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

Amendment No. 1
to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

J.Jill, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of incorporation or organization)

5621
(Primary Standard Industrial Classification Code Number)

45-1459825
(IRS Employer Identification Number)

4 Batterymarch Park
Quincy, MA 02169
(617) 376-4300

(Address, including zip code, and telephone number, including area code, of Registrant’s principal executive offices)

David Biese
Chief Financial Officer
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Quincy, MA 02169
(617) 376-4300

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.

☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

☐

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

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☑ Smaller reporting company ☐

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

<table>
<thead>
<tr>
<th>Title of each Class of Securities to be Registered</th>
<th>Amount to be Registered (1)(2)</th>
<th>Proposed Maximum Offering Price per Share</th>
<th>Proposed Maximum Aggregate Offering Price (3)(2)</th>
<th>Amount of Registration Fee (3)</th>
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</thead>
<tbody>
<tr>
<td>Common Stock, par value $0.01 per share</td>
<td>13,416,667</td>
<td>$16.00</td>
<td>$214,666,672</td>
<td>$24,880</td>
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(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes offering price of 1,750,000 additional shares that the underwriters have the option to purchase to cover over-allotments, if any.

(3) $11,590 of such fee was previously paid and the remaining amount of $13,290 is being paid herewith.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.
This is J.Jill, Inc.’s initial public offering. All of the 11,666,667 shares of common stock are being sold by the selling stockholder. We will not receive any proceeds from the sale of shares to be offered by the selling stockholder.

We are an “emerging growth company” as defined under the federal securities laws and are eligible for reduced public company reporting requirements. Please see “Prospectus Summary—Implications of being an Emerging Growth Company.” We will also be a “controlled company” under the corporate governance rules for New York Stock Exchange listed companies and will be exempt from certain corporate governance requirements of the rules. See “Risk Factors—Risks Related to this Offering and Ownership of our Common Stock.”

We expect the public offering price to be between $14.00 and $16.00 per share. Currently, no public market exists for the shares. The shares have been approved for listing on the New York Stock Exchange under the symbol “JILL.”

Investing in the common stock involves risks that are described in the “Risk Factors” section beginning on page 17 of this prospectus.

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<tr>
<th>Per Share</th>
<th>Total</th>
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<tbody>
<tr>
<td>Public offering price</td>
<td>$</td>
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<tr>
<td>Underwriting discount (1)</td>
<td>$</td>
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<tr>
<td>Proceeds, before expenses, to the selling stockholder</td>
<td>$</td>
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</tbody>
</table>

(1) We refer you to the section “Underwriting” beginning on page 134 of this prospectus for additional information regarding underwriting compensation.

The underwriters may also exercise their option to purchase up to an additional 1,750,000 shares from the selling stockholder at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2017.
The date of this prospectus is , 2017.
Our customer is 40-65 years old, college educated and has an annual household income that exceeds $150,000. She engages across both our direct and retail channels and is highly loyal, as evidenced by the fact that approximately 70% of our gross sales in pro forma 2015 came from customers that have been shopping with J.Jill for at least five years.
Our customers strongly associate our products with a modern balance of style, quality, comfort and ease suitable for a broad range of occasions at accessible prices. Our product assortment is marketed under the J.Jill brand name, sold exclusively through our direct and retail channels across a full range of sizes, including Misses, Petites, Women’s and Tall.
We operate an omni-channel platform that delivers a seamless experience to our customer wherever and whenever she chooses to shop across our website, retail stores and catalog. Driven by our direct-to-consumer heritage, we have a highly profitable omni-channel platform that is well-diversified across our direct and retail channels.
Key drivers of our growth strategy are growing the size and value of our customer base, increasing direct sales, profitably expanding our store base, strengthening our omni-channel capabilities and enhancing our product assortment.
J.Jill is easy, relaxed, inspired style that reflects the confidence and comfort of a woman with a rich, full life

Why we are different.
Distinct, well-recognized brand.
Industry leading omni-channel business.
Data-centric approach that drives consistent profitability and mitigates risk.
Affluent and loyal customer base.
Customer-focused product assortment.
Highly experienced leadership team, delivering superior results.

J.Jill
Table of Contents

OUR GOALS
Create a Great Brand
Build a Successful Business
Make J.Jill a Great Place to Work

J.Jill
For investors outside the United States: neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus or any free writing prospectus we may provide to you in connection with this offering in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus and any such free writing prospectus outside of the United States.

**Table of Contents**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROSPECTUS SUMMARY</td>
<td>1</td>
</tr>
<tr>
<td>RISK FACTORS</td>
<td>17</td>
</tr>
<tr>
<td>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</td>
<td>39</td>
</tr>
<tr>
<td>USE OF PROCEEDS</td>
<td>41</td>
</tr>
<tr>
<td>DIVIDEND POLICY</td>
<td>41</td>
</tr>
<tr>
<td>CORPORATE CONVERSION</td>
<td>42</td>
</tr>
<tr>
<td>CAPITALIZATION</td>
<td>43</td>
</tr>
<tr>
<td>DILUTION</td>
<td>45</td>
</tr>
<tr>
<td>SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA</td>
<td>47</td>
</tr>
<tr>
<td>UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION</td>
<td>49</td>
</tr>
<tr>
<td>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</td>
<td>58</td>
</tr>
<tr>
<td>BUSINESS</td>
<td>83</td>
</tr>
<tr>
<td>MANAGEMENT</td>
<td>97</td>
</tr>
<tr>
<td>EXECUTIVE COMPENSATION</td>
<td>102</td>
</tr>
<tr>
<td>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</td>
<td>118</td>
</tr>
<tr>
<td>PRINCIPAL AND SELLING STOCKHOLDERS</td>
<td>121</td>
</tr>
<tr>
<td>DESCRIPTION OF CAPITAL STOCK</td>
<td>123</td>
</tr>
<tr>
<td>SHARES ELIGIBLE FOR FUTURE SALE</td>
<td>128</td>
</tr>
<tr>
<td>MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS</td>
<td>130</td>
</tr>
<tr>
<td>UNDERWRITING</td>
<td>134</td>
</tr>
<tr>
<td>LEGAL MATTERS</td>
<td>142</td>
</tr>
<tr>
<td>EXPERTS</td>
<td>142</td>
</tr>
<tr>
<td>WHERE YOU CAN FIND MORE INFORMATION</td>
<td>142</td>
</tr>
<tr>
<td>INDEX TO CONSOLIDATED FINANCIAL STATEMENTS</td>
<td>F-1</td>
</tr>
</tbody>
</table>

You should rely only on the information contained in this prospectus and any related free writing prospectus that we may provide to you in connection with this offering. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.
Trademarks, Trade Names and Service Marks

We use various trademarks, trade names and service marks in our business, including without limitation J.Jill®, The J.Jill Wearever Collection® and Pure Jill®. This prospectus contains references to our trademarks and to trademarks belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Industry and Market Data

Industry and market data used throughout this prospectus were obtained through company research, surveys and studies conducted by third parties and industry and general publications. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. Statistical data in this prospectus related to our customers is based on the approximately 97% of transactions that we are able to match to an identifiable customer. Although we believe the industry and market data to be reliable as of the date of this prospectus, this information could prove to be inaccurate. Industry and market data could be wrong because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. In addition, we do not know all of the assumptions regarding general economic conditions or growth that were used in preparing the forecasts from the sources relied upon or cited herein. While we are not aware of any misstatements regarding the industry data presented herein, estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “Risk Factors.”

