4, 2014, by and between Sears Holdings Management Corporation and Lands' End, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
10.2	Tax Sharing Agreement, dated as of April 4, 2014, by and between Sears Holdings Corporation and Lands' End, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
10.3	Master Lease Agreement, dated as of April 4, 2014, by and between Sears, Roebuck and Co. and Lands' End, Inc. (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)). ⁽¹⁾
10.4	First Amendment to Master Lease Agreement, by and between Sears, Roebuck and Co. and Lands' End, Inc., effective on July 6, 2015 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2015 (File No. 001-09769)). ⁽¹⁾
10.5	Master Sublease Agreement, dated as of April 4, 2014, by and between Sears, Roebuck and Co. and Lands' End, Inc. (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)). ⁽¹⁾

- 10.6 First Amendment to Master Sublease Agreement, by and between Sears, Roebuck and Co. and Lands' End, Inc., effective on July 6, 2015 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2015 (File No. 001-09769)).⁽¹⁾
- 10.7 Lands' End Shops at Sears Retail Operations Agreement, dated as of April 4, 2014, by and between Sears, Roebuck and Co. and Lands' End, Inc. (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
- 10.8 Shop Your WaySM Retail Establishment Agreement, dated as of April 4, 2014, by and between Sears Holdings Management Corporation and Lands' End, Inc. (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).⁽¹⁾
- 10.9 Financial Services Agreement, dated as of April 4, 2014, by and between Sears Holdings Management Corporation and Lands' End, Inc. (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
- 10.10 Buying Agency Agreement, dated as of July 11, 2016, by and between International Sourcing & Logistics Limited and Lands' End, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 12, 2016 (File No. 001-09769)).
- 10.11 Buying Agency Agreement, dated as of April 4, 2014, by and between Sears Holdings Global Sourcing, Ltd. and Lands' End, Inc. (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
- 10.12 Director Compensation Policy effective as of November 16, 2016 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 28, 2016 (File No. 001-09769)).**
- 10.13 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)).**
- *10.14 Lands' End, Inc. 2017 Stock Plan.**
- 10.15 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)).**
- 10.16 Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.25 to the Company's Current Report on Form 8-K filed on May 27, 2014 (File No. 001-09769)).**
- 10.17 Form of Restricted Stock Unit Award Agreement (Timed-Based) (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on May 6, 2015 (File No. 001-09769)).**
- 10.18 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)).**
- 10.19 2016 Additional Definition Under Lands' End, Inc. Annual Incentive Plan (As Amended and Restated) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 29, 2016 (File No. 001-09769)).
- 10.20 2017 Additional Definition Under Lands' End, Inc. Annual Incentive Plan (As Amended and Restated) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 2, 2017 (File No. 001-09769)).
- 10.21 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 20, 2015 (File No. 001-09769)).**
- 10.22 2016 Additional Definition Under Lands' End, Inc. Long-Term Incentive Program (As Amended and Restated) (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 29, 2016 (File No. 001-09769)).**
- 10.23 2015 Additional Definitions Under Lands' End, Inc. Long-Term Incentive Program (As Amended and Restated) (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 6, 2015 (File No. 001-09769)).**
- 10.24 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)).**

- 10.25 Form of Lands' End, Inc. Executive Severance Agreement (incorporated by reference to Exhibit 10.24 to the Company's Current Report on Form 8-K/A filed on July 2, 2014 (File No. 001-09769)).** ⁽¹⁾
- *10.26 Letter from Lands' End, Inc. to Jerome S. Griffith relating to employment, dated December 19, 2016.**
- *10.27 Executive Severance Agreement dated and effective as of December 19, 2016 between Lands' End, Inc. and its affiliates and subsidiaries and Jerome S. Griffith.** ⁽²⁾
- *10.28 Sign-on Restricted Stock Unit Agreement dated and effective as of March 6, 2017 between Lands' End, Inc. and Jerome S. Griffith.**
- *10.29 Sign-on Nonqualified Stock Option Agreement dated and effective as of March 6, 2017 between Lands' End, Inc. and Jerome S. Griffith.**
- 10.30 Letter from Lands' End, Inc. to James Gooch relating to employment, dated January 26, 2016 and effective as of January 27, 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)).**
- *10.31 Letter from Lands' End, Inc. to James Gooch relating to employment, dated December 19, 2016.**
- 10.32 Executive Severance Agreement dated and effective as of January 27, 2016 between Lands' End, Inc. and its affiliates and subsidiaries and James Gooch (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2016 (File No. 001-09769)).** ⁽¹⁾
- 10.33 Restricted Stock Unit Agreement dated and effective as of January 27, 2016 between Lands' End, Inc. and James Gooch. (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2016 (File No. 001-09769)).**
- 10.34 Compensation Committee Resolutions dated September 23, 2016 regarding Co-Interim Chief Executive Officer Compensation (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 28, 2016 (File No. 001-09769)).**
- *10.35 Letter from Lands' End, Inc. to Joseph M. Boitano relating to employment, dated June 1, 2015.**
- *10.36 Executive Severance Agreement dated and effective as of June 8, 2015 between Lands' End, Inc. and its affiliates and subsidiaries and Joseph M. Boitano.** ⁽²⁾
- *10.37 Letter from Lands' End, Inc. to Rebecca L. Gebhardt relating to employment, dated March 25, 2014.**
- *10.38 Letter from Lands' End, Inc. to Rebecca L. Gebhardt relating to employment, dated June 16, 2016.**
- *10.39 Executive Severance Agreement dated and effective as of August 5, 2014 between Lands' End, Inc. and its affiliates and subsidiaries and Rebecca L. Gebhardt.** ⁽²⁾
- 10.40 Letter from Lands' End, Inc. to Scott Hyatt relating to employment, dated June 9, 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)).**
- 10.41 Executive Severance Agreement dated and effective as of June 29, 2016 between Lands' End, Inc. and its affiliates and subsidiaries and Scott Hyatt (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)).** ⁽¹⁾
- 10.42 Executive Severance Agreement dated and effective as of December 5, 2014 between Lands' End, Inc. and its affiliates and subsidiaries and Kelly Ritchie (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).** ⁽¹⁾
- 10.43 Letter from Lands' End, Inc. to Federica Marchionni relating to employment, dated January 30, 2015 (incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).**
- 10.44 Executive Severance Agreement dated and effective as of December 5, 2014 between Lands' End, Inc. and its affiliates and subsidiaries and Kelly Ritchie (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).** ⁽¹⁾
- 10.45 Restricted Stock Unit Agreement dated and effective as of February 17, 2015 between Lands' End, Inc. and Federica Marchionni (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).**

- 10.46 Letter from Lands' End, Inc. to Steven G. Rado relating to employment, dated April 16, 2014 (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).**
 - 10.47 Executive Severance Agreement dated and effective as of August 5, 2014 between Lands' End, Inc. and its affiliates and subsidiaries and Steven G. Rado (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).** (1)
 - *10.48 Letter from Lands' End, Inc. to James Gooch relating to employment, dated March 29, 2017.**
 - *21 Subsidiaries of Lands' End, Inc.
 - *23 Consent of Deloitte & Touche LLP.
 - *24 Powers of Attorney.
 - *31.1 Certification of Chief Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.
 - *31.2 Certification of Chief Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.
 - *32 Certification of Chief Executive Officer and 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 XBRL Instance Document***
 - 101.SCH XBRL Taxonomy Extension Schema Document***
 - 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document***
 - 101.DEF XBRL Taxonomy Extension Definition Document***
 - 101.LAB XBRL Taxonomy Extension Label Linkbase Document***
 - 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document***
- * Filed herewith.
- ** A management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report on Form 10-K pursuant to Item 15(b) of Form 10-K.
- *** In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Annual Report on Form 10-K shall be deemed to be "furnished" and not "filed."
- (1) Confidential treatment was granted as to omitted portions of this exhibit. The omitted material has been filed separately with the Securities and Exchange Commission.
- (2) Confidential treatment requested as to certain terms in this exhibit; these terms have been omitted from this filing and filed separately with the Securities and Exchange Commission.

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.

LANDS' END, INC.
2017 STOCK PLAN

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LANDS' END, INC.
2017 STOCK PLAN

SECTION 1. BACKGROUND AND PURPOSE

1.1. **The Plan.** The name of this Plan is the **Lands' End, Inc. 2017 Stock Plan**. The purpose of this Plan is to promote the interests of the Company and its Subsidiaries through grants to Eligible Individuals of Restricted Stock, Stock Units, Other Stock-Based Awards, Options and Stock Appreciation Rights in order to (1) attract and retain the services of Eligible Individuals, (2) provide an additional incentive to each Eligible Individual to work to increase the value of Stock and (3) provide each Eligible Individual with a stake in the future of the Company which corresponds to the stake of each Company stockholder.

SECTION 2. DEFINITIONS

Each term set forth in this Section 2 shall have the meaning set forth opposite such term for purposes of this Plan and, for purposes of such definitions, the singular shall include the plural and the plural shall include the singular.

2.1. **Board** shall mean the Board of Directors of the Company.

2.2. **Change in Control** shall mean the occurrence of any of the following events:

(a) The acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) fifty percent (50%) or more of either (i) the then-outstanding shares of Stock (the "Outstanding Common Stock") or (ii) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors; provided, however, that for purposes of this subclause (a), the following acquisitions of capital stock of the Company (whether Stock or otherwise) shall not constitute a Change in Control: (i) any acquisition directly from the Company (excluding an acquisition pursuant to the exercise, conversion or exchange of any security exercisable for, convertible into or exchangeable for Stock or voting securities of the Company, unless the Person exercising, converting or exchanging such security acquired such security directly from the Company or an underwriter or agent of the Company), (ii) any acquisition by the Company, (iii) any acquisition by any Person which as of the date hereof beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) twenty percent (20%) or more of the Outstanding Common Stock, or (iv) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) The consummation of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting

securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than fifty percent (50%) of the combined voting power of the surviving or resulting entity outstanding immediately after such merger or consolidation; or

(c) The consummation of a plan or agreement for the sale or disposition of all or substantially all of the consolidated assets of the Company (other than such a sale or disposition immediately after which such assets will be owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the Stock immediately prior to such sale or disposition).

2.3. **Code** shall mean the Internal Revenue Code of 1986, as amended.

2.4. **Committee** shall mean the Compensation Committee of the Board to which the responsibility to administer this Plan is delegated by the Board and which shall consist of at least two members of the Board, each of whom shall be a “non-employee director” (within the meaning of Rule 16b-3 under the Exchange Act) and each of whom shall be an “outside director” for purposes of Code Section 162(m).

2.5. **Company** shall mean Lands’ End, Inc., a Delaware corporation, and any successor to such corporation.

2.6. **Employee** shall mean any individual employed by the Company or a Subsidiary on the payroll records thereof. An Employee shall not include any individual during any period he or she is classified or treated by the Company (or any Subsidiary) as an independent contractor or any employee of an employment or temporary agency or firm, without regard to whether such individual is subsequently determined to have been or is subsequently retroactively reclassified as a common-law employee of the Company or any Subsidiary during such period.

2.7. **Eligible Individual** shall mean an Employee, Non-Employee Director or other individual performing advisory or consulting services for the Company or a Subsidiary, as determined and designated by the Committee from time to time. An award may be granted to an Eligible Individual, in connection with hiring, retention or otherwise, prior to the date the Employee, Non-Employee Director or service provider first performs service for the Company or the Subsidiaries, provided such award shall not become vested prior to the date the Employee, Non-Employee Director or other service provider first performs such service. Notwithstanding the above, for purposes of ISOs, Eligible Individual shall be limited to an Employee of the Company or a Subsidiary, as determined and designated by the Committee.

2.8. **Exchange Act** shall mean the Securities Exchange Act of 1934, as amended.

2.9. **Fair Market Value** shall mean, for any given date, the closing price for the Stock, as of such date, as reported by the NASDAQ Stock Market on the relevant valuation date or, if there were no sales on the valuation date, on the next preceding date on which such selling prices were recorded; provided, however, that if the Stock is no longer listed for trading on a

national securities exchange, an amount determined in accordance with standards adopted by the Committee on a basis consistently applied.

2.10. **ISO** shall mean an Option granted under Section 8 to purchase Stock and evidenced by an Option Agreement which provides that the Option is intended to satisfy the requirements for an incentive stock option under Code Section 422.

2.11. **NQO** shall mean an Option granted under Section 8 to purchase Stock and evidenced by an Option Agreement which provides that the Option shall not be treated as an incentive stock option under Code Section 422.

2.12. **Non-Employee Director** shall mean a member of the Board who is not an Employee of the Company or a Subsidiary.

2.13. **Option** shall mean an ISO or a NQO.

2.14. **Option Agreement** shall mean the written (or electronic) agreement or instrument which sets forth the terms of an Option granted to an Eligible Individual under this Plan.

2.15. **Option Price** shall mean the price which shall be paid to purchase one share of Stock upon the exercise of an Option granted under this Plan and which is no less than the Fair Market Value of a share of Stock on the date the Option is granted.

2.16. **Other Stock-Based Award** shall mean a grant under Section 7 to an Eligible Individual of Stock or other type of equity-based or equity-related award not otherwise described by the terms of this Plan, including without limitation, the grant or offer for sale of unrestricted Stock or the grant of Stock in settlement of an award under the Lands' End, Inc. Umbrella Incentive Program, as amended and restated from time to time, and any incentive program thereunder, in such amounts and subject to such terms and conditions, as the Committee shall determine.

2.17. **Performance Period** shall mean the period selected by the Committee during which performance is measured for purpose of determining the extent to which an award of SARs, Options, Restricted Stock, Stock Units or Other Stock-Based Awards has been earned.

2.18. **Plan** shall mean this Lands' End, Inc. 2017 Stock Plan, as amended from time to time.

2.19. **Restricted Stock** shall mean Stock granted to an Eligible Individual pursuant to Section 7.

2.20. **SAR Agreement** shall mean the written (or electronic) agreement or instrument which sets forth the terms of a SAR granted to an Eligible Individual under this Plan.

2.21. **SAR Share Value** shall mean the figure which is set forth in each SAR Agreement and which is no less than the Fair Market Value of a share of Stock on the date the related SAR is granted.

2.22. **Stock** shall mean the common stock of the Company, par value \$0.01 per share.

2.23. **Stock Agreement** shall mean the written (or electronic) agreement or instrument which sets forth the terms of a Restricted Stock, Stock Unit or Other Stock-Based Award grant to an Eligible Individual under this Plan.

2.24. **Stock Appreciation Right or SAR** shall mean a right which is granted pursuant to the terms of Section 8 to the appreciation in the Fair Market Value of a share of Stock in excess of the SAR Share Value for such a share.

2.25. **Stock Unit** shall mean a right granted to an Eligible Individual pursuant to Section 7 to receive a payment in cash or shares based on the Fair Market Value of the number of shares of Stock described in such grant.

2.26. **Subsidiary** shall mean any corporation which is a subsidiary corporation (within the meaning of Code Section 424(f)) of the Company.

SECTION 3. SHARES RESERVED UNDER PLAN

3.1. **Shares.** There shall be reserved for issuance under this Plan 1,000,000 shares of Stock; which limit also shall be the maximum number of shares that may be issued pursuant to ISOs under Section 8.

3.2. **Share Counting.** The shares of Stock described in Section 3.1 shall be reserved to the extent that the Company deems appropriate from authorized but unissued shares of Stock and from shares of Stock which have been reacquired by the Company. Shares of Stock covered by an award under the Plan shall only be counted as used to the extent they are actually issued. Furthermore, any shares of Stock issued pursuant to a Restricted Stock or Other Stock-Based Award grant which are forfeited or cancelled thereafter shall again become available for issuance under this Plan. The net number of shares of Stock issued under a Stock Unit or Other Stock-Based Award, if applicable, shall not again become available under Section 3.1 for issuance under this Plan. If a Stock Unit or Other Stock-Based Award is forfeited or settled in cash, the related shares of Stock shall again become available for issuance under this Plan. The net number of shares of Stock issued under an Option or SAR, to the extent it is exercised, shall not again become available under Section 3.1 for issuance under this Plan. If an Option or SAR is forfeited or settled in cash, if applicable, the related shares of Stock shall again become available for issuance under this Plan. Any shares of Stock which are (a) tendered to, or withheld by, the Company to pay the Option Price of an Option, (b) tendered to, or withheld by, the Company in satisfaction of any condition to a grant of Restricted Stock or Other Stock-Based Award, or (c) used to satisfy a withholding obligation under Section 14.4, shall again become available under Section 3.1 for issuance under this Plan.

3.3. **Use of Proceeds.** The proceeds which the Company receives from the sale of any shares of Stock under this Plan shall be used for general corporate purposes and shall be added to the general funds of the Company.

3.4. **Substitute Awards.** Awards may be granted under the Plan from time to time in substitution for stock options and other awards held by employees or directors of other entities who are about to become Employees, whose employer is about to become an affiliate as the result of a merger or consolidation of the Company with another corporation, or the acquisition by the Company of substantially all the assets of another corporation, or the acquisition by the Company of at least fifty percent (50%) of the issued and outstanding stock of another corporation as the result of which such other corporation will become a Subsidiary. The terms and conditions of the substitute awards so granted may vary from the terms and conditions set forth in the Plan to such extent as the Committee at the time of grant may deem appropriate to conform, in whole or in part, to the provisions of the award in substitution for which they are granted. If shares of Stock are issued under the Plan with respect to a substitute award granted under this Section 3.4, as described above, to the extent permitted by applicable law and exchange rules, such shares of Stock will not count against the maximum number of shares of Stock reserved for issuance under the Plan, as set forth in Section 3.1.

SECTION 4. EFFECTIVE DATE

The Plan shall become effective on March 30, 2017, subject to the stockholders of the Company (acting at a duly called meeting of such stockholders) approving the adoption of this Plan.

SECTION 5. PLAN ADMINISTRATION

5.1. **Authority of Committee.** The Plan shall be administered by the Committee. Except as limited by law, or by the Certificate of Incorporation or By-Laws of the Company, and subject to the provisions of this Plan, the Committee shall have full power, authority, and sole and exclusive discretion to construe, interpret and administer this Plan, including without limitation, the power and authority to make determinations relating to Plan grants and correct mistakes in Stock, Option, or SAR Agreements, and to take such other action in the administration and operation of this Plan as the Committee deems equitable under the circumstances. The Committee, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective. In addition, the Committee shall have full and exclusive power to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which power shall be executed in the best interests of the Company and in keeping with the objectives of the Plan. This power includes, but is not limited to, selecting award recipients and establishing all award terms and conditions.

5.2. **Amendment of Awards.** The Committee, in its sole discretion, may amend any outstanding award at any time in any manner not inconsistent with the terms of the Plan, provided that no outstanding, vested award may be amended without the grantee's consent if the amendment would have a materially adverse effect on the grantee's rights under the award. Notwithstanding the foregoing, the Committee, in its sole discretion, may amend an award if it determines such amendment is necessary or advisable for the Company to comply with applicable law (including Code Section 409A), regulation, rule, or accounting standard.

5.3. **Delegation.** To the extent permitted by applicable law, the Committee may delegate its authority as identified herein to one or more officers of the Company or members of the Board, including without limitation the authority to approve grants to Eligible Individuals other than any of the Company's officers and Non-employee Directors. To the extent that the Committee delegates its authority to make grants as provided by this Section 5.3, all references in the Plan to the Committee's authority to make grants and determinations with respect thereto shall be deemed to include the Committee's delegate(s). In addition, the Committee may delegate to one or more of its members, officers of the Company or agents or advisors such administrative duties or powers as it may deem advisable. Any such delegate shall serve at the pleasure of, and may be removed at any time by, the Committee.

5.4. **Decisions Binding.** In making any determination or in taking or not taking any action under the Plan, the Committee or its delegate(s) may obtain and may rely on the advice of experts, including Employees of and professional advisors to the Company. Any action taken by, or inaction of, the Committee or its delegate(s) relating to or pursuant to the Plan shall be within the absolute discretion of the Committee or its delegate. Such action or inaction of the Committee or its delegate(s) shall be conclusive and binding on the Company, on each affected Eligible Individual and on each other person directly or indirectly affected by such action.

SECTION 6. ELIGIBILITY

Eligible Individuals shall be eligible for the grant of awards under this Plan.

SECTION 7. RESTRICTED STOCK, STOCK UNITS AND OTHER STOCK-BASED AWARDS

7.1. **Committee Action.**

(a) **General.** The Committee acting in its absolute discretion shall have the right to grant Restricted Stock, Stock Units and Other Stock-Based Awards to Eligible Individuals from time to time.

(b) **Limitations:**

(1) **Other than Non-Employee Directors.** Except as provided herein and subject to subsection (b)(2) immediately below, no Restricted Stock, Stock Unit or Other Stock-Based Award grants in any combination may be made to an Eligible Individual in any calendar year with respect to more than 250,000 shares of Stock. Each grant of Restricted Stock, Stock Units and Other Stock-Based Awards shall be evidenced by a Stock Agreement. Notwithstanding the foregoing, separate and in addition to the above limit, no more than 250,000 shares of Stock may be awarded to any Eligible Individual in any calendar year with respect to Stock that is granted in settlement of an award under the Lands' End, Inc. Umbrella Incentive Program (or any incentive program established thereunder).

(2) **Non-Employee Directors.** Notwithstanding subsection (b)(1) immediately above, no Restricted Stock, Stock Unit and Other Stock-Based Award grants in any combination may be made to a Non-Employee Director in any calendar year with respect to more than \$250,000 in aggregate value at grant date(s), but determined without regard to any director's fees that a director voluntarily elects to have paid in Stock instead of cash. Each grant of Restricted Stock, Stock Units and Other Stock-Based Awards to a Non-Employee Director shall be evidenced by a Stock Agreement.

7.2. **Forfeiture Conditions.** The Committee may make a Restricted Stock, Stock Unit or Other Stock-Based Award grant subject to one or more employment, performance or other forfeiture conditions which the Committee acting in its absolute discretion deems appropriate under the circumstances, and the related Stock Agreement shall set forth each such forfeiture condition and the deadline for satisfying each such forfeiture condition. Any Restricted Stock or Other Stock-Based Award issued hereunder may be evidenced in such manner, as the Committee, in its sole discretion, shall deem appropriate, including without limitation, book entry registration or issuance of a stock certificate or certificates. In the event any physical stock certificate is issued in respect of Restricted Stock or Other Stock-Based Award granted under the Plan, such certificates shall be registered in the name of the Eligible Individual, shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to the award, and shall be held by the Company as escrow agent until the restrictions on such award have lapsed.

7.3. **Rights Under Awards.**

(a) **Cash Dividends.** Each Stock Agreement which evidences a Restricted Stock or Other Stock-Based Award grant shall state whether the Eligible Individual shall have a right to receive any cash dividends which are paid after any shares of Restricted Stock or Other Stock-Based Award are issued to him or her and before the first day that the Eligible Individual's interest in such Stock is forfeited. If such a Stock Agreement provides that an Eligible Individual has no right to receive a cash dividend when paid, such agreement shall set forth the conditions, if any, under which the Eligible Individual will be eligible to receive one, or more than one, payment in the future to compensate the Eligible Individual for the fact that he or she had no right to receive any cash dividends on his or her Restricted Stock or Other Stock-Based Award when such dividends were paid. If such a Stock Agreement calls for any such payments to be made, the Company shall make such payments from the Company's general assets no later than the 15th day of the third month following the later of the taxable year of the Eligible Individual or the Company when such payments are no longer subject to a substantial risk of forfeiture under Code Section 409A to avoid treatment of the dividend as deferred compensation subject to Code Section 409A (the "409A Short-Term Deferral Period"), and the Eligible Individual shall be no more than a general and unsecured creditor of the Company with respect to such payments. Unless otherwise set forth in the Stock Agreement which evidences a Stock Unit grant, if a cash dividend is paid on the shares of Stock described in a Stock Unit grant, such cash dividend shall be treated as reinvested in shares of Stock and shall increase the number of shares of Stock described in such Stock Unit grant

before the end of the corresponding 409A Short-Term Deferral Period. Notwithstanding any provision contained in this paragraph (a) to the contrary, in no event shall dividends, if any, relating to Stock corresponding to a performance-based award subject to Code Section 162(m) be payable prior to the payment, if any, of such performance-based award.

(b) **Stock and Other Dividends.** Unless otherwise provided in the related Stock Agreement, and subject to such rules as the Committee shall adopt with respect to each dividend, if a Stock dividend is declared on a share of Restricted Stock or Other Stock-Based Award, such Stock dividend shall be treated as part of the grant of the related Restricted Stock or Other Stock-Based Award, and an Eligible Individual's interest in such Stock dividend shall be forfeited or shall become nonforfeitable at the same time as the Stock with respect to which the award corresponding to the Stock dividend was paid is forfeited or becomes non-forfeitable. Unless otherwise set forth in the Stock Agreement which evidences a Stock Unit grant, and subject to such rules as the Committee shall adopt with respect to each dividend, if a Stock dividend is declared on any shares of Stock described in a Stock Unit grant, such dividend shall increase the number of shares of Stock described in such Stock Unit grant. If a dividend is paid on a share of Restricted Stock or Other Stock-Based Award or on a share of Stock described in a Stock Unit grant other than in cash or Stock, the disposition of such dividend with respect to such Restricted Stock or Other Stock-Based Award grant and the treatment of such dividend with respect to such Stock Unit grant shall be effected in accordance with the terms of the related Stock Agreement or such rules as the Committee shall adopt with respect to each such dividend.

(c) **Voting Rights.** An Eligible Individual shall have the right to vote shares of Restricted Stock or Other Stock-Based Award unless otherwise provided in the related Stock Agreement. An Eligible Individual receiving a Stock Unit grant shall not possess any voting rights with respect to such Stock Units.

(d) **Effect of Termination.** In the discretion of the Committee, a Stock Agreement may provide for vesting, payment, or other applicable terms after the Eligible Individual ceases to be employed or provide services to the Company or Subsidiary for any reason whatsoever, including death or disability.

(e) **Nontransferability.** No Restricted Stock or Other Stock-Based Award grant and no shares issued pursuant to a Restricted Stock or Other Stock-Based Award grant shall be transferable by an Eligible Individual other than by will or by the laws of descent and distribution before an Eligible Individual's interest in such shares have become completely nonforfeitable, and no interests in a Stock Unit grant shall be transferable other than by will or the laws of descent and distribution, in each case except as otherwise provided in the related Stock Agreement.

(f) **Creditor Status.** An Eligible Individual to whom a Stock Unit is granted shall be no more than a general and unsecured creditor of the Company with respect to any payment due under such grant.