Basis of Presentation

On May 8, 2015, an investment vehicle of investment funds affiliated with TowerBrook Capital Partners L.P. acquired all of our outstanding equity interests through the newly formed entities JJill Holdings, Inc. (“JJill Holdings”) and JJill Topco Holdings, LP (“JJill Topco Holdings”). We refer to such acquisition and the related financing transactions as the “Acquisition.” As a result of the Acquisition and related change in control, JJill Holdings applied purchase accounting as of May 8, 2015. We elected to push down the effects of the Acquisition to our consolidated financial statements. As such, the financial information provided in this prospectus is presented as “Predecessor” or “Successor” to indicate whether they relate to the period preceding the Acquisition or the period succeeding the Acquisition, respectively. Due to the change in the basis of accounting resulting from the Acquisition, the consolidated financial statements for the Predecessor periods and the consolidated financial statements for the Successor periods, included elsewhere in this prospectus, are not necessarily comparable.

Our fiscal year is the 52- or 53-week period ending on the Saturday closest to the January calendar month-end. The Predecessor period from February 1, 2015 to May 7, 2015, which is presented separately as the “2015 Predecessor Period” in this prospectus, consisted of approximately 14 weeks. The Successor period from May 8, 2015 to January 30, 2016, which is presented separately as the “2015 Successor Period” in this prospectus, consisted of approximately 38 weeks. References in this prospectus to “pro forma fiscal year 2015” refer to the unaudited pro forma consolidated statement of operations, which has been derived from our consolidated audited statements of operations included elsewhere in this prospectus and represents the addition of the Predecessor period from February 1, 2015 through May 7, 2015 and the Successor period from May 8, 2015 through January 30, 2016 and gives effect to the following as if they had occurred on February 1, 2015: (i) the Acquisition; (ii) the related Acquisition financing as provided for under our term loan credit agreement, dated as of May 8, 2015, by and among Jill Holdings LLC, Jill Acquisition LLC, a wholly-owned subsidiary of us, the various lenders party thereto and Jefferies Finance LLC as the administrative agent, as amended on May 27, 2016 by Amendment No. 1 thereto (the “Term Loan”) and our ABL credit agreement, dated as of May 8, 2015, by and among Jill Holdings LLC, Jill Acquisition LLC, certain subsidiaries from time to time party thereto, the lenders
As used in this prospectus, unless otherwise indicated or the context otherwise requires, references to:

- the “Company,” “J.Jill,” “we,” “us” and “our” refer to J.Jill, Inc. and its consolidated subsidiaries;
- “TowerBrook” means TowerBrook Capital Partners L.P. or the investment funds affiliated with TowerBrook Capital Partners L.P. or an investment vehicle of such funds, as the context requires;
- “GAAP” refers to U.S. generally accepted accounting principles;
- “retention rate” refers to, for a one-year period or fiscal year, the percentage of customers that made at least one purchase at J.Jill in the previous one-year period or fiscal year and also made at least one purchase at J.Jill in such one-year period or fiscal year;
- “4-wall contribution” refers to a particular store’s or group of stores’ net sales, less product costs and direct operating costs, including payroll, occupancy and other operating costs specifically associated with that store or group of stores. 4-wall contribution is an assessment of store-level profitability and a supplemental measure of the operating performance of our stores that is neither required by, nor presented in accordance with, GAAP and our calculations thereof may not be comparable to those reported by other companies. We present this measure as we believe it is frequently used by securities analysts, investors and other interested parties to evaluate companies in our industry and we use it internally as a benchmark to compare our performance to that of our competitors. This measure has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP;
- “payback” or “payback period” refer to, for a particular store or group of stores, the period of time from its opening measured in years, that it takes for the cumulative 4-wall contribution for a particular store or group of stores to equal our net cash investment in that store or group of stores;
- “cash-on-cash return” is calculated by dividing the 4-wall contribution for a particular store or group of stores by our total net cash investment in that store or group of stores. Cash-on-cash return is a supplemental measure of operating performance that is neither required by, nor presented in accordance with, GAAP and our calculations thereof may not be comparable to those reported by other companies. We present this measure as we believe it is frequently used by securities analysts, investors and other interested parties to evaluate companies in our industry and we use it internally as a benchmark to compare our performance to that of our competitors. This measure has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP;
- “total company comparable sales” refers to net sales from our full-price stores, open for more than 52 weeks, and our direct channel. When a store in the total company comparable store base is temporarily closed for remodeling or other reasons, it is included in total company comparable sales only using the full weeks it was open. Total company comparable sales for fiscal year 2012 are based on 52 weeks and exclude the 53rd week in fiscal year 2012;
- “average unit volume” is calculated by dividing our total net retail sales by our total number of stores;

iii
“active customer base” refers to unique customers who have made a purchase within the past twelve months;

“Aided Brand Awareness” refers to a measure of the number of people who recognize the J.Jill brand from a list of possible names offered as a prompt in a customer survey we conducted;

“Net Promoter Score” refers to a customer loyalty metric used in a customer survey we conducted, that was calculated based on responses to a single question: How likely are you to recommend J.Jill to your friends and family?; and

“full-price store” or “full-price location” refer to a store that is not a clearance store; and

“E-commerce business” refers to the orders of J.Jill’s products that are placed through our website, www.jjill.com.

**Non-GAAP Financial Measures**

The following financial measures presented in this prospectus are key performance indicators used by management and typically used by our competitors in the retail industry, but are not recognized under GAAP:

- “Adjusted EBITDA” represents net income (loss) plus interest expense, provision (benefit) for income taxes, depreciation and amortization, the amortization of the step-up to fair value of merchandise inventory resulting from the application of a purchase accounting adjustment related to the Acquisition, certain Acquisition-related expenses, sponsor fees, equity-based compensation expense, write-off of property and equipment and other non-recurring expenses, primarily consisting of outside legal and professional fees associated with certain non-recurring transactions and events; and

- “Adjusted EBITDA margin” represents, for any period, Adjusted EBITDA as a percentage of net sales.