7.4. **Satisfaction of Forfeiture Conditions.** A share of Stock shall cease to be Restricted Stock or Other Stock-Based Award at such time as an Eligible Individual's interest in such Stock becomes nonforfeitable under this Plan and the terms of the related Stock Agreement. Upon vesting of a Stock Unit, the Eligible Individual shall receive payment in cash or Stock in accordance with the terms of the related Stock Agreement.

SECTION 8. OPTIONS AND SARs

8.1. **Options.** The Committee acting in its absolute discretion shall have the right to grant Options to purchase shares of Stock to Eligible Individuals from time to time, and Options may be granted for any reason the Committee deems appropriate under the circumstances. Each grant of an Option shall be evidenced by an Option Agreement, and each Option Agreement shall set forth whether the Option is an ISO or a NQO and shall set forth such other terms and conditions, including without limitation any performance-based vesting conditions or forfeiture provisions, of such grant, as the Committee acting in its absolute discretion deems consistent with the terms of this Plan.

8.2. **ISO Rules.** Notwithstanding anything in this Plan to the contrary, no term of this Plan relating to ISOs shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be so exercised, so as to disqualify the Plan or any ISO under Code Section 422. The aggregate Fair Market Value of ISOs granted to an Eligible Individual under this Plan and incentive stock options granted to such Eligible Individual under any other stock option plan adopted by the Company or a Subsidiary which first become exercisable in any calendar year shall not exceed \$100,000. Such Fair Market Value figure shall be determined by the Committee on the date the ISO or other incentive stock option is granted, and the Committee shall interpret and administer the limitation set forth in this Section 8.2 in accordance with Code Section 422(d).

Option Price, Exercise Period and No Dividend Equivalents.

(a) **Option Price.** The Option Price for each share of Stock subject to an Option shall be no less than the Fair Market Value of a share of Stock on the date the Option is granted. The Option Price shall be payable in full upon the exercise of any Option in accordance with the terms of the Plan. Except in accordance with the provisions of Section 12, the Committee shall not, absent the approval of the Company's stockholders, take any action, whether through amendment, cancellation, replacement grants, exchanges or any other means, to directly or indirectly reduce the Option Price of any outstanding Option including: (a) lowering the Option Price after it is granted, (b) canceling an Option when the Option Price per share exceeds the Fair Market Value of a share of Stock in exchange for cash or another award (other than in connection with a Change in Control) or (c) take any other action with respect to an Option that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on which the Stock is listed.

(b) **Exercise Period.** Each Option granted under this Plan shall be exercisable in whole or in part at such time or times as set forth in the related Option

Agreement, but no Option Agreement shall make an Option exercisable before the date such Option is granted or on or after the date which is the tenth anniversary of the date such Option is granted. In the discretion of the Committee, an Option Agreement may provide for the exercise of an Option after the Eligible Individual ceases to be employed or provide services to the Company or a Subsidiary for any reason whatsoever, including death or disability.

(c) **No Dividend Equivalents.** In no event shall any Option or Option Agreement granted under the Plan include any right to receive dividend equivalents with respect to such award.

8.4. **Method of Exercise.**

(a) **Committee Rules.** An Option may be exercised as provided in this Section 8.4 pursuant to procedures (including, without limitation, procedures restricting the frequency or method of exercise) as shall be established by the Committee or its delegate from time to time for the exercise of Options.

(b) **Notice and Payment.** An Option shall be exercised by delivering to the Committee or its delegate during the period in which such Option is exercisable, (1) written (or electronic) notice of exercise in a form acceptable to the Committee indicating the specific number of shares of Stock subject to the Option which are being exercised and (2) payment in full of the Option Price for such specific number of shares. An Option Agreement, at the discretion of the Committee, may provide for the payment of the Option Price by any of the following means:

- (1) in cash, electronic funds transfer or a check acceptable to the Committee;
- (2) in Stock which has been held by the Eligible Individual for a period acceptable to the Committee and which Stock is otherwise acceptable to the Committee, provided that the Committee may impose whatever restrictions it deems necessary or desirable with respect to such method of payment;
- (3) through a broker-facilitated cashless exercise procedure acceptable to the Committee;
- (4) through a net exercise feature, whereby the Company withholds shares to cover the payment of the Option Price and any related tax withholding obligation; or
- (5) in any combination of the methods described in this Section 8.4(b) which is acceptable to the Committee.

Any payment made in Stock shall be treated as equal to the Fair Market Value of such Stock on the date the properly endorsed stock certificate for such Stock is delivered to the

Committee (or to its delegate) or, if payment is effected through a certification of ownership of Stock in lieu of a stock certificate, on the date the Option is exercised.

(c) **Restrictions.** The Committee may from time to time establish procedures for restricting the exercise of Options on any given date as the result of excessive volume of exercise requests or any other problem in the established system for processing Option exercise requests or for any other reason the Committee or its delegate deems appropriate or necessary.

8.5. **SARs.**

(a) **SARs and SAR Share Value.**

(1) The Committee acting in its absolute discretion may grant an Eligible Individual a SAR which will give the Eligible Individual the right to the appreciation in one, or more than one, share of Stock, and any such appreciation shall be measured from the related SAR Share Value; provided, however, in no event shall the SAR Share Value be less than the Fair Market Value of a share of Stock on the date such SAR is granted. The Committee shall have the right to make any such grant subject to such additional terms, including without limitation any performance-based vesting conditions or forfeiture provisions, as the Committee deems appropriate and such terms shall be set forth in the related SAR Agreement.

(2) Each SAR granted under this Plan shall be exercisable in whole or in part at such time or times as set forth in the related SAR Agreement, but no SAR Agreement shall make a SAR exercisable before the date such SAR is granted or on or after the date which is the tenth anniversary of the date such SAR is granted. In the discretion of the Committee, a SAR Agreement may provide for the exercise of a SAR after the Eligible Individual ceases to be employed or provide services to the Company or Subsidiary for any reason whatsoever, including death or disability.

(3) Except in accordance with the provisions of Section 12, the Committee shall not, absent the approval of the Company's stockholders, take any action, whether through amendment, cancellation, replacement grants, exchanges or any other means, to directly or indirectly reduce the SAR Share Value of any outstanding SAR including: (a) lowering the SAR Share Value after it is granted, (b) canceling a SAR when the SAR Share Value exceeds the Fair Market Value of a share of Stock in exchange for cash or another award (other than in connection with a Change in Control) or (c) take any other action with respect to a SAR that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on which the Stock is listed.

(b) **Procedure.** The exercise of a SAR shall be effected by the delivery of the related SAR Agreement to the Committee together with a statement signed by the

Eligible Individual which specifies the number of shares of Stock as to which the Eligible Individual exercises his or her SAR.

(c) **Payment.** An Eligible Individual who exercises his or her SAR will receive a payment in cash or in Stock, or in a combination of cash and Stock, equal in amount to the product of (i) the number of shares of Stock with respect to which the SAR is exercised multiplied by (ii) the excess of the Fair Market Value of a share of Stock on the exercise date over the applicable SAR Share Value. The Committee acting in its absolute discretion shall determine the form of such payment. Any cash payment shall be made from the Company's general assets, and an Eligible Individual shall be no more than a general and unsecured creditor of the Company with respect to such payment.

(d) **No Dividend Equivalents.** In no event shall any SAR or SAR Agreement granted under the Plan include any right to receive dividend equivalents with respect to such award.

8.6. **Non-transferability.** Except to the extent the Committee deems permissible and consistent with the best interests of the Company, no Option or SAR shall be transferable by an Eligible Individual other than by will or by the laws of descent and distribution, and any grant by the Committee of a request by an Eligible Individual for any transfer (other than a transfer by will or by the laws of descent and distribution) of an Option or SAR shall be conditioned on the transfer not being made for value or consideration. Any such Option or SAR granted under this Plan shall be exercisable during an Eligible Individual's lifetime, as the case may be, only by (subject to the first sentence in this Section 8.6) the Eligible Individual, provided that in the event an Eligible Individual is incapacitated and unable to exercise such Eligible Individual's Option or SAR, such Eligible Individual's legal guardian or legal representative whom the Committee deems appropriate based on all applicable facts and circumstances presented to the Committee may exercise such Eligible Individual's Option or SAR, in accordance with the provisions of this Plan and the applicable Option or SAR Agreement. The person or persons to whom an Option or SAR is transferred by will or by the laws of descent and distribution (or pursuant to the first sentence of this Section 8.6) thereafter shall be treated as the Eligible Individual under this Plan.

8.7. **Share Limitations.**

(a) **Other than Non-Employee Directors.** Subject to subsection (b) immediately below, an Eligible Individual may not be granted in any calendar year Options, or SARs, or one or more Options and SARs in any combination which in the aggregate relate to more than 500,000 shares of Stock.

(b) **Non-Employee Directors.** Notwithstanding subsection (a) immediately above, a Non-Employee Director may not be granted in any calendar year Options, or SARs, or one or more Options and SARs in any combination which in the aggregate relate to more than \$250,000 in aggregate value at grant date(s), based on the accounting value as recognized by the Company.

SECTION 9. PERFORMANCE-BASED AWARDS

9.1. **Establishment of Performance Goals.** If, at the time of grant, the Committee intends an award to qualify as “performance based compensation” within the meaning of Code Section 162(m)(4), the Committee must establish in writing, objective performance goals for the applicable Performance Period no later than ninety (90) days after the Performance Period begins (but in no event after twenty-five percent (25%) of the Performance Period has elapsed), and while the outcome as to the performance goals is substantially uncertain. Such performance goals established by the Committee shall be based on one or more of the criteria described in Section 9.2.

9.2. **Performance Measures.** A performance goal may be based on any one or more or any combination (in any relative proportion) of the following: share price, market share, cash flow, revenue, revenue growth, earnings per share, operating earnings per share, operating earnings, earnings before interest, taxes, depreciation and amortization, return on equity, return on assets, return on capital, return on investment, net income, net income per share, economic value added, market value added, store sales growth, customer growth, maintenance and satisfaction performance goals and employee opinion survey results measured by an independent firm, and strategic business objectives, consisting of one or more objectives based on meeting specific cost or profit targets or margins, business expansion goals and goals relating to acquisitions or divestitures. Each goal, with respect to a performance period, may be expressed on an absolute and/or relative basis, may be with respect to Company performance as a whole, operating group or sub-group performance, business unit performance, individual Subsidiary performance, other group or individual performance, or division performance, and may be based on or otherwise employ comparisons based on internal targets, the past performance of the Company or of any one or more business units of the Company or its Subsidiaries, and/or the past or current performance of other companies, or an index. For the avoidance of doubt, any performance measures that are financial metrics will be determined in accordance with United States Generally Accepted Accounting Principles (“GAAP”) or will be adjusted when established to include or exclude any items otherwise includable or excludable under GAAP; provided, however, that the Committee may elect to use other standards for performance goals that are not intended to meet the requirements of performance-based compensation under Code Section 162(m).

9.3. **Certification of Performance.** A Participant otherwise entitled to receive an award intended to meet the requirements of performance-based compensation under Code Section 162(m) and the regulations thereunder for any Performance Period shall not receive a settlement of the award until the Committee has determined that the applicable performance goal(s) have been attained. To the extent that the Committee exercises discretion in making the determination required by this subsection, such exercise of discretion may not result in an increase in the amount of the payment with respect to such award.

9.4. **Extraordinary Items.** In establishing any performance goals, the Committee may, no later than the date such performance goals are established in accordance with Section 9.1, provide for the exclusion of the effects of the following items, to the extent identified in the audited financial statements of the Company, including footnotes, or in the Management Discussion and Analysis of Financial Condition and Results of Operations

accompanying such financial statements: (a) asset write-downs; (b) litigation or claim judgments or settlements; (c) extraordinary, unusual, and/or infrequently incurring items of gain or loss; (d) gains or losses on acquisitions or divestitures or store closings; (e) domestic pension expenses; (f) noncapital, purchase accounting items; (g) changes in tax or accounting principles, regulations or laws; (h) mergers or acquisitions; (i) integration costs disclosed as merger related; (j) accruals for reorganization or restructuring programs; (k) investment income or loss; (l) foreign exchange gains and losses; and (m) tax valuation allowances and/or tax claim judgment or settlements. To the extent the exclusion of any item affects awards intended to constitute performance-based compensation under Code Section 162(m), such exclusion shall be specified in a manner that satisfies the requirements of Code Section 162(m) and the regulations thereunder, including without limitation the requirement that performance goals be objectively determinable.

SECTION 10. SECURITIES REGISTRATION

For Stock issued pursuant to this Plan, the Company at its expense shall take such action as it deems necessary or appropriate to register the original issuance of such Stock to an Eligible Individual under the Securities Act of 1933, as amended, or under any other applicable securities laws or to qualify such Stock for an exemption under any such laws prior to the issuance of such Stock to an Eligible Individual; however, the Company shall have no obligation whatsoever to take any such action in connection with the transfer, resale or other disposition of such Stock by an Eligible Individual.

SECTION 11. LIFE OF PLAN

No award shall be granted under this Plan on or after the earlier of: (a) the tenth (10th) anniversary of the date the Company adopts this Plan, in which event this Plan otherwise thereafter shall continue in effect until all Options and SARs have been exercised in full or no longer are exercisable and all Restricted Stock, Stock Unit and Other Stock-Based Award grants under this Plan have been forfeited or the forfeiture conditions on the related Stock or cash payments have been satisfied in full, or (b) the date on which all of the Stock reserved under Section 3 has been issued or is no longer available for use under this Plan and all cash payments due under any Stock Unit grants have been paid or forfeited, in which event this Plan also shall terminate on such date.

SECTION 12. ADJUSTMENT

12.1. **Corporate Transactions.** The Committee shall make equitable adjustments to reflect any corporate transaction, which may include (a) adjusting the number, kind or class (or any combination thereof) of shares of Stock reserved under Section 3, the grant limitations described in Section 7.1(b) and Section 8.7, the number, kind or class (or any combination thereof) of shares of Stock subject to Options and SARs granted under this Plan and the applicable Option Price and SAR Share Value as well as the number, kind or class of shares of Stock subject to Restricted Stock, Stock Unit and Other Stock-Based Award grants under this Plan, (b) replacing outstanding awards with other awards of comparable value, (c) cancelling outstanding awards in return for a cash payment, and (d) any other adjustments that the

Committee determines to be equitable. For purposes of this paragraph a corporate transaction includes without limitation any dividend (other than a cash dividend that is not an extraordinary cash dividend) or other distribution (whether in the form of cash, Stock, securities of a subsidiary of the Company, other securities or other property), recapitalization, stock split, reverse stock split, combination of shares, reorganization, merger, consolidation, acquisition, split-up, spin-off, combination, repurchase or exchange of Stock or other securities of the Company, issuance of warrants or other rights to purchase Stock or other securities of the Company, or other similar corporate transaction. Notwithstanding anything in this paragraph to the contrary, an adjustment to an Option or SAR under this paragraph shall be made in a manner that will not result in the grant of a new Option or SAR under Code Section 409A or cause the Option or SAR to fail to be exempt from Code Section 409A.

12.2. **General.** If any adjustment under this Section 12 would create a fractional share of Stock or a right to acquire a fractional share of Stock, such fractional share shall be disregarded and the number of shares of Stock reserved under this Plan and the number subject to any grant shall be the next lower number of shares of Stock, rounding all fractions downward. Any adjustment made under this Section 12 by the Committee shall be conclusive and binding on all affected persons.

12.3. **Change in Control.**

(a) Upon the occurrence of a Change in Control, except to the extent specified in a Stock Agreement, any non-vested portion of an Eligible Individual's award shall fully vest in the event of either

(i) the failure by the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the "Acquiror"), to assume or continue the Company's rights and obligations under each or any award or portion thereof outstanding immediately prior to the Change in Control, or to substitute for each or any such outstanding award or portion thereof a substantially equivalent award with respect to the Acquiror's stock or other consideration of equivalent value as of the effective date of the Change in Control; or

(ii) the Eligible Individual's termination of employment within eighteen (18) months following a Change in Control on account of a termination by the Company (or any Acquiror) for any reason other than Cause or on account of an Eligible Individual's resignation for Good Reason.

(b) For purposes of Section 12.3(a):

(i) "Cause" means (i) a material breach by the Eligible Individual (other than a breach resulting from the Eligible Individual's incapacity due to a Disability) of the Eligible Individual's duties and responsibilities which breach is demonstrably willful and deliberate on the Eligible Individual'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 (or electronic) notice from the Company specifying such breach; (ii) the commission by the Eligible Individual of a felony; or (iii) dishonesty or willful misconduct in connection with the Eligible Individual's employment.

(ii) "Good Reason" shall mean, without the Eligible Individual's written (or electronic) consent, (i) a reduction of more than ten percent (10%) in the sum of the Eligible Individual's annual base salary and target bonus under Company's Annual Incentive Plan; (ii) the Eligible Individual's mandatory relocation to an office more than fifty (50) miles from the primary location at which the Eligible Individual was previously required to perform his or her 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, provided that the Company shall have failed to remedy any Good Reason event within sixty (60) days of the Eligible Individual's providing notice to the Company of the Good Reason event.

Notwithstanding the foregoing, with respect to any Eligible Individual who is party to an executive severance agreement or other employment agreement with the Company as of the date of his or her termination of employment (an "ESA"), "Cause" and "Good Reason" as used in Section 12.3(a) shall have the same meaning as those terms are defined in the Eligible Individual's ESA.

(c) Excess Parachute Payment Limitations. Notwithstanding any provision of the Plan or a Stock Agreement to the contrary for awards issued on or after April 9, 2015, if any portion of any payment or benefit under this Plan, either individually or in conjunction with any payment or benefit under any other plan, agreement or arrangement with the Company (all such payments and benefits are collectively referred to as, the "Total Payments"), would constitute an "excess parachute payment" within the meaning of Code Section 280G, that is subject to the excise tax imposed by Code Section 4999, then such payments or benefits made hereunder to the Participant shall be reduced, such that the value of the Total Payments that the Participant is entitled to receive shall be \$1 less than the maximum amount which the Participant may receive without becoming subject to the excise tax under Section 4999; provided, however, that such reduction shall only apply if it results in the Participant receiving a greater amount on an after-tax basis that he or she would receive absent such reduction. For purposes of this Section 12.3(c), the determination of whichever amount is greater on an after-tax basis shall be (i) based on maximum federal, state and local income and employment tax rates and the tax that would be imposed on the Participant pursuant to Code Section 4999 and (ii) made at Company expense by an independent accountants selected by the Company and the Participant (which may be the Company's income tax return preparers if Participant so agrees), and such determination shall be final and binding on both the Participant and the Company.

SECTION 13. AMENDMENT OR TERMINATION

The Board or the Committee may at any time in its sole discretion, for any reason whatsoever, terminate or suspend the Plan, and from time to time may amend or modify the Plan; provided that without the approval of stockholders of the Company, no amendment or modification to the Plan may: (a) materially modify the Plan in any way that would require stockholder approval under any regulatory requirement that the Committee determines to be applicable, including without limitation, the rules of any exchange or (b) modify the prohibition on repricing an Option or SAR as set forth in Sections 8.3 and 8.5, respectively. No amendment, modification, suspension or termination of the Plan shall have a materially adverse effect on any vested and outstanding award on the date of such amendment, modification, suspension or termination, without the written (or electronic) consent of the affected grantee. Notwithstanding the foregoing, no Eligible Individual consent shall be needed for an amendment, modification, or termination of the Plan if the Committee determines such amendment, modification, or termination is necessary or advisable for the Company to comply with applicable law (including Code Section 409A), regulation, rule, or accounting standard. Suspension or termination of the Plan shall not affect the Committee's ability to exercise the powers granted to it with respect to awards under this Plan prior to the date of such suspension or termination.

SECTION 14. MISCELLANEOUS

14.1. **Stockholder Rights.** No Eligible Individual shall have any rights as a stockholder of the Company as a result of the grant of an Option or SAR under this Plan or his or her exercise of such Option or SAR pending the actual delivery of any Stock subject to such Option or SAR to such Eligible Individual. Except as otherwise provided in this Plan, an Eligible Individual's rights as a stockholder in the shares of Stock related to a Restricted Stock or Other Stock-Based Award grant shall be set forth in the related Stock Agreement.

14.2. **No Contract of Employment or Contract for Services.** The grant of an award to an Eligible Individual under this Plan shall not constitute a contract of employment or contract for the performance of services or an agreement to continue his or her status as an Eligible Individual and shall not confer on an Eligible Individual any rights in addition to those rights, if any, expressly set forth in any Stock, Option or SAR Agreement.

14.3. **Coordination with Corporate Policies.** Shares of Stock and cash acquired by an Eligible Individual under this Plan shall be subject to share retention, forfeiture, and clawback policies established by the Company in accordance with the terms of such policies.

14.4. **Withholding.** The exercise of any Option or SAR granted under this Plan and the acceptance of a Restricted Stock, Stock Unit or Other Stock-Based Award grant shall constitute an Eligible Individual's full and complete consent to whatever action the Committee deems necessary to satisfy the minimum tax withholding requirements, if any, which the Committee acting in its discretion deems applicable. Subject to applicable law, the Committee, in its discretion, shall have the right to condition the delivery of any shares of Stock (or other benefit) under the Plan on the satisfaction of an Eligible Individual's applicable withholding obligation and shall have the right to satisfy such tax withholding requirements, if any: (a) through cash payment by the Eligible Individual; (b) with the Committee's consent, through the surrender of shares of Stock which the Eligible Individual already owns (provided, however, that to the extent

shares of Stock described in this subsection (b) are used to satisfy more than the minimum statutory withholding obligation, then, except as otherwise provided by the Committee, payments made with shares of Stock in accordance with this subsection (b) shall be limited to shares of Stock held by the Eligible Individual for not less than six (6) months prior to the payment date); or (c) through the surrender of shares of Stock to which the Eligible Individual is otherwise entitled under the Plan; provided, however, that such shares of Stock under this subsection (c) may be used to satisfy not more than the Company's minimum statutory withholding obligation (based on minimum statutory withholding rates for Federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income) (or any higher withholding amount permitted by applicable regulatory requirements without triggering variable accounting under GAAP).

14.5. **Compliance with Code Section 409A.** To the extent that amounts payable under this Plan are subject to Code Section 409A, the Plan is intended to comply with Code Section 409A and official guidance issued thereunder. Notwithstanding anything herein to the contrary, the Plan shall be interpreted, operated and administered in a manner consistent with this intention.

14.6. **Requirements of Law.** The granting of awards and the issuance of Stock under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

14.7. **Indemnification.** Each person who is or shall have been a member of the Committee and each delegate of such Committee shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be made a party or in which he or she may be involved in by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided that the Company is given an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it personally. Such foregoing right of indemnification shall not apply in circumstances involving such person's bad faith or willful misconduct. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or By-laws, by contract, as a matter of law, or otherwise.

14.8. **Headings and Captions.** The headings and captions here are provided for reference and convenience only, shall not be considered part of this Plan, and shall not be employed in the construction of this Plan.

14.9. **Governing Law.** This Plan shall be governed under the internal laws of the state of Wisconsin without regard to principles of conflicts of laws, to the extent not superseded by federal law. The state and federal courts located in the state of Wisconsin shall have exclusive jurisdiction in any action, lawsuit or proceeding based on or arising out of the Plan.

14.10. **Invalid Provisions.** In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Plan, and this Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

14.11. **Conflicts.** In the event of a conflict between the terms of this Plan and any Stock, Option or SAR Agreement, the terms of the Plan shall prevail.

14.12. **Successors.** All obligations of the Company under the Plan with respect to awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

14.13. **Deferral of Awards.** The Committee may, in a Stock Agreement or otherwise, establish procedures for the deferral of Stock or cash deliverable upon settlement, vesting or other events with respect to Restricted Stock, Stock Units or Other Stock-Based Awards. Notwithstanding anything herein to the contrary, in no event will any deferral of Stock or any other payment with respect to any award granted under the Plan be allowed if the Committee determines, in its sole discretion, that the deferral would result in the imposition of the additional tax under Code Section 409A.

14.14. **Employees in Foreign Jurisdictions.** Notwithstanding any provision of this Plan to the contrary, in order to achieve the purposes of this Plan or to comply with provisions of the laws in countries outside the United States in which the Company operates or has Employees, the Committee, in its sole discretion, shall have the power and authority to (i) determine which Eligible Individuals (if any) employed by the Company outside the United States should participate in the Plan, (ii) modify the terms and conditions of any awards made to such Eligible Individuals, and (iii) establish sub-plans and other award terms, conditions and procedures to the extent such actions may be necessary or advisable to comply with provisions of the laws in such countries outside the United States in order to assure the lawfulness, validity and effectiveness of awards granted under this Plan.

14.1. **Reimbursement of Excess Awards.** If the Company's financial statements or approved performance measures under the Plan are the subject of a restatement due to error or misconduct, to the extent permitted by governing law, in all appropriate cases, the Company will seek reimbursement of Excess Awards paid under the Plan to an Employee (and any other Employee who is determined to have known of or been involved in any such misconduct) for the relevant performance period(s). For purposes of the Plan, an "Excess Award" means the positive difference, if any, between (a) the performance-based award paid to an Employee under the Plan and (b) the performance-based award that would have been paid to the Employee, had the award been calculated based on the Company's financial statements or performance measures as restated. The Company will not be required to award Employees an additional Plan-related payment should the restated financial statements or performance measures result in a higher performance-based award under the Plan.

Effective as of December 19, 2016

Jerome S. Griffith
VIA EMAIL

Dear Jerome,

We are pleased to extend to you our offer to join Lands' End, Inc. ("*Lands' End*") as its Chief Executive Officer and President, reporting directly to the Board of Directors of Lands' End (the "*Board*"), contingent on our mutual execution of this letter agreement and your Executive Severance Agreement (as defined below) and your commencement of employment on March 6, 2017 (your "*Start Date*"). Upon your Start Date, you will have all of the duties, responsibilities and authority of the chief executive officer of a publicly traded company of similar size, including all employees reporting to you or your designee. You will be appointed to the Board effective on your Start Date and will be nominated for re-election to the Board each time your term as director is scheduled to expire.