Adjusted EBITDA and Adjusted EBITDA margin are supplemental measures of our operating performance that are neither required by, nor presented in accordance with, GAAP and our calculations thereof may not be comparable to those reported by other companies. We present these measures as we believe they are frequently used by securities analysts, investors and other interested parties to evaluate companies in our industry and we use them internally as a benchmark to compare our performance to that of our competitors. These measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP.

Adjusted EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net income (loss), operating income or any other performance measures derived in accordance with GAAP or as an alternative to cash flows from operating activities as a measure of our liquidity. We believe Adjusted EBITDA facilitates operating performance comparisons from period to period by isolating the effects of some items that vary from period to period without any correlation to ongoing operating performance. Potential differences between our measure of Adjusted EBITDA versus other similar companies’ measures of Adjusted EBITDA may be caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or changes in effective tax rates or net operating losses) and the age and book depreciation of facilities and equipment (affecting relative depreciation expense). Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

For a discussion of the use of these financial measures and a reconciliation of net income to Adjusted EBITDA and the calculation of Adjusted EBITDA margin, see “Prospectus Summary—Summary Consolidated Historical and Pro Forma Financial and Other Data.”
PROSPECTUS SUMMARY

The following summary contains selected information about us and about this offering. It does not contain all of the information that is important to you and your investment decision. Before you make an investment decision, you should review this prospectus in its entirety, including matters set forth under “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes thereto included elsewhere in this prospectus. Some of the statements in the following summary constitute forward-looking statements. See “Cautionary Note Regarding Forward-Looking Statements.”

In this prospectus, unless otherwise indicated or the context otherwise requires, references to the “Company,” “J.Jill,” “we,” “us,” and “our” refer to J.Jill, Inc. and its consolidated subsidiaries.

Overview

Our Company

J.Jill is a nationally recognized women’s apparel brand focused on a loyal, engaged and affluent customer in the attractive 40-65 age segment. The J.Jill brand represents an easy, relaxed and inspired style that reflects the confidence and comfort of a woman with a rich, full life. We operate a highly profitable omni-channel platform that is well diversified across our direct (42% of net sales for the twelve months ended October 29, 2016) and retail (58% of net sales for the twelve months ended October 29, 2016) channels. We began as a catalog company and have been a pioneer of the omni-channel model with a compelling presence across stores, website and catalog since 1999. We have developed an industry-leading customer database that allows us to match approximately 97% of transactions to an identifiable customer. We take a data-centric approach, in which we leverage our database and apply our insights to manage our business as well as to acquire and engage customers to drive optimum value and productivity. Our goals are to Create a great brand, to Build a successful business and to Make J.Jill a great place to work. To achieve this, we have aligned our strategy and team around four guiding pillars – Brand, Customer, Product and Channel.

Brand and Customer. Our brand promise to the J.Jill woman is to delight her with great wear-now product, to inspire her confidence through J.Jill’s approach to dressing and to provide her with friendly, guiding service wherever and whenever she chooses to shop. While we find that women of all ages are attracted to our brand, our typical customer is 40-65 years old, is college educated and has an annual household income that exceeds $150,000. She leads a busy, yet balanced life, as she works outside the home, is involved in her community and has a family with children. She engages across both our direct and retail channels and is highly loyal, as evidenced by the fact that approximately 70% of our gross sales in pro forma fiscal year 2015 came from customers that have been shopping with J.Jill for at least five years.

Product. Our customers strongly associate our products with a modern balance of style, quality, comfort and ease suitable for a broad range of occasions at accessible prices. Our product assortment is marketed under the J.Jill brand name, sold exclusively through our direct and retail channels, and includes knit and woven tops, bottoms and dresses as well as sweaters, outerwear and accessories across a full range of sizes, including Misses, Petites, Women’s and Tall. We also offer most of these products across our two sub-brands, Pure Jill and Wearever. We design and merchandise our products in-house around clear product stories, grounded with essential yet versatile styles and fabrics updated each month with fresh colors, layering options, novelty and fashion. Each of our monthly merchandised collections includes approximately 40% new styles, which provides a consistent flow of fresh product.

Channel. We operate an omni-channel platform that delivers a seamless experience to our customer wherever and whenever she chooses to shop across our website, retail stores and catalog. Driven by our direct-to-consumer heritage, we have a highly profitable omni-channel platform that is well-diversified across our direct
and retail channels. As of January 28, 2017, our retail store portfolio consists of 275 stores in 43 states. Of these stores, 273 are full-price locations averaging approximately 3,750 square feet, with approximately half of our stores located in lifestyle centers and approximately half in premium malls. Our stores have produced strong and consistent performance, with 98% of our full-price locations generating positive 4-wall contribution in pro forma fiscal year 2015. Our new store openings have produced an average payback of approximately two years. We introduced a new store design in 2013 that showcases our brand concept and elevates, yet simplifies the J.Jill shopping experience. Within our direct channel, E-commerce represented 88% of net sales for the twelve months ended October 29, 2016 and catalog orders represented 12% of net sales for the twelve months ended October 29, 2016. Our website provides customers with continuous access to the entire J.Jill product offering and features rich content, including updates on new collections and guidance on how to wear and wardrobe our styles, as well as the ability to chat live with a customer service representative. We produce 25 annual editions of our catalog and circulated 57 million copies in 2015. Our catalog, combined with an increased investment in online marketing, drives customer acquisition and engagement across all of our channels. Our omni-channel approach allows us to drive customer response and purchasing behavior in all channels.

Under the leadership of Paula Bennett, our President and Chief Executive Officer, we have delivered strong, consistent growth in sales and profitability. We have established a solid foundation to support long-term, sustainable growth by investing to build our team, market our brand and enhance our systems, distribution center and data insight capabilities. Net income in pro forma fiscal year 2015 was $14.3 million. We believe our customer-focused strategy, foundational investments and data insights have resulted in consistent, profitable growth and industry-leading Adjusted EBITDA margins of 14.6% in pro forma fiscal year 2015. For a reconciliation of our Adjusted EBITDA to our net income, please see “Prospectus Summary—Summary Consolidated Historical and Pro Forma Financial and Other Data.” Recent financial highlights include:

- Total net sales growth from $432 million in fiscal year 2012, to $562 million in pro forma fiscal year 2015, reflecting a 9% compound annual growth rate (“CAGR”), and to $617 million for the twelve months ended October 29, 2016, reflecting a 10% CAGR;
- Positive total company comparable sales growth in 17 of the last 19 consecutive quarters, including in each of the last ten consecutive quarters;
- Net income growth from a loss of $3.6 million in fiscal year 2012, to $14.3 million in pro forma fiscal year 2015 and to $23.5 million for the twelve months ended October 29, 2016;
- Net income margin expansion of 330 basis points, from (0.8%) in fiscal year 2012, to 2.5% in pro forma fiscal year 2015, and of 460 basis points to 3.8% for the twelve months ended October 29, 2016;
- 19 consecutive quarters of positive Adjusted EBITDA growth;
- Adjusted EBITDA growth from $44 million in fiscal year 2012, to $82 million in pro forma fiscal year 2015, reflecting a 23% CAGR, and to $99 million for the twelve months ended October 29, 2016, reflecting a 24% CAGR; and
- Adjusted EBITDA margin expansion of 440 basis points, from 10.2% in fiscal year 2012, to 14.6% in pro forma fiscal year 2015, and of 580 basis points to 16.0% for the twelve months ended October 29, 2016.
Competitive Strengths

We attribute our success to the following competitive strengths:

**Distinct, Well-Recognized Brand.** The J.Jill brand represents an easy, relaxed and inspired style that reflects the confidence and comfort of a woman with a rich, full life. We have cultivated a differentiated brand that resonates with our customers, as evidenced by the fact that we have one of the highest levels of brand satisfaction and one of the highest aided brand awareness scores relative to our peers. Through our commitment to our customer and our brand building activities, we have created significant brand trust and an emotional connection with our customers that we believe will facilitate sustainable sales growth and market share gains over time.

**Industry-Leading Omni-Channel Business.** We have developed a powerful, omni-channel business model comprised of our industry-leading direct channel and our retail stores. Our direct and retail channels complement and drive traffic to one another, and we leverage our targeted marketing initiatives to acquire new customers across all channels. While 64% of new to brand customers first engage with J.Jill through our retail stores, we have a strong track record of migrating customers from a single-channel customer to a more valuable, omni-channel customer. On average, our omni-channel customers purchase on nearly three more occasions per year and spend nearly three more times per year than our single-channel customers. As a result, our direct penetration has grown rapidly and accounted for 42% of net sales for the twelve months ended October 29, 2016 driven primarily by growth in our E-commerce business. We believe our strong omni-channel capabilities enable us to deliver a seamless brand experience to our customer, wherever and whenever she chooses to shop.
Data-Centric Approach That Drives Consistent Profitability and Mitigates Risk. We believe we have strong customer and transaction data capabilities, but it is our use of the data that distinguishes us from our competitors. We have developed industry-leading data capture capabilities that allow us to match approximately 97% of transactions to an identifiable customer, which we believe is significantly ahead of the industry standard. We maintain an extensive customer database that tracks customer details from personal identifiers and demographic overlay (e.g., name, address, age and household income) and transaction history (e.g., orders, returns and order value). We continually leverage this database and apply our insights to operate our business, as well as to acquire new customers and then create, build and maintain a relationship with each customer to drive optimum value. For example, in fiscal year 2015 we utilized insights from our data to expand our marketing investment and focus our initiatives to emphasize customer acquisition. This drove growth in active customers by 12% and new customers by 15%. We also increased spend per customer by 6% as customers purchased more frequently and spent more per transaction. We believe our data-centric approach allows us to respond to customer preferences and mitigate risk leading to consistent, predictable operating and financial performance over time.

Affluent and Loyal Customer Base. We target an attractive demographic of affluent women in the 40-65 age range, a segment of the population that is experiencing outsized population growth between 2010 and 2020 in the United States, according to the U.S. Census Bureau. With an average annual household income that exceeds $150,000, our customer has significant spending power. She is highly loyal as evidenced by the fact that approximately 70% of our gross sales in pro forma fiscal year 2015 came from customers that have been shopping with J.Jill for at least five years. Customers who remain with our brand for five years or longer spend nearly twice as much and shop with us 1.5 times more per year than a new-to-brand customer. Our private label credit card program also drives customer loyalty and encourages spending, as average spend per card holder is over two times higher than non-card holders. We believe we will continue to develop long-term customer relationships that will drive profitable sales growth.

Customer-Focused Product Assortment. Our customers strongly associate our product with a modern balance of style, quality, comfort and ease suitable for a broad range of occasions at accessible price points, with an average selling price of $45. Our customer-focused assortment spans a full range of sizes and is designed to provide easy wardrobing that is relevant to her lifestyle. Each year we offer 12 merchandise collections that are introduced approximately every four weeks and designed and delivered to provide a consistent flow of fresh products. We create product newness through the use of different fabrics, colors, patterns and silhouettes, with approximately 40% new styles delivered in each monthly collection, which motivates our customer to visit our stores and/or our website more frequently. We have an in-house, customer centric product design and development process that leverages our extensive database of customer feedback and allows us to identify and incorporate changes in our customers’ preferences, mitigating fashion risk. We believe our customer focused approach to product development and continual delivery of fresh, high quality products drives traffic, frequency and conversion.

Highly Experienced Leadership Team, Delivering Superior Results. Our leadership team is led by President and Chief Executive Officer, Paula Bennett, who joined J.Jill in 2008 and is responsible for leading our successful revitalization and profitable growth. Ms. Bennett is a retail veteran with over 35 years of experience who understands the importance of a strong brand, possesses deep knowledge of our customers and has extensive direct and retail channel experience. Ms. Bennett previously served as Chief Operating Officer of Eileen Fisher, Inc. and also held leadership positions at Bloomingdale’s and Tiffany & Co. She has built a team from leading global organizations with an average of 25 years of industry experience and significant expertise in merchandising, marketing, retail, E-commerce, human resources and finance. We have developed a strong and collaborative culture aligned around our goals to Create a great brand, Build a successful business and Make J.Jill a great place to work. Additionally, we have enhanced and realigned our organizational structure to further elevate the omni-channel customer experience including the recent hires of a Chief Information Officer and a Senior Vice President of Marketing. Our leadership team is aligned and incentivized around growing Adjusted EBITDA and has delivered superior and consistent operating results, growing net sales by a 10% CAGR, Adjusted EBITDA by a 24% CAGR and Adjusted EBITDA margin by 580 basis points from fiscal year 2012 through the twelve months ended October 29, 2016.
Business Growth Strategies

Key drivers of our growth strategy include:

Grow Size and Value of Our Active Customer Base. We have a significant opportunity to continue to attract new customers to our brand and to grow the size and value of our active customer base across all channels. Historically, we grew our business by driving spend per customer. We strategically increased our marketing investment to drive growth through the acquisition of new customers, reactivation of lapsed customers and the retention of existing customers. This investment has proven effective as, for example, in fiscal year 2015 we increased our marketing investment by 16%, resulting in active customer base growth of 12%, including new customer growth of 15%. We also experienced an increase in spend per customer by 6% as customers purchased more frequently and spent more per transaction. In addition, in fiscal year 2015, the number of our omni-channel customers, who purchase on nearly three more occasions per year and spend nearly three more times per year than our single-channel customers, increased by 21%. We recently began a brand voice and customer segmentation initiative which, upon completion, will further enhance our ability to target the highest value customers and increase customer spending. Through these initiatives, we believe we will continue to attract new customers to our brand, migrate customers from single-channel to more profitable omni-channel customers and increase overall customer retention and spend.