The key elements of your compensation package following the Start Date are as follows:

- Annual base salary at a rate of \$950,000 (as increased from time to time, "*Base Salary*") payable in accordance with the normal payroll practices of Lands' End. Your Base Salary shall be subject to review by the Compensation Committee of the Board (the "*Committee*") for increase, but not decrease.
 - Participation in the Lands' End Annual Incentive Plan with an annual incentive target opportunity of 100% of your Base Salary (your "*Target Annual Bonus*"). Any annual incentive bonus payable under the Annual Incentive Plan with respect to a fiscal year will be paid by April 15 of the following fiscal year, provided that you are actively employed at the payment date or your employment with Lands' End terminates at or after the end of the given fiscal year but prior to payment of the annual incentive bonus following the end of the applicable fiscal year (x) by Lands' End without Cause, (y) by you for Good Reason or (z) as a result of your death or Disability. Capitalized terms used in this letter agreement but not otherwise defined will have the meaning set forth in the Executive Severance Agreement. You will be guaranteed a minimum annual incentive bonus under the Annual Incentive Plan for the fiscal year in which the Start Date occurs of \$475,000.
 - On or promptly following your Start Date, you will receive a one-time sign-on grant of restricted stock units ("*RSUs*") covering 117,647 shares of Lands' End common stock (the "*Sign-On RSUs*") and a one-time sign-on grant of options to purchase 294,118 shares of Lands' End common stock (the "*Sign-On Options*", collectively referred to herein with the Sign-On RSUs as the "*Sign-On Awards*"), in each case, pursuant to the form of restricted stock unit award agreement and form of stock option award agreement to be approved by the Committee, based on the terms provided under the Lands' End, Inc. 2014 Stock Plan (As Amended and Restated) (the "*2014 Plan*"). Copies of the Award forms are annexed hereto as Exhibits A and B. The Sign-on Awards will be granted as inducement awards, and as such will be covered by an SEC Form S-8 prior to issuance.
 - Your eligibility to participate in future long-term compensation programs of Lands' End, beginning with the fiscal year beginning in calendar year 2017, will be determined at the same time and in the same manner as other senior executive officers of Lands' End; provided, however, that (1) your target award opportunity with respect to any given long-term compensation program performance cycle will be not less than 200% of your annual Base Salary as in effect on the date of grant of any such award and (2) the Compensation Committee of the Board will consult with you regarding the performance metrics to be established in respect of the 3-year performance cycle to commence in calendar year 2017. Long-term compensation awards will be granted under the 2014 Plan (or a successor plan), in accordance with the terms thereof.
 - You agree that, as reasonably promptly after your Start Date, you will obtain a residence in the Dodgeville-Madison, WI corridor for use by you and your spouse on an ongoing basis. In connection with the foregoing, you will be eligible for relocation assistance in accordance with Lands' End's standard relocation policy. To receive relocation assistance, you must sign a Relocation Repayment Agreement in the form attached to the Lands' End standard relocation policy. In addition, during the period from your Start Date through the date you obtain and furnish the ongoing residence in the Dodgeville-Madison, WI corridor (which shall occur by no later than August 31, 2017), Lands' End will provide you with a temporary corporate apartment in Madison, WI.
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- You will be eligible to receive at least four (4) weeks paid vacation, in accordance with Lands' End policy. Added to this, you will qualify for six (6) paid national holidays each year. You also will be eligible for up to four (4) personal days per year, after completing six (6) months of service.
- You will be eligible to participate in all retirement, health and welfare programs of Lands' End on a basis no less favorable than other senior executives of Lands' End, in accordance with the applicable terms, conditions and availability of those programs. Lands' End shall provide you with indemnification and advancement of expenses to the fullest extent permitted by applicable law and directors' and officers' liability insurance at the level provided to senior executives and directors of Lands' End. The obligations under the prior sentence shall survive any termination of employment subject to the terms and conditions of the applicable programs and insurance policies, as applicable, in the same manner as such terms and conditions apply to active senior executives and directors of Lands' End at the relevant time(s). For the avoidance of doubt, however, upon any termination of the employment being offered to you under this letter agreement, for any reason, you will also immediately cease to hold all other executive and/or director titles and positions that you hold with Lands' End and any of its subsidiaries.
- After January 1, 2017 and prior to April 1, 2017, Lands' End will promptly pay, or reimburse, you for reasonable legal fees and expenses incurred by you in connection with the negotiation and drafting of this offer letter and related documents.
- All cash amounts referenced in this letter agreement are, unless otherwise expressly stated, subject to applicable income and employment tax withholding as required under applicable law.
- Lands' End and you agree that your primary workplace location will be at Lands' End's principal executive offices in Dodgeville, Wisconsin, subject to such business-related travel as may reasonably be required in order for you to perform your duties to Lands' End. Lands' End will reimburse you for all reasonable expenses incurred by you in the course of performing your duties with Lands' End, subject to its requirements with respect to reporting and documentation of expenses under its expense reimbursement policy, including all travel, hotel and other expenses incurred by you in performing your duties.

This offer of employment to you by Lands' End is contingent upon you signing an Executive Severance Agreement with Lands' End in the form attached as Exhibit C hereto (the "*Executive Severance Agreement*"), which Lands' End agrees to sign simultaneous with entering into this letter agreement. This offer also is contingent upon satisfactory completion of a pre-employment drug test and employment eligibility verification (*i.e.*, Form I-9).

By accepting this offer, you agree to devote all of your professional time and attention to the duties required by your positions with Lands' End while employed and to the best interests of Lands' End, except you may manage your and your family's personal investments, be involved in charitable activities and, subject to the remainder of this paragraph, serve on boards of directors. To that end, you represent and warrant to Lands' End that: (a) you are not subject to any obligation, written or oral, containing any non-competition provision or any other restriction (including, without limitation, any confidentiality provision) that would result in any restriction on your ability to accept and perform this or any other position with Lands' End or any of its affiliates, except for the restrictive covenants with your prior employer, copies of which you have provided to Lands' End; and (b) you are not (i) except for the three entities set forth on Appendix I, a member of any board of directors, board of trustees or similar governing body of any for-profit, non-profit or not-for-profit entity or (ii) a party to any agreement, written or oral, with any entity under which you would receive remuneration for your services, except for the boards of directors set forth in Appendix I. You may continue to serve on the boards of directors set forth on Appendix I, except that, as soon as reasonably feasible, you shall resign from one of the for-profit boards.

Finally, you agree that you will not disclose or use, in violation of an obligation of confidentiality, any information that you acquired as a result of any previous employment or otherwise, and represent and affirm that your employment with Lands' End will not violate any restrictive covenants by which you are bound under any agreement with any prior employer or other service recipient.

Jerome, we are looking forward to you joining Lands' End. We are excited about the important contributions you will make to the company and look forward to your acceptance of our offer. If you need additional information or clarification, please do not hesitate to call.

This letter, together with the Severance Agreement, sets forth our full understanding with regard to the subject matter hereof. It may not be amended or terminated orally, but only by a writing signed by the party to be charged. This Agreement

may not be assigned, except in connection with a sale of all or substantially all of the assets of the Company and then only if the assignee assumes the obligations in writing.

This Agreement shall be interpreted and construed under the laws of the State of Delaware without regard to its conflict of laws provisions.

The offer of employment contained in this letter will expire, if not accepted by you, within one week from the date of this letter. To accept, please sign below and return this letter, along with your signed Executive Severance Agreement, to my attention.

[END OF DOCUMENT. SIGNATURES ON NEXT PAGE.]

Sincerely,

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

Enclosures

Accepted and agreed this 16th day of December, 2016:

/s/ Jerome S. Griffith
Jerome S. Griffith

Appendix I

Parsons School of Design
Samsonite
Tom Tailor AG
Vince

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HERewith OMITs THE INFORMATION SUBJECT TO THE CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED AS [*****]. A COMPLETE VERSION OF THE EXHIBIT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION

EXECUTIVE SEVERANCE AGREEMENT

This Executive Severance Agreement (“Agreement”) is made effective as of the 19th day of December, 2016 (the “Effective Date”), between Lands’ End, Inc., a Delaware corporation (together with its successors, assigns and Affiliates, the “Company”), and Jerome S. Griffith (“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 the 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 and Executive have entered into an employment letter agreement dated December 19th, 2016 (the “Employment Letter”), pursuant to which the Company has agreed to employ Executive commencing on March 6, 2017 (the “Start Date”) on the terms and conditions contained in the Employment Letter, which includes Executive entering into this Agreement, and Executive has agreed to accept such employment on such terms and conditions, including those obligations contained in this Agreement; and

WHEREAS, the Company shall, in connection with Executive commencing employment with the Company, share 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 shall, in connection with Executive commencing employment with the Company, imbue Executive with certain aspects of the goodwill that the Company has developed with its customers, vendors, representatives and employees; and

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

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 (but if not otherwise defined herein, capitalized terms as used in this Agreement will have the meanings indicated in the Employment Letter):

a. “*Accrued Accounts*” means (i) unpaid base salary, accrued but unused vacation and expense reimbursements due, which shall be paid promptly after Executive’s

Separation from Service, amounts due under any benefit or equity plan, grant or program, paid in accordance with the terms of such plan, grant or program, and any unpaid bonus for any prior completed fiscal year paid when the bonus would otherwise be paid for such prior fiscal year (which, for the avoidance of doubt, shall not be paid in duplication of the same or any similar obligations under any other arrangement) and (iv) to the extent that a Qualifying Termination occurs within the last six calendar months of a given fiscal year, a pro rata bonus that would otherwise be payable under the Company's Annual Incentive Plan for such fiscal year based on actual results from the fiscal year, multiplied by the ratio of the number of days employed during such fiscal year to the number of days in the year, and paid when bonuses are otherwise paid under the Annual Incentive Plan for such fiscal year (but in no event later than April 15 following the end of such fiscal year).

b. "*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.

c. "*Annual Bonus*" shall mean the average bonus (annualized for any partial fiscal year) paid (if any) to Executive under the Company's Annual Incentive Plan in the last two consecutive completed fiscal years ending prior to the Date of Termination, provided that, (i) Executive's Target Annual bonus shall be used for either of the fiscal years beginning in each of January 2017 and 2018 to the extent the Date of Termination occurs prior to the date that annual bonuses for the applicable fiscal year has been determined (and, if payable, paid) in respect of both years or (ii) if payment under this Agreement is being triggered upon a Change in Control Termination, Annual Bonus shall for this purpose mean the higher of the applicable amount determined under clause (i) of this definition and the Executive's Target Annual Bonus.

d. "*Cause*" means (i) a material breach by Executive (other than a breach resulting from Executive's incapacity due to a condition that with the passing of time would be 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 Board specifying such breach; (ii) the indictment and conviction of, or pleading of guilty or nolo contendere by, Executive to a felony; or (iii) willful misconduct in connection with Executive's employment.

e. "*Change in Control*" shall have the meanings such term in the Company's 2014 stock plan.

f. "*Change in Control Termination*" means a Qualifying Termination occurring either (i) within 180 calendar days prior to a Change in Control, so long as a definitive agreement pursuant to which transactions contemplated thereunder would result in a Change in Control, has been executed by the Company prior to such Date of Termination or (ii) on or with two (2) years after a Change in Control occurs.

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

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

i. is listed on Appendix A or is otherwise included in the Company’s annual proxy statement (the “Proxy”) as most recently filed prior to the Date of Termination, each of which Executive acknowledges is a Competitive Business, whether or not it falls within the categories in subsection (c)(ii) immediately below; or

ii. engages in any business which, at any time during the most recent eighteen (18) months of Executive’s Company Employment and regardless of the business format (including but not limited to a department store, specialty store, discount store, direct marketing, or electronic commerce): (A) consists of marketing, manufacturing or selling apparel and/or home products that are material products of the Company, at a price point similar to that of the Company and which entity has a combined annual revenue in excess of \$250 million that is primarily generated by any combination of the products described above ; and (B) the Board of Directors of the Company (the “Board”) (or a designated committee thereof) reasonably identifies and adds to Appendix A by written notice to Executive at least ninety (90) days prior to the Date of Termination (provided that the Company’s filing of the Proxy with the Securities and Exchange Commission shall constitute valid notice to Executive of any such identification or addition regardless of whether such filing occurs at least ninety (90) days prior to the Date of Termination).

Notwithstanding the foregoing, in no event shall “Competitive Business” include (A) any activity in which Executive proposes to engage, to which the Board provides its written consent to Executive, not to be unreasonably withheld; or (B) services by Executive as an advisor to any private equity firm, so long as Executive is providing strategic investment and management advice (including on an acquisition, but excluding for the avoidance of doubt, advising in respect of any company that would otherwise meet the definition of a Competitive Business already in, or once it becomes a part of, the private equity firm portfolio) in the area of apparel and/or home products generally and is not otherwise sharing Confidential Information or providing advice and/or guidance to any entity listed as a Competitive Business as referenced in subparagraphs i. and ii. above.

i. “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.

j. “*Disability*” means disability as defined under the Company’s long-term disability plan (regardless of whether Executive is a participant under such plan), including the completion of any time period required for full coverage under such plan.

k. “*Executive’s Company Employment*” means the time during which Executive is employed by any entity comprised within the definition of “Company,” regardless of any change in the entity actually employing Executive.

l. “*Good Reason*” shall mean, without Executive’s prior written consent, (i) a reduction of more than ten percent (10%) from the highest prior level of either the Executive’s annual rate of base salary or Target Annual Bonus under the Company’s Annual Incentive Plan (and for the avoidance of doubt, any reduction that is equal to or less than such 10% amount may only occur to the extent in connection with a general reduction of annual rate of base salary that applies proportionately to all executive officers); (ii) Executive’s mandatory relocation to an office more than fifty (50) miles from the primary location at which Executive was required to perform Executive’s duties prior to such relocation; (iii) Executive is no longer the principal executive officer of the Company; (iv) a material diminution in Executive’s duties, responsibilities or authority, or the assignment of duties or responsibilities materially inconsistent with Executive’s position as principal executive officer of the Company (which shall be presumed to occur if Executive ceases to report directly to the Board); (v) any time that ESL Investments, Inc. and its affiliate entities beneficially own more than twenty percent (20%) of the Company’s shares entitled to vote for directors, and they, in whole or in part, vote against Executive’s reelection to the Board while Executive is serving as the Chief Executive Officer of the Company; or (vi) any other action or inaction that constitutes a material breach of the terms of the Employment Letter, including the failure of a successor company to assume or fulfill the obligations under the Employment Letter or 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 sixty days of the initial existence of such Good Reason event, and Company shall have the right to remedy such event within thirty (30) 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 sixty (60) days of its occurrence;
- ii. Company remedies the Good Reason event within the above-referenced thirty (30) day remediation period; or
- iii. Executive fails to resign within fifteen (15) days after the above-referenced thirty (30) day remediation period.

m. “*Qualifying Termination*” means the first to occur of a termination of the Executive’s Company Employment by the Company without Cause or by Executive upon his resignation for Good Reason, in any such case in accordance with the applicable procedural provisions set forth in this Agreement.

n. “*Restricted Period*” means (i) twenty-four (24) months following the Date of Termination that corresponds to any Separation from Service described in Section 2(a) below or (ii)

twelve (12) months following the Date of Termination that corresponds to any Separation from Service not described in Section 2(a) below. Notwithstanding any provision of this Agreement to the contrary, on and after the first anniversary of a Qualifying Termination, Executive may elect, by written notice to the Company, to (a) forfeit all rights to the payments and benefits otherwise to be provided under Section 2 of this Agreement between and including the date on which Executive commences engaging in activity that would, but for this provision, constitute a breach of Section 8 of this Agreement (such date to be specified in such notice, the “*Forfeiture Date*”) through the end of the Salary Continuation Period and (b) reimburse the Company, in an amount in cash equal to the prorata portion of the value of the portion of the Sign-On Awards (as such term is defined in the Employment Letter) that became vested in accordance with the terms of the applicable Sign-On Award grant agreements as of Executive’s Date of Termination, with such amount equal to the product of (i) the sum of (x) the net after-tax amount on Executive’s Date of Termination of the shares of Company common stock delivered to Executive in settlement of the Sign-on RSUs (as such term is defined in the Employment Letter) that became vested in accordance with the terms of the applicable Sign-On RSU grant agreement as of Executive’s Date of Termination plus (y) the net after-tax amount that Executive would have realized on the Date of Termination in respect of the Sign-On Options assuming that, as of Executive’s Date of Termination, Executive had exercised in full all Sign-On Options (as such term is defined in the Employment Letter) and (ii) a fraction, equal to (x) the number of calendar days remaining between and including the Forfeiture Date through the end of the Salary Continuation Period, divided by (y) the number of days in the Salary Continuation Period, and upon such forfeiture and reimbursement, the restrictions imposed on Executive under Section 8 of this Agreement shall cease to apply to Executive as of the Forfeiture Date.

o. “*Salary Continuation*” means the sum of monthly base salary, based on Executive’s highest monthly base salary rate prior to the date Executive’s Company Employment terminates (“*Date of Termination*”) and one-twelfth of Executive’s Annual Bonus payable for a period of twenty-four (24) months following the Date of Termination (“*Salary Continuation Period*”), provided that, if the event giving rise to payment of Salary Continuation is a Change in Control Termination, such period shall be thirty (30) months.

p. “*Section 409A Threshold*” means an amount equal to the sum of the following amounts: (x) two times the lesser of (1) 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; and (2) 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, and (y) the amount of Executive’s Salary Continuation that does not otherwise provide for a deferral of compensation by application of Treasury Regulation Section 1.409A-1(b)(4). In all events, this amount shall be limited to the amounts specified under Treasury Regulation Sections 1.409A-1(b)(9)(iii)(A) and 1.409A-1(b)(9)(iii)(B) and the amount of any payments of Salary Continuation described in Treasury Regulation Section 1.409A-1(b)(4)(i) or any successors thereto.

q. “*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 qualified retirement plan (including pension plans and 401(k) savings plans) maintained by the Company.

r. “*Specified Employee*” means a “specified employee” under Code Section 409A (and regulations issued thereunder).

s. “*Trade Secret*” 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. Employment.

2. Severance.

a. Upon the occurrence of a Qualifying Termination, Executive shall be entitled to the following:

i. Salary Continuation during the Salary Continuation Period.

ii. Continuation of health, dental and vision coverage for Executive, his spouse and his dependents, as applicable, at the applicable active employee rate (which shall be withheld, as applicable, from payments of Executive’s Salary Continuation) 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 (the “*Continuation Benefits*”). 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 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 2(a)(ii) shall be subject to such amendments (including termination) of the coverage available to active participants 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. If the Company’s health plans are self-funded within the meaning of Code Section 105(h), the premiums paid by the Company for coverage shall be treated as taxable income to Executive.

iii. Reasonable outplacement services considering Executive’s position, 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 twelve (12) months or until subsequent employment is obtained, whichever occurs first. In addition, a resignation by

Executive for Good Reason under this Agreement shall also be deemed to be a termination without Cause for purposes of Executive's Relocation Repayment Agreement entered into with the Company on or prior to the Start Date, with all attendant benefits to be provided thereunder.

iv. Accrued Amounts.

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 and except for Accrued Benefits (provided that upon a resignation without Good Reason or Termination for Cause, the pro rata annual bonus otherwise payable in respect of the year in which the Date of Termination occurs shall not be paid). Executive shall also not be entitled to Salary Continuation, the Continuation Benefits nor the outplacement services pursuant to clause iii. above, after Executive materially violates the terms of this Agreement, including the material requirements under Section 8, unless such violation is effectively curable and Executive cures such violation within ten (10) business days after written notice of such violation by the Company. Except as provided in this Section 2, all other compensation and benefits shall terminate as of the Date of Termination.

b. Subject to subsection (c), Company shall pay Executive's Salary Continuation due under Section 2(a)(i) 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. For the avoidance of doubt, Executive shall not be obligated to seek affirmatively or accept an employment, contractor, consulting or other arrangement to mitigate Salary Continuation and any other amounts received for such activities shall not reduce the amounts due hereunder. Further, to the extent Executive does not execute and timely submit the General Release and Waiver (in accordance with Section 7) by the deadline specified therein, or revokes such General Release and Waiver, Salary Continuation payments Continuation Benefits shall terminate and forever lapse, and Executive shall be required immediately to reimburse the Company for any portion of the Salary Continuation and health benefits premiums paid during the Salary Continuation Period. For clarity, the Salary Continuation and Continuation Benefits shall, subject to paragraph c below, start immediately upon the Date of Termination and not be delayed until such General Release and Waiver is executed and not revoked. 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 except as required by law.

c. If at the time of Separation from Service, the Executive is a Specified Employee, payment of any nonqualified deferred compensation due during such six (6) month period shall be deferred until the earlier of six (6) months and one (1) day after the Executive's Separation from Service or the Executive's death and then paid in a lump sum; provided that, if the Executive's

Separation from Service qualifies under Code 409A for the application of the Section 409A Threshold, such Section 409A Threshold shall be applied, after application of any short term deferral period that applies to payments, such that full payment of the nonqualified deferred compensation shall be made until the Section 409A Threshold is reached and then any remaining payments during such six (6) months period shall be deferred until the end of the period or Executive's earlier death.

d. If the Termination is a Change in Control Termination and occurs prior to the Change in Control, any increased Annual Bonus amount that becomes due as a result of the Change in Control from the period prior to the Change in Control shall be paid in a lump sum upon the Change in Control, but if, and only if, the Change in Control is covered by Treasury Reg. 1-409A-3(i)(v).

e. If any of the payments or benefits received or to be received by Executive (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this paragraph, be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then such payments shall be reduced by the minimum possible amounts until no amount payable to Executive will be subject to the Excise Tax; *provided, however*, that no such reduction shall be made if the net after-tax payment (after taking into account federal, state, local or other income, employment and excise taxes) to which Executive would otherwise be entitled without such reduction would be greater than the net after-tax payment (after taking into account federal, state, local or other income, employment and excise taxes) to Executive resulting from the receipt of such payments with such reduction. In applying any such reduction, the Executive shall be entitled to elect the order of reduction to the extent such right would not be a violation of Code Sections 280G, 409A or 4999. If it is a violation or the Executive does not elect, to the extent any such payments may be subject to Code Section 409A, the reduction shall be applied to in the following order (i) any payments of Salary Continuation starting with the last payment due, (ii) vesting of compensatory awards of shares (or in the absence of shares, restricted stock units) to the extent Treas. Reg 1.280G-Q and A24(c) does not apply in reverse order, (iii) vesting of compensatory awards of shares (or in the absence of shares, restricted stock units) to the extent such Section does not apply in reverse order, (iv) compensatory stock options on the sum basis and sum order as (n) and (m) and then (v) any remaining payments on a pro rata basis in proportion to the amount of such payments that are considered "contingent on a change in ownership or control" within the meaning of Section 280G of the Code. All calculations and determinations under this subsection (e) shall be made by an independent accounting firm or independent tax counsel appointed by the Company whose determinations shall be conclusive and binding on the Company and the Executive for all purposes and who (x) shall provide an opinion to the Company (in respect of which the Company shall use its reasonable best efforts to also require such firm or counsel to provide an opinion to Executive) that can be relied on for filing tax returns and (y) shall provide copies of all such calculations, as well as a copy of a formal valuation of any non-competition provision that impacts the foregoing calculations. All fees and expenses of the accounting firm or tax counsel shall be borne solely by the Company and shall be paid by the Company.

3. Confidentiality. Subject to Section 11(b) below, 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, other than in the reasonable and good faith performance of his duties to the Company, 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).

4. Non-Disclosure of Trade Secrets. Subject to Section 11(b) below, during Executive's Company Employment, except in the reasonable and good faith performance of his duties to the Company, 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.

5. 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 of which he is informed.

6. 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 the Company all right, title and interest in and to all Work Product, and agrees to perform all actions reasonably requested by the Company to establish, confirm or protect the Company's ownership thereof (including, without limitation, executing assignments, powers of attorney and other instruments).

7. General Release and Waiver. Upon or following Executive's Date of Termination potentially entitling Executive to Salary Continuation and other benefits under Section 2 above, Executive will execute a binding general release and waiver of claims 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.

8. Noncompetition. During Executive's Company Employment and thereafter for the applicable Restricted Period, Executive shall not, directly or indirectly, participate in, consult with, be employed by, or assist with the organization, planning, financing, management, operation or control of any Competitive Business, provided the foregoing shall not limit Executive from being involved in the noncompetitive portion of a Competitive Business.

9. 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 both an employee of the

Company as of Executive's Date of Termination and has been an employee of the Company in the six (6) months prior to the event. The foregoing shall not be violated by general advertising not targeted at employees of the Company or serving as a reference upon request to an entity with which Executive is not associated.

10. Future Employment. During Executive's Company Employment and thereafter for the applicable Restricted Period, 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 eighteen (18) months 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.

11. Nondisparagement; Cooperation.

a. 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 reasonably cooperate with the Company in all investigations, potential litigation or litigation in which the 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 (ii), Executive shall be reimbursed for reasonable travel and out-of-pocket expenses related thereto, but shall otherwise not be entitled to any additional compensation. During Executive's Company employment and for two (2) years following the termination of such employment, the Company's executive officers and its directors shall not, directly or indirectly, except the directors and/or executive officers amongst themselves while Executive is employed in their reasonable and good faith performance of their duties to the Company, criticize or disparage Executive.

b. Notwithstanding the foregoing, nothing in this Section 11 or any other provision of this Agreement shall prevent Executive or the officers and directors from (i) making any truthful statement to the extent, but only to the extent (A) necessary with respect to any litigation, arbitration or mediation involving this Agreement or the Employment Letter, including, but not limited to, the enforcement of this Agreement or the Employment Letter, in the forum in which such litigation, arbitration or mediation properly takes place or (B) required by law, legal process or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with apparent jurisdiction, (i) making normal competitive statements any time after the expiration of the applicable Restricted Period, (iii) rebut false or misleading statements made by others and/or (iv) making any statements in the reasonable and good faith performance of duties to the Company while Executive is employed by the Company.

12. Indemnification. After termination, the Company shall continue to maintain a directors and officers liability insurance policy covering Executive to the extent the Company provides such coverage for its executive officers and directors and shall continue to cover Executive under any indemnification agreement, by-laws or other existing indemnification rights while liability continues to exist after the Date of Termination.

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 (or received, as applicable) upon the calendar date 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 such person or address which Executive has furnished 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, pending 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, which is a successor to all or substantially all of the Lands' End business provided such entity assumes the obligation hereunder in writing.

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 or be exempt from the requirements of Code Section 409A, and the Agreement shall be administered and interpreted consistent with this intent. Notwithstanding any provision of this Agreement to the contrary, for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered deferred compensation under Section 409A, references to Executive's "termination of employment" (and corollary terms) with the Company shall be construed to refer to Executive's "separation from service" (within the meaning of Treas. Reg. Section 1.409A-1(h)) with the Company. Whenever payments under this Agreement are to be made in installments, each such

installment shall be deemed to be a separate payment for purposes of Section 409A. With respect to any reimbursement or in-kind benefit arrangements of the Company that constitute deferred compensation for purposes of Section 409A, except as otherwise permitted by Section 409A, the following conditions shall be applicable: (i) the amount eligible for reimbursement, or in-kind benefits provided, under any such arrangement in one calendar year may not affect the amount eligible for reimbursement, or in-kind benefits to be provided, under such arrangement in any other calendar year, (ii) any reimbursement must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred, and (iii) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

19. Effectiveness. The parties to this Agreement each acknowledge and agree that Executive's employment shall not commence, and Executive shall not be subject to or eligible for payments and benefits under this Agreement, in each case until Executive commences Executive's Company Employment on the Start Date. Notwithstanding the foregoing, in the event that, after the Effective Date but prior to the Start Date, (a) the Company terminates the Employment Letter and this Agreement and rescinds the offer to Executive to commence employment with the Company on the Start Date (under circumstances other than those which, if Executive were employed with the Company at such time, would constitute Cause), then Executive shall be entitled to receive the Salary Continuation in accordance with the terms of Section 2.a.i. above, with the Salary Continuation Period to commence on the next regularly scheduled payroll date occurring after the Company has provided written notice to Executive of its termination of the Employment Letter and this Agreement, or (b) Executive terminates the Employment Letter and this Agreement, Executive shall first be required to provide sixty (60) days advance written notice to the Company of such termination, in which case Executive acknowledges and agrees that Executive, for good and valuable consideration, shall be bound by the restrictive covenants set forth in Sections 3 through 9 of this Agreement, as if Executive had resigned without Good Reason on the date of such written notice.