Increase Direct Sales. Given our strong foundation that positions us to capitalize on the growth of online and mobile shopping, we believe we have the opportunity to grow our direct sales from 42% of our net sales to approximately 50% over the next few years. According to Euromonitor, online apparel sales are expected to grow at a CAGR of approximately 15% from 2015 to 2020, which is significantly above the long-term growth of the broader apparel industry. We are undertaking several initiatives to enhance our capabilities and drive additional direct sales. We are in the process of re-platforming our website to improve our customers’ personalized shopping experience and increase the ease of navigation, checkout and overall engagement. Our new platform, managed by our experienced team, will provide us with the opportunity to expand internationally. In addition, our mobile platform provides us with the ability to effectively engage with our customer on her mobile device by providing her with access to product research and the ability to connect with the brand socially. We believe our powerful direct platform will enable us to further strengthen our dominant market position and broaden our customer reach.

Profitably Expand Our Store Base. Based on our proven new store economics, we believe that we have the potential to grow our store base by up to 100 stores over the long term from our total of 275 stores as of January 28, 2017. We will target new locations in lifestyle centers and premium malls, and we plan to open 10-15 new stores in fiscal year 2017 and in each year thereafter. Our new store model targets an average of approximately $1.0 million of net sales per store and approximately $270,000 of 4-wall contribution within the first full year of operations. We introduced a new store design concept in 2013 that showcases our brand concept and elevates, yet simplifies the J.Jill shopping experience. The new store concept provides a welcoming, easy-to-shop format that guides her through clearly merchandised product stories. All of our new and refreshed stores will reflect our new design concept. We also plan to selectively close underperforming stores on an annual basis, including one in 2016.

Strengthen Omni-Channel Capabilities. We are pursuing a variety of initiatives designed to enhance our omni-channel capabilities focused on best serving our customer, wherever and whenever she chooses to shop. We have recently enhanced our management team to focus on the omni-channel customer experience, including the recent hires of a Chief Information Officer and a Senior Vice President of Marketing. We will continue to leverage our insight into customer attributes and behavior, which will guide strategic investments in our business. For example, we will enhance our ability to seamlessly manage our inventory across all of our channels. We also plan to implement technology to further fulfill customer demand, including ship from store to customer and order online for pickup in store. We expect our sustainable model, combined with our omni-channel initiatives, will continue to drive traffic, increase average transaction value and enhance conversion across all of our channels.
Enhance Product Assortment. We believe there is an opportunity to grow our business by selectively broadening and enhancing our assortment in certain product categories, including our Pure Jill and Wearever sub-brands, our Women’s and Petite’s businesses, and accessories. Based on strong demand for our extended size product and our sub-brands, we believe we have the opportunity to expand and focus these categories in selected stores as well as test the offering in stand-alone store formats. We also believe we have the opportunity to continue to optimize our assortment architecture and productivity by delivering the right mix and flow of fashion and basics to our channels. In addition, we will continue delivering high quality customer focused product assortments across each of our channels, while strengthening visual merchandising. Through our focused and enhanced product offering, particularly in our sub-brands and extended sizes, we believe we will continue to drive profitable sales growth over time.

Recent Developments

Our audited consolidated financial statements for the fiscal year ended January 28, 2017 (“fiscal year 2016”) are not yet available. We have presented preliminary estimated ranges of certain of our financial results below for fiscal year 2016, based on information currently available to management. We have provided ranges, rather than specific amounts, for certain financial results below, primarily because our financial closing procedures for the three months and year ended January 28, 2017 are not yet complete. As a result, our actual results may vary materially from the estimated preliminary results included herein and will not be publicly available until after the closing of this offering. Accordingly, you should not place undue reliance on these estimates. The preliminary financial data included in this prospectus has been prepared by, and is the responsibility of, management. Our independent registered public accounting firm has not audited, reviewed, compiled, or performed any procedures with respect to the preliminary estimated financial data below and does not express an opinion or any other form of assurance with respect thereto. See “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Special Note Regarding Forward-Looking Statements” for additional information regarding factors that could result in differences between the preliminary estimated ranges of certain financial results presented below and the financial results we will ultimately report for fiscal year 2016.

For the thirteen weeks ended January 28, 2017, we estimate that our net sales will range from $166.4 million to $167.4 million, an increase of $21.5 million, or 14.8%, at the mid-point of the estimated net sales range when compared with net sales of $145.4 million for the thirteen weeks ended January 30, 2016. The increase in net sales was due to an increase in total comparable company sales of approximately 10.7% to 10.9% for the thirteen weeks ended January 28, 2017. As of January 28, 2017, our inventory balance was $66.6 million.

For fiscal year 2016, we estimate that our net sales will range from $638.5 million to $639.5 million, an increase of $77.0 million, or 13.7%, using the mid-point of the estimated net sales range when compared with net sales of $562.0 million for pro forma fiscal year 2015. The increase in net sales was due to an increase in total comparable company sales of approximately 11.1% to 11.3% for fiscal year 2016, primarily driven by an increase in our active customer base from 1.5 million during pro forma fiscal year 2015 to 1.7 million for fiscal year 2016. Omni-channel customers represent approximately 22% of our active customer base for fiscal year 2016, an increase from 20% for pro forma fiscal year 2015. Our direct channel was responsible for 43% of our net sales for fiscal year 2016, an increase from 40% for pro forma fiscal year 2015. Within our direct channel, E-commerce represented 89% of net sales for fiscal year 2016 and catalog orders represented 11% of net sales for fiscal year 2016. Our retail channel was responsible for 57% of our net sales for fiscal year 2016, a decrease from 60% for pro forma fiscal year 2015.