20. 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 or director of the Company.

[END OF DOCUMENT. SIGNATURES ON NEXT PAGE.]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

EXECUTIVE

By: /s/ Jerome S. Griffith Name: Jerome S. Griffith

LANDS' END, INC.

By: /s/ Josephine Linden Name: Josephine Linden

Its: Chair, Board of Directors

5 Lands' End Lane
Dodgeville, WI 53595

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 MUST DELIVER A SIGNED COPY TO LANDS' END, INC. BY NO LATER THAN THE TWENTY- SECOND (22ND) DAY AFTER YOUR LAST DAY OF WORK TO THE GENERAL COUNSEL, LANDS' END, INC., 5 LANDS' END LANE, DODGEVILLE, WISCONSIN 53595. 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 THE GENERAL COUNSEL AT THE ADDRESS SET FORTH ABOVE. 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 that I previously entered into with Lands' End, Inc., dated December 19, 2016, 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. The release does not cover any rights to indemnification or rights to directors and officers liability insurance coverage

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 consent, 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

**LANDS' END, INC.
SIGN-ON
RESTRICTED STOCK UNIT AGREEMENT**

Name of Grantee: Jerome S. Griffith (the "Grantee")

No. of Restricted Stock Units: 117,647

Issuance Date: March 6, 2017 (the "Issuance Date")

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

WHEREAS, the Company desires to (i) induce the Grantee with an incentive to become and remain an employee of the Company and (ii) increase the Grantee's interest in the success of the Company by granting restricted stock units (the "Restricted Stock Units") payable in the form of shares of common stock of the Company to the Grantee; and

WHEREAS, the Company desires to grant the Restricted Stock Units, which grant is intended to constitute an employment inducement grant as described in Rule 5635(c)(4) of the NASDAQ Stock Market Listing Rules, pursuant to the terms of this Lands' End, Inc. Restricted Stock Unit 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. The Restricted Stock Units, although not granted pursuant to the Lands' End, Inc. 2014 Stock Plan (As Amended and Restated) (the "Plan") shall, except as expressly set forth in this Agreement, be subject to the terms and provisions of the Plan, which is incorporated herein by reference. The Grantee hereby acknowledges receipt of a copy of the Plan. All capitalized terms used but not defined herein have the definitions set forth in the Plan.

2. Grant of Restricted Stock Units.

(a) Subject to the provisions of this Agreement and 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"). The Company represents that the Restricted Stock Units are covered by a Form S-8.

(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, except as otherwise provided in this Section 3(a) below, if a Grantee terminates employment for any reason prior to any given Vesting Date identified below, such Grantee shall forfeit any unvested Restricted Stock Units upon such termination of employment:

Vesting Date	Percentage of Restricted Stock Unit Vested
March 6, 2018	25%
March 6, 2019	25%
March 6, 2020	25%
March 6, 2021	25%

(ii) If the Grantee's employment terminates due to a termination by the Company for Cause (as defined in the Grantee's Executive Severance Agreement, by and between the Grantee and the Company, dated December 19, 2016 (the "Severance Agreement")) or a resignation by the Grantee without Good Reason (as defined in the Severance Agreement), all of the unvested Restricted Stock Units will be forfeit upon such termination of employment.

(iii) If the Grantee's employment is terminated by the Company without Cause, by the Executive with Good Reason or due to death or Disability (as defined in the Severance Agreement), 50% of any of the Restricted Stock Units not previously vested shall vest in full on the date of such termination of employment; provided that, if any such termination occurs after March 6, 2020, then the remaining Restricted Stock Units shall vest in full on the date of such termination of employment.

(b) Settlement. Restricted Stock Units not previously forfeited shall be settled within thirty (30) days after the applicable Date of Vesting under Section 3(a) by delivery of one Share for each Restricted Stock Unit being settled.

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. 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 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.

(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.

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 has no right to receive or accrue any dividends or dividend equivalents with respect to the Restricted Stock Units. 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 the Company 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 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 (5th) 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 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 the Severance Agreement.

11. 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.

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 the Severance Agreement, and, to the extent required by applicable law, any Company 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 exercise 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 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 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 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 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.

18. Code Section 409A. Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement is intended to be exempt from the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") pursuant to the short term deferral exception. The Restricted Stock Units granted hereunder shall not be deferred, accelerated, extended, paid out or modified in a manner that would result in the application of Section 409A of the Code to such grants.

THIS AGREEMENT SHALL BE NULL AND VOID AND UNENFORCEABLE BY THE GRANTEE UNLESS SIGNED AND DELIVERED TO THE COMPANY NOT LATER THAN FIVE (5) 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: /s/ Kelly Ritchie
Name: Kelly Ritchie
Title: Senior Vice President, Employee and
Customer Services

GRANTEE

By: /s/ Jerome S. Griffith
Name: Jerome S. Griffith

LANDS' END, INC.
SIGN-ON
NONQUALIFIED STOCK OPTION AGREEMENT

Name of Grantee:	Jerome S. Griffith	(the " <u>Grantee</u> ")
No. of Nonqualified Stock Options:	294,118	
Per Share Exercise Price of Nonqualified Stock Options:	\$18.10	
Grant Date:	March 6, 2017	(the " <u>Grant Date</u> ")

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

WHEREAS, the Company desires to (i) induce the Grantee with an incentive to become and remain an employee of the Company 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 Company desires to grant the Options, which grant is intended to constitute an employment inducement grant as described in Rule 5635(c)(4) of the NASDAQ Stock Market Listing Rules, pursuant to the terms 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. The Options, although not granted pursuant to the Lands' End, Inc. 2014 Stock Plan (As Amended and Restated) (the "Plan") shall, except as expressly set forth in this Agreement, be subject to the terms and provisions of the Plan, which is incorporated herein by reference. The Grantee hereby acknowledges receipt of a copy of the Plan. All capitalized terms used but not defined herein have the definitions set forth in 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 Section 2(c), if the Grantee terminates employment for any reason prior to any given Vesting Date identified below, the Grantee shall forfeit any unvested Options upon such termination of employment.

Vesting Date	Percentage of Option Vested
March 6, 2018	25%
March 6, 2019	25%
March 6, 2020	25%
March 6, 2021	25%

(ii) If the Grantee's employment is terminated by the Company for Cause (as defined in the Executive Severance Agreement by and between the Executive and the Company, dated [●] (the "Severance Agreement") or a resignation by the Grantee without Good Reason (as defined in the Severance Agreement), all of the unvested Options will be forfeit upon such termination of employment.

(iii) If the Grantee's employment is terminated by the Company without Cause or by the Grantee with Good Reason or due to death or Disability (as defined in the Severance Agreement), any of the Options not previously vested shall vest in full on the date of such termination of employment.

(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 Grantee's termination of employment due to death or Disability;
- (C) The ninetieth (90th) day following the Grantee's termination of employment without Cause or due to the Grantee's resignation;
- (D) The date of the Grantee's termination of employment in the case of a termination for Cause.

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 (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 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.

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 the Severance Agreement.

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 the Severance Agreement, and, to the extent required by applicable law, any Company 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.

THIS AGREEMENT SHALL BE NULL AND VOID AND UNENFORCEABLE BY THE GRANTEE UNLESS SIGNED AND DELIVERED TO THE COMPANY NOT LATER THAN FIVE (5) 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.

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 Nonqualified Stock Option Agreement as of the date first above written.

COMPANY

LANDS' END, INC.

By: /s/ Kelly Ritchie
Name: Kelly Ritchie
Title: Senior Vice President, Employee and Customer
Services

GRANTEE

By: /s/ Jerome S. Griffith
Name: Jerome S. Griffith

Effective as of December 20, 2016

Dear Jim:

As of the date hereof, Lands' End, Inc. (the "Company") provides you with commuting benefits pursuant to the terms of your employment letter agreement with the Company effective as of January 27, 2016, which are scheduled to expire on January 27, 2017. The commuting benefits you have received since January 26, 2016 have included temporary corporate housing in the Dodgeville, Wisconsin area and have been provided on a tax grossed-up basis. In recognition of your services as Co-Interim Chief Executive Officer through March 6, 2017, the Company shall, subject to your continued employment with the Company, continue to provide you with commuting benefits (including temporary corporate housing) on a tax grossed-up basis through August 31, 2017 on the same terms and conditions as you are eligible to receive such commuting benefits today.

Sincerely,

LANDS' END, INC.

By: /s/ Kelly Ritchie

Name: Kelly Ritchie

Title: Senior Vice President,

Employee and Customer Services

Accepted and agreed this 20th day of December 2016

/s/ James Gooch

James Gooch

June 1, 2015

Joseph Boitano
[Address Omitted]

Dear Joe,

We are pleased to confirm an offer of employment to you as EVP, Chief Merchandising and Design Officer. As part of the Lands' End Executive team, you will report directly to Federica Marchionni, Chief Executive Officer. 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.

Some key elements of the position are as follows:

- Your start date will be June 8, 2015, contingent upon a satisfactory completion of a criminal background check, employment authorization and verification and written confirmation, in a form acceptable to Lands' End, that you are not subject to any restrictions arising out of your prior employment which would be breached or violated by your accepting a position with Lands' End.
 - The primary work location will be in our New York office. During the first month of onboarding, you will need to spend the majority of your time in our Dodgeville, Wisconsin headquarters. After the first month, on an ongoing basis, we expect that you will spend approximately one to two weeks per month in the Dodgeville, Wisconsin offices.
 - Annual base salary of \$430,000 paid in bi-weekly payments. Increases will be determined based on a number of factors, with your performance typically being the most significant factor. The first eligibility for a merit review would be with the fiscal 2016 cycle.
 - Participation in the Lands' End, Inc. Annual Incentive Bonus Plan ("AIP") with an annual target incentive opportunity of 65% of your base salary which is \$279,500 annualized. Your target incentive under the 2015 AIP will be prorated from your start date through January 29, 2016, the last day of Lands' End's 2015 fiscal year. Any incentive payable with respect to a fiscal year will be paid on or about April 15th of the following fiscal year, provided that you are actively employed at the payment date. The portion of the bonus target paid each year is based on your performance and the Company's fiscal results. Further details regarding your 2015 AIP target award will be provided to you following your start date.
 - You will be eligible to receive a Special Incentive Award with respect to Lands' End's 2015 fiscal year (payable on or about April 15th of the fiscal year following the applicable fiscal year), provided that you are actively employed on the payment date, subject to the following terms:
 - 2015 fiscal year: \$106,438, 100% of which is subject to reduction by any amount payable to you under the 2015 AIP.
 - Eligibility to participate in the Lands' End Retirement Plan includes a 401(k) contribution feature and currently includes a Company Match. Eligibility will start on the first calendar quarter following hire date. Lands' End will begin matching contributions at 50% on the first 6% of eligible earnings, beginning with the first calendar quarter after completing a year of service and subject to the continued availability of the match under the plan.
 - In recognition of your previous related experience, you will receive (4) weeks of vacation as of your start date.
 - Subject to approval by the Compensation Committee of the Lands' End Board of Directors, with this position, it is our intent to offer an annual long-term incentive with a target value of 100% of your base salary which is \$430,000 annualized. The long-term incentive is proposed to include two components: 75% (\$322,500) of the target value being Performance Cash under our Long-Term Incentive Program and 25% (\$107,500) at grant date of the target value being time-vested Restricted Stock Units. Further details regarding the Fiscal 2015 LTI target award will be provided following approval by the Compensation Committee.
 - As a condition of employment, you will be required to sign an Executive Severance Agreement (ESA). While the terms and conditions of the ESA will govern, here is a summary of some of the items covered by the ESA: If your employment with Lands' End is terminated by LE (other than for Cause, death or Disability) or by you for Good Reason (as such capitalized terms are defined in the ESA), you will receive twelve (12) months of salary continuation, equal to your base salary at the time of termination, reduced by any interim earnings you may otherwise receive.
-

Under the ESA, you agree, among other things, not to disclose confidential information and, for eighteen (18) months following termination of employment, not to solicit our employees. You also agree not to aid, assist or render services for any "Competitive Business" (as defined in the ESA) for twelve (12) months following termination of employment. The non-disclosure, non-solicitation and non-compete provisions apply regardless of whether you are eligible for severance benefits under the ESA.

If you need additional information or clarification, please call me at 608-935-4377.

Sincerely,

/s/ Kelly Ritchie

Kelly Ritchie
SVP -Employee Services

/s/ Joseph M. Boitano
Joseph Boitano

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HERewith OMITs THE INFORMATION SUBJECT TO THE CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED AS [***]. A COMPLETE VERSION OF THE EXHIBIT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION**

EXECUTIVE SEVERANCE AGREEMENT

This Executive Severance Agreement (“Agreement”) is made as of the 8th day of June, 2015, between Lands’ End, Inc., a Delaware corporation (“LE” and together with its successors, assigns and Affiliates, the “Company”), and **Joseph Boitano** (“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 LE, 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, for purposes of determining if Executive’s has incurred a Separation from Service with the Company, then Affiliate shall mean any person with whom LE is considered to be a single employer under Code Section 414(b) and all persons with whom the LE 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. In the event Executive terminates employment without "Good Reason" (as defined in paragraph 1.h.), the definition of Competitive Business as set forth in this paragraph does not apply, instead Competitive Business is limited to the definition set forth in Paragraph 1.c.1. above.

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 material diminution in the Executive's annual base salary; (ii) a material diminution in authority, job responsibilities or duties, (iii) Executive's mandatory relocation to an office more than fifty (50) miles from the primary location at which the Executive was previously required to perform Executive's duties; (iv) any other action or inaction that constitutes a material breach of the terms of this Agreement or the Offer Letter from the Company to the Executive, dated June 1, 2015, 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 twelve (12) months following the Date of Termination (“Salary Continuation Period”).

j. “Section 409A Threshold” means separation pay upon an “Involuntary Separation from Service” (as defined in Treasury Regulation Section 1.409A-1(n)) that does not exceed 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 retirement 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. For the avoidance of doubt, payments made for reasons other than Involuntary Separation from Service are not included in the Section 409A Threshold.

k. “Separation from Service” means a “separation from service” with the Company within the meaning of Code Section 409A (and within the meaning of Treasury Regulation Section 1.409A-1(h)(1)(ii)). 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 within the meaning of Treasury Regulation Section 1.409A-1(i)).

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 twelve (12) 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, no later than 45 days following the Executive's Separation from Service with the

Company (except as otherwise provided by this Agreement) 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, commencing no later than 45 days following the Executive's Separation from Service with the Company 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 is covered by, and 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 and/or not covered by the Section 409A Threshold, 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 the Company 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. Company acknowledges that Executive may continue to serve on the Advisory Board of Orchard Mile, provided that, Orchard Mile is not a Competitive Business, subject to the condition that the Executive shall not spend more than twelve (12) hours per month on work, duties or responsibilities related to Orchard Mile.

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 the Company, its successors, assigns and Affiliates, all of which (other than the Company) 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.

To the extent any reimbursements or in-kind benefits due to Executive under this Agreement constitute "nonqualified deferred compensation" under Section 409A of the Code, any such reimbursements or in-kind benefits shall be paid to Executive in a manner consistent with Treasury Regulation Section 1.409A-3(i)(1)(iv) and shall be made on or before the last day of the calendar year following the year in which the expense was incurred.

For purposes of Section 409A of the Code, each payment made under this Agreement will be designated as a "separate payment" within the meaning of Section 409A of the Code. In no event may Executive, directly or indirectly, designate the calendar year of payment. Notwithstanding any provision of this Agreement to the contrary, to the extent any payments due Executive under this Agreement are conditioned upon and subject to Executive's execution of a release, such payments will commence within the 45 day period following Executive's termination of employment on the next scheduled payment date following the date the separation agreement and release becomes effective and will be payable in accordance with the Company's ordinary payroll practices, except that if the period spans two taxable years, the payment will commence in the later of the two years if required under Section 409A of the Code.

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/ Joseph M. Boitano
Name: Joseph M. Boitano

Address: [Address Omitted]

LANDS' END, INC.
5 Lands' End Lane
Dodgeville, WI 53595

By: /s/ Kelly Ritchie_____

Its: SVP, Employee and Customer Services

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**

March 25, 2014

Becky Gebhardt

Dear Becky,

We are pleased to confirm an offer of employment to you as SVP, Chief Creative Officer, reporting directly to me. 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.

Some key elements of the offer are as follows:

- A Start date of April 28, 2014 or May 5, 2014.
 - Annual base salary of \$325,000 paid in bi-weekly payments (your first check will be a live check then followed by direct deposit the next pay period). Increases will be determined based on a number of factors, with performance typically being the most significant factor.
 - You will also receive a \$50,000 sign on bonus (less appropriate taxes), which will be paid via check along with your first regular paycheck.
 - Participation in the Lands' End, Inc. Annual Incentive Plan ("AIP") with an annual target incentive opportunity of 50% of your base salary. Any incentive payable with respect to a fiscal year will be paid on or about April 15th of the following fiscal year, provided that you are actively employed at the payment date.
 - You will be eligible to participate in the Lands' End, Inc. Retirement Plan, which includes a 401(k) contribution feature and currently includes a Company Match. Lands' End will begin matching your contributions at 50%, maximum of 6% of your earnings, after a year of service, beginning on the next quarter, subject to the continued availability of the match.
 - In recognition of your previous related experience, you will receive (4) weeks of vacation as of your start date.
 - We have agreed to a maximum of \$25,000 in commuting expenses during your temporary transition to Lands' End.
 - Participation in the Lands' End long-term incentive program ("LTIP"). Your current target incentive opportunity under the LTIP would be 75% of your base salary. As you know we are in the process of developing a new 2014 LTIP. This will be provided to you after the separation date.
 - You will be required to sign an Executive Severance Agreement, which will be provided to you after the separation date. While the exact terms of the ESA will govern, it will provide, among other things, certain severance benefits following the termination of your employment with Lands' End under particular circumstances, and that you shall not use or disclose Lands' End's confidential or proprietary information, provide services to a Lands' End competitor, or solicit our employees away from Lands' End during your employment and for a certain period of time after the conclusion of your employment with Lands' End. The non-disclosure, non-solicitation, and non-compete and non-affiliation provisions will apply regardless of whether you receive severance benefits under the ESA.
 - If your employment is terminated by Lands' End for Cause (as defined in ESA) or by you without Good Reason within twenty four (24) months of your start date, you will be required to reimburse the company 100% of your signing bonus paid to you and relocation assistance, along with any and all costs we incur to collect that reimbursement, including attorneys' fees.
-

If you need additional information or clarification, please feel free to call me at 608-935-4181.

We look forward to having you a part of the Lands' End team.

Sincerely,

/s/ Edgar Huber
Edgar Huber
CEO/President

/s/ Becky Gebhardt
Becky Gebhardt

June 16, 2016

Rebecca Gebhardt
[Address Omitted]

Dear Becky,

We are pleased to confirm the details of your promotion to EVP, Chief Marketing Officer. In this role, you will report to Federica Marchionni. 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 changes to your compensation package:

- Effective June 11, 2016.
- Annual base salary of \$400,000 paid in bi-weekly payments.
- Your annual target bonus incentive opportunity will increase to 65% of your base salary. The portion of the bonus target paid each year is based on your performance and the company's fiscal results. The current AIP target opportunity will be prorated from the beginning of FY16 through the day before the promotion date at your prior salary. The new AIP target will be prorated from the promotion date through the end of FY16 at the increased salary.
- Continued participation in the Lands' End Long-term Incentive program ("LTI"). Your target incentive opportunity under the LTI will remain at 100% of your base salary.

Becky, we all think highly of you and believe there will be continued opportunity to leverage your knowledge, experience, and leadership as we pursue our vision of becoming a global lifestyle brand.

Sincerely,
Kelly Ritchie
SVP, Employee and Customer Services

/s/Rebecca L. Gebhardt
Rebecca L. Gebhardt

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HERewith OMITs THE INFORMATION SUBJECT TO THE CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED AS [***]. A COMPLETE VERSION OF THE EXHIBIT WILL BE FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION**

EXECUTIVE SEVERANCE AGREEMENT

This Executive Severance Agreement (“Agreement”) is made as of the 5th day of August, 2014, between Lands’ End, Inc., a Delaware corporation (together with its successors, assigns and Affiliates, the “Company”), and **Becky Gebhardt** (“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 twelve (12) 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 twelve (12) 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 is 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/ Rebecca Gebhardt

Name: Rebecca Gebhardt

Address: _____

LANDS' END, INC.
5 Lands' End Lane
Dodgeville, WI 53595

By: /s/ Mary Ann Reichling

Its: Director, Benefits, Compensation EIS

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**

Effective as of March 29, 2017

Dear Jim:

Upon your execution of this letter agreement, you will be entitled to receive a one-time special retention bonus of \$312,500 ("Retention Bonus") from Lands' End, Inc. (the "Company"). The Retention Bonus will be paid in cash on or about April 16, 2017 (subject to withholding and payroll taxes). If your employment with the Company terminates prior February 2, 2018, you will be required to repay the full amount of the Retention Bonus, including any taxes withheld, to the maximum extent permitted by law, unless such termination is (a) by the Company other than for Cause (as defined in your Executive Severance Agreement with the Company, dated as of January 27, 2016 (the "ESA")), (b) by you for Good Reason (as defined in the ESA) or (c) due to your death or Disability (as defined in the ESA). Such repayment must be made to the Company within thirty (30) days of your last day as an employee of the Company.

Sincerely,

LANDS' END, INC.

By: /s/ Kelly Ritchie
Name: Kelly Ritchie
Title: Senior Vice President, Employee and Customer Services

Accepted and agreed to as of March 29, 2017

/s/ James Gooch
James Gooch

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.

<u>Names</u>	<u>State or Other Jurisdiction of Organization</u>
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 Japan, Inc.	Delaware
Lands' End Japan, KK	Japan
Lands' End Publishing, LLC	Delaware
LEGC, LLC	Virginia

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-195111 and No. 333-215262 on Form S-8 of our report dated March 31, 2017 (which report expresses an unqualified opinion and includes an explanatory paragraph related to the fact that the combined financial statements, constituting the periods prior to April 4, 2014, include the Lands' End business of Sears Holdings Corporation and were derived from the consolidated financial statements and accounting records of Sears Holdings Corporation and include expense allocations for certain corporate functions historically provided by Sears Holdings Corporation which may not be reflective of the actual expenses which would have been incurred if the Lands' End business of Sears Holdings Corporation operated as a separate entity apart from Sears Holdings Corporation), relating to the consolidated and combined financial statements of Lands' End, Inc. and subsidiaries, and the effectiveness of Lands' End, Inc. and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Lands' End, Inc. for the fiscal year ended January 27, 2017.

/s/ DELOITTE & TOUCHE LLP

Davenport, Iowa
March 31, 2017

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each of the undersigned, being a director or officer, or both, of LANDS' END, INC., a Delaware corporation (the "Company"), does hereby constitute and appoint Jerome S. Griffith, James F. Gooch and Bernard L. McCracken, with full power to each of them to act alone, as the true and lawful attorneys and agents of the undersigned, with full power of substitution and resubstitution to each of said attorneys, to execute, file and deliver any and all instruments and to do any and all acts and things which said attorneys and agents, or any of them, deem advisable to enable the Company to comply with the Securities Exchange Act of 1934, as amended, and any requirements of the Securities and Exchange Commission in respect thereto, relating to the annual report on Form 10-K for the year ended January 27, 2017, including specifically, but without limitation of the general authority hereby granted, the power and authority to sign his or her name in the name and on behalf of the Company or as a director or officer, or both, of the Company, as indicated below opposite his or her signature, to the annual report on Form 10-K for the year ended January 27, 2017 or any amendment or papers supplemental thereto; and the undersigned does hereby fully ratify and confirm all that said attorneys and agents or any of them, or the substitute of any of them, shall do or cause to be done by virtue hereof.

This Power of Attorney may be signed in any number of counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one Power of Attorney.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand this 30th day of March, 2017.

Signature	Title
<u>/s/ Jerome S. Griffith</u> Jerome S. Griffith	Director, Chief Executive Officer and President (Principal Executive Officer)
<u>/s/ James F. Gooch</u> James F. Gooch	Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer (Principal Financial Officer)
<u>/s/ Bernard L. McCracken</u> Bernard L. McCracken	Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ Josephine Linden</u> Josephine Linden	Director and Chairman
<u>/s/ Robert A. Bowman</u> Robert A. Bowman	Director
<u>/s/ Robert Galvin</u> Robert Galvin	Director
<u>/s/ Elizabeth Leykum</u> Elizabeth Leykum	Director
<u>/s/ John T. McClain</u> John T. McClain	Director
<u>/s/ Jignesh Patel</u> Jignesh Patel	Director
<u>/s/ Jonah Staw</u> Jonah Staw	Director

CERTIFICATIONS

I, Jerome S. Griffith, 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.

Date: March 31, 2017

/s/ Jerome S. Griffith

Jerome S. Griffith

President and Chief Executive Officer
(Principal Executive Officer)

Lands' End, Inc.

CERTIFICATIONS

I, James F. Gooch, 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.

Date: March 31, 2017

/s/ James F. Gooch

James F. Gooch

Executive Vice President and Chief Operating
Officer, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Lands' End, Inc.

CERTIFICATION

Pursuant to 18 U.S.C. 1350 as adopted by Section 906 of the Sarbanes-Oxley Act of 2002

Each of the undersigned, Jerome S. Griffith, President and Chief Executive Officer of Lands' End, Inc. (the "Company") and James F. Gooch, Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer 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, 2017 (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.

March 31, 2017

/s/ Jerome S. Griffith

Jerome S. Griffith
President and Chief Executive Officer
(Principal Executive Officer)

/s/ James F. Gooch

James F. Gooch
Executive Vice President, Chief Operating Officer, Chief
Financial Officer and Treasurer
(Principal Financial Officer)