For fiscal year 2016, we estimate that our net income (loss) and total comprehensive income (loss) will range from $22.5 million to $24.1 million, an increase of $9.0 million, or 62.9%, using the mid-point of the estimated range when compared with net income (loss) and total comprehensive income (loss) of $14.3 million for pro forma fiscal year 2015.
For fiscal year 2016, we estimate that our Adjusted EBITDA will range from $104.4 million to $106.5 million, an increase of $23.5 million, or 28.7%, using the mid-point of the estimated range when compared with our Adjusted EBITDA of $82.0 million for pro forma fiscal year 2015. Adjusted EBITDA is a non-GAAP financial measure that has limitations as an analytical tool. Adjusted EBITDA should not be considered as an alternative to, or substitute for, net income (loss), which is calculated in accordance with GAAP. To address these limitations we reconciled Adjusted EBITDA to the nearest GAAP financial measure, net income (loss), below. For an explanation of how we define Adjusted EBITDA and Adjusted EBITDA margin and why we believe the presentation of Adjusted EBITDA and Adjusted EBITDA margin information is useful to investors, see “—Summary Consolidated Historical And Pro Forma Financial And Other Data.”

Our management has determined that net income (loss) is the only component of our comprehensive income (loss). Accordingly, there is no difference between net income (loss) and comprehensive income (loss). The following table provides a reconciliation of net income (loss) to Adjusted EBITDA and the calculation of Adjusted EBITDA margin for the ranges presented for fiscal year 2016 and for pro forma fiscal year 2015.

<table>
<thead>
<tr>
<th>Statements of Operations Data:</th>
<th>For the Fiscal Year Ended January 28, 2017</th>
<th>For the Fiscal Year Ended January 30, 2016</th>
<th>Pro Forma (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>$ 22,503</td>
<td>$ 24,103</td>
<td>$ 14,295</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>18,670</td>
<td>18,670</td>
<td>16,893</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>16,200</td>
<td>17,300</td>
<td>10,223</td>
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<tr>
<td>Depreciation and amortization</td>
<td>36,219</td>
<td>36,219</td>
<td>37,802</td>
</tr>
<tr>
<td>Equity-based compensation expense (a)</td>
<td>623</td>
<td>623</td>
<td>609</td>
</tr>
<tr>
<td>Write-off of property and equipment (b)</td>
<td>385</td>
<td>385</td>
<td>349</td>
</tr>
<tr>
<td>Other non-recurring expenses (c)</td>
<td>9,800</td>
<td>9,200</td>
<td>1,784</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$104,400</td>
<td>$106,500</td>
<td>$81,955</td>
</tr>
<tr>
<td>Net sales</td>
<td>$638,500</td>
<td>$639,500</td>
<td>$562,015</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>16.4%</td>
<td>16.7%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Total Company Comparable Sales</td>
<td>11.1%</td>
<td>11.3%</td>
<td>12.4%</td>
</tr>
</tbody>
</table>

(a) Represents expenses associated with equity incentive units granted to our management. Prior to the Acquisition, incentive units were accounted for as a liability-classified award and the related compensation expense was recognized based on changes in the intrinsic value of the award at each reporting period. Subsequent to the Acquisition, new incentive units were granted to management and are accounted for as equity-classified awards with the related compensation expense recognized based on fair value at the date of the grants.

(b) Represents the net gain or loss on the disposal of fixed assets.

(c) Represents items management believes are not indicative of ongoing operating performance. These expenses are primarily composed of legal and professional fees associated with non-recurring events. The pro forma fiscal year 2015 and fiscal year 2016 expenses are primarily due to legal, accounting, and professional fees incurred in connection with this offering.

Risks Relating to Our Business and Our Common Stock

An investment in our common stock involves a high degree of risk. You should carefully consider the risks summarized in the “Risk Factors” section of this prospectus immediately following this prospectus summary.
Corporate Conversion

On February 24, 2017, we converted from a Delaware limited liability company named Jill Intermediate LLC into a Delaware corporation and changed our name to J.Jill, Inc. In conjunction with the conversion, all of our outstanding equity interests converted into 43,747,944 shares of common stock. Jill Intermediate LLC had one class of equity interests, all of which were held by JJill Holdings, our former direct parent company, and JJill Topco Holdings, the direct parent company of JJill Holdings. In conjunction with our conversion into a Delaware corporation, JJill Holdings and JJill Topco Holdings each received shares of our common stock in proportion to the percentage of Jill Intermediate LLC’s equity interests held by them prior to the conversion. Following our conversion into a Delaware corporation, JJill Holdings, our former direct parent, merged with and into us, and we were the surviving entity to such merger. We are a holding company, and Jill Acquisition LLC, our wholly-owned subsidiary, will remain the operating company for our business assets. All of the shares of our common stock are held by JJill Topco Holdings, our current direct parent. Following the completion of this offering, JJill Topco Holdings plans to distribute all of the shares of our common stock held by it, other than the shares it sells in this offering, to its partners in accordance with the terms of its limited partnership agreement. For more information, please see “Corporate Conversion.”

The diagram below depicts our organizational structure immediately following the consummation of this offering and the transactions described above:

Our Sponsor

We were acquired by TowerBrook in May 2015. TowerBrook is an investment management firm that is based in the United States and Europe. It focuses on making investments in European and North American companies.
Following this offering, TowerBrook will control approximately 60% of the voting power of our outstanding common stock (or 57% if the underwriters exercise their option to purchase additional shares). As a result, TowerBrook will control any action requiring the general approval of our stockholders, including the election of our board of directors (which will control our management and affairs), the adoption of amendments to our certificate of incorporation and bylaws and the approval of any merger or sale of substantially all of our assets. Because TowerBrook will hold more than 50% of the voting power of our outstanding common stock, we will be a “controlled company” under the corporate governance rules for New York Stock Exchange listed companies. We will therefore be permitted to, and we intend to, elect not to comply with certain corporate governance requirements. See “Management—Controlled Company.” We will also be party to a Stockholders Agreement with TowerBrook, pursuant to which TowerBrook will be entitled to certain veto rights including with respect to any payment or declaration of any dividend or other distribution on our equity securities (subject to certain exceptions specified therein), as long as TowerBrook beneficially owns at least 50% of our common stock. See “Certain Relationships and Related Party Transactions—Stockholders Agreement.”

Control by TowerBrook may give rise to actual or perceived conflicts of interest with holders of our common stock. TowerBrook’s significant ownership in us, its rights under the Stockholders Agreement and its resulting ability to effectively control us may discourage a third party from making a significant equity investment in us or a transaction involving a change of control, including transactions in which holders of shares of our common stock might otherwise receive a premium for such holders’ shares over the then-current market price. See “Risk Factors—Risks Related to this Offering and Ownership of Our Common Stock” for a summary of the potential conflicts of interests that may arise as a result of our control by TowerBrook.

Implications of being an Emerging Growth Company

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act, or “JOBS Act” enacted in April 2012. As an “emerging growth company,” we may take advantage of specified reduced reporting and other requirements that are otherwise applicable to public companies. These provisions include, among other things:

• being permitted to present only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced Management’s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;

• exemption from the auditor attestation requirement in the assessment of our internal controls over financial reporting;

• exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies;

• exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board (United States), requiring mandatory audit firm rotation or a supplement to our auditor’s report in which the auditor would be required to provide additional information about the audit and our financial statements;

• an exemption from the requirement to seek non-binding advisory votes on executive compensation and golden parachute arrangements; and

• reduced disclosure about executive compensation arrangements.

We may take advantage of these provisions until the end of the fiscal year following the fifth anniversary of our initial public offering or such earlier time that we are no longer an “emerging growth
We will cease to be an “emerging growth company” if we have $1.0 billion or more in “total annual gross revenues” during our most recently completed fiscal year, if we become a “large accelerated filer” with a market capitalization of $700 million or more, or as of any date on which we have issued more than $1.0 billion in non-convertible debt over the three-year period to such date. We may choose to take advantage of some, but not all, of these reduced burdens. For example, we have taken advantage of the reduced reporting requirement with respect to disclosure regarding our executive compensation arrangements and expect to take advantage of the exemption from auditor attestation on the effectiveness of our internal control over financial reporting. For as long as we take advantage of the reduced reporting obligations, the information that we provide stockholders may be different from information provided by other public companies. We are irrevocably electing to “opt out” of the extended transition period relating to the exemption from new or revised financial accounting standards and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-“emerging growth companies.”

In addition, upon the closing of this offering, we will be a “controlled company” within the meaning of the New York Stock Exchange corporate governance standards because more than 50% of our voting common stock will be owned by TowerBrook. For further information on the implications of this distinction, see “Risk Factors—Risks Related to this Offering and Ownership of Our Common Stock” and “Management—Board Committees.”

Corporate Information

We were originally organized as Jill Intermediate LLC, a Delaware limited liability company, in February 2011. On February 24, 2017, we completed transactions pursuant to which we converted into a Delaware corporation and changed our name to J.Jill, Inc. Our principal executive office is located at 4 Batterymarch Park, Quincy, MA 02169, and our telephone number is (617) 376-4300. Our website address is www.jjill.com. Our website and the information contained on, or that can be accessed through, our website will not be deemed to be incorporated by reference in, and are not considered part of, this prospectus. You should not rely on our website or any such information in making your decision whether to purchase shares of our common stock.
### The Offering

<table>
<thead>
<tr>
<th><strong>Issuer in this offering</strong></th>
<th>J.Jill, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common stock offered by the selling stockholder</strong></td>
<td>11,666,667 shares (or 13,416,667 shares, if the underwriters exercise in full their option to purchase additional shares as described below).</td>
</tr>
<tr>
<td><strong>Option to purchase additional shares</strong></td>
<td>The selling stockholder has granted the underwriters an option to purchase up to an additional 1,750,000 shares. The underwriters may exercise this option at any time within 30 days from the date of this prospectus. See “Underwriting.”</td>
</tr>
<tr>
<td><strong>Common stock outstanding immediately after this offering</strong></td>
<td>43,747,944 shares.</td>
</tr>
<tr>
<td><strong>Use of proceeds</strong></td>
<td>The selling stockholder will receive all the proceeds from the sale of shares of our common stock in this offering. We will not receive any proceeds from the sale of shares of our common stock in this offering.</td>
</tr>
<tr>
<td><strong>Controlled company</strong></td>
<td>Upon completion of this offering, TowerBrook will continue to beneficially own more than 50% of our outstanding common stock. As a result, we are eligible to, and we intend to, avail ourselves of the “controlled company” exemptions under the rules of the New York Stock Exchange (“NYSE”), including exemptions from certain of the corporate governance listing requirements. See “Management—Controlled Company.”</td>
</tr>
<tr>
<td><strong>Voting rights</strong></td>
<td>Holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders.</td>
</tr>
<tr>
<td><strong>Dividend policy</strong></td>
<td>We do not currently intend to pay dividends on our common stock. We plan to retain any earnings for use in the operation of our business and to fund future growth.</td>
</tr>
<tr>
<td><strong>Listing</strong></td>
<td>Our common stock has been approved for listing on the NYSE under the symbol “JILL.”</td>
</tr>
<tr>
<td><strong>Risk factors</strong></td>
<td>You should read the section entitled “Risk Factors” beginning on page 17 of, and the other information included in, this prospectus for a discussion of some of the risks and uncertainties you should carefully consider before deciding to invest in our common stock.</td>
</tr>
</tbody>
</table>

The number of shares of our common stock to be outstanding immediately after the closing of this offering is based on 43,747,944 shares of common stock outstanding as of October 29, 2016 and, except as otherwise indicated, all information in this prospectus, reflects and assumes the following:

- assumes an initial public offering price of $15.00 per share of common stock, the midpoint of the price range on the cover of this prospectus;
• reflects the completion of our corporate conversion from a Delaware limited liability company to a Delaware corporation and the merger of J Jill Holdings with and into us, as described under “Corporate Conversion”;

• reflects the conversion of all of our outstanding equity interests into 43,747,944 shares of our common stock, which was effectuated on February 24, 2017;

• assumes no exercise of the underwriters’ option to purchase 1,750,000 additional shares of common stock in this offering; and

• does not reflect an additional 2,237,303 shares of our common stock reserved for future grant under our Equity Incentive Plan (as defined herein) which we expect to adopt in connection with this offering.
### SUMMARY CONSOLIDATED HISTORICAL AND PRO FORMA FINANCIAL AND OTHER DATA

The following tables present our summary consolidated financial and other data as of and for the periods indicated. The summary consolidated statements of operations data for the fiscal years ended February 1, 2014 and January 31, 2015, the periods from February 1, 2015 to May 7, 2015 (Predecessor) and from May 8, 2015 to January 30, 2016 (Successor), and the summary consolidated balance sheet data as of January 31, 2015 and January 30, 2016 are derived from our audited consolidated financial statements included elsewhere in this prospectus. Our historical audited results are not necessarily indicative of the results that should be expected in any future period.

The summary consolidated statements of operations data for the period from May 8, 2015 to October 31, 2015 (Successor) and the thirty-nine weeks ended October 29, 2016 (Successor) and the summary consolidated balance sheet data as of October 29, 2016 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. We have prepared our unaudited consolidated financial statements on the same basis as our audited consolidated financial statements and have included all adjustments, consisting only of normal recurring adjustments that, in our opinion, are necessary to present fairly the financial information set forth in those statements. The results for any interim period are not necessarily indicative of the results that may be expected for the full year and our historical unaudited results are not necessarily indicative of the results that should be expected in any future period.

We have derived the summary consolidated statements of operations data for the twelve months ended October 29, 2016 by adding the summary consolidated statements of operations data for the thirty-nine weeks ended October 29, 2016 to the summary consolidated statements of operations data for the 2015 Successor Period and subtracting the summary consolidated statements of operations data for the period from May 8, 2015 to October 31, 2015. We believe that presentation of the summary consolidated statements of operations data for the twelve months ended October 29, 2016 is useful to investors because it presents information about how our business has performed in the twelve month period immediately preceding the date of our most recent interim financial statements, which allows investors to review our current performance trends over a period consisting of our four most recent consecutive fiscal quarters.

For purposes of presenting a comparison of our fiscal year 2013 and fiscal year 2014 results, in addition to standalone results for the 2015 Predecessor Period and 2015 Successor Period, we have also presented summary unaudited pro forma consolidated financial and other data for the fiscal year ended January 30, 2016. The unaudited pro forma consolidated statement of operations for the fiscal year ended January 30, 2016 has been derived from the historical audited statements of operations included elsewhere in this prospectus, and represents the addition of the 2015 Predecessor Period and the 2015 Successor Period and gives effect to certain transactions, as described in “Unaudited Pro Forma Consolidated Financial Information” contained elsewhere in this prospectus, as if they had occurred on February 1, 2015. We believe that this presentation provides meaningful information about our results of operations on a period to period basis. The unaudited pro forma consolidated statement of operations is presented for illustrative purposes and does not purport to represent what the results of operations would actually have been if the transactions had occurred as of the date indicated or what the results of operations would be for any future periods.
The summary historical financial data presented below does not purport to project our financial position or results of operations for any future date or period and should be read together with “Selected Historical Consolidated Financial and Other Data,” “Unaudited Pro Forma Consolidated Financial Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our consolidated financial statements and related notes thereto included elsewhere in this prospectus.

### Interim Periods

<table>
<thead>
<tr>
<th></th>
<th>Predecessor (unaudited)</th>
<th>Predecessor (unaudited)</th>
<th>Successor (unaudited)</th>
<th>Successor (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$456,026</td>
<td>$483,400</td>
<td>$141,921</td>
<td>$274,741</td>
</tr>
<tr>
<td>Costs of goods sold</td>
<td>161,261</td>
<td>164,792</td>
<td>188,852</td>
<td>201,185</td>
</tr>
<tr>
<td>Gross profit</td>
<td>294,765</td>
<td>318,608</td>
<td>373,163</td>
<td>173,556</td>
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<tr>
<td>Selling, general and administrative expenses</td>
<td>267,319</td>
<td>279,557</td>
<td>331,752</td>
<td>273,882</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Operating income</td>
<td>27,446</td>
<td>39,051</td>
<td>41,411</td>
<td>12,320</td>
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<tr>
<td>Interest expense</td>
<td>19,064</td>
<td>17,895</td>
<td>16,893</td>
<td>7,922</td>
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<tr>
<td>Income (loss) before provision for income taxes</td>
<td>8,382</td>
<td>21,156</td>
<td>41,411</td>
<td>12,320</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>3,884</td>
<td>10,860</td>
<td>10,223</td>
<td>4,398</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$4,408</td>
<td>$10,296</td>
<td>($1,901)</td>
<td>$2,857</td>
</tr>
<tr>
<td>Net income (loss) per share attributable to common stockholders (1):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$0.10</td>
<td>$0.24</td>
<td>($0.04)</td>
<td>$0.07</td>
</tr>
<tr>
<td>Diluted</td>
<td>$0.10</td>
<td>$0.24</td>
<td>($0.04)</td>
<td>$0.07</td>
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<tr>
<td>Weighted average number of common shares outstanding (1):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>43,747,944</td>
<td>43,747,944</td>
<td>40,333,974</td>
<td>43,747,944</td>
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<tr>
<td>Diluted</td>
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<td>43,747,944</td>
<td>42,531,433</td>
<td>43,747,944</td>
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### Other Financial Data:

<table>
<thead>
<tr>
<th></th>
<th>Adjusted EBITDA (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Adjusted EBITDA margin (3)</td>
</tr>
<tr>
<td>Basic</td>
<td>$54,241</td>
</tr>
<tr>
<td>Diluted</td>
<td>$65,720</td>
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</tbody>
</table>

(1) Weighted average number of common shares outstanding includes the dilutive common stock outstanding for the periods presented.
(2) Adjusted EBITDA is calculated as GAAP net income plus extraordinary items, restructuring charges, asset impairments, amortization of intangibles, share based compensation expense, and other non-cash charges.
(3) Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by net sales.
### Table of Contents

- Adjusted EBITDA margin
- Net sales
- Adjusted EBITDA
- Other non-recurring expenses
- Write-off of property and equipment
- Sponsor fees
- Acquisition-related expenses
- Depreciation and amortization
- Provision (benefit) for income taxes
- Interest expense
- Net income (loss)

Statements of Operations Data:

<table>
<thead>
<tr>
<th>Period</th>
<th>Predecessor</th>
<th>Pro Forma (unaudited)</th>
<th>Successor</th>
<th>Interim Periods</th>
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<tbody>
<tr>
<td></td>
<td>For the Fiscal Year Ended</td>
<td>For the Fiscal Year Ended</td>
<td>For the Period May 8, 2015 to May 7, 2016</td>
<td>For the Period May 8, 2015 to May 7, 2016</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$ (3,601)</td>
<td>$ 4,498</td>
<td>$ 10,296</td>
<td>$ (1,901)</td>
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<td>Interest expense</td>
<td>19,183</td>
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<td>Provision (benefit)</td>
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<td>3,884</td>
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<td>Depreciation and amortization</td>
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<td>22,910</td>
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<td>Inventory step-up</td>
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<td>—</td>
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<tr>
<td>Acquisition-related expenses</td>
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<td>13,341</td>
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<td>Sponsor fees</td>
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<td>Equity-based compensation expense</td>
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<td>1,930</td>
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<tr>
<td>Write-off of property and equipment</td>
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<td>598</td>
<td>58</td>
<td>349</td>
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<tr>
<td>Other non-recurring expenses</td>
<td>1,914</td>
<td>562</td>
<td>1,408</td>
<td>1,784</td>
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<tr>
<td>Adjusted EBITDA</td>
<td>$ 43,913</td>
<td>$ 54,241</td>
<td>$ 65,720</td>
<td>$ 81,955</td>
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<tr>
<td>Net sales</td>
<td>$ 431,881</td>
<td>$ 456,026</td>
<td>$ 483,400</td>
<td>$ 562,015</td>
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<tr>
<td>Adjusted EBITDA margin</td>
<td>10.2%</td>
<td>11.9%</td>
<td>13.6%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

(1) See Note 15 to our audited consolidated financial statements included elsewhere in this prospectus for additional information regarding the calculation of basic and diluted net income (loss) per share attributable to common stockholders. Except for the pro forma periods, there are no potentially dilutive securities outstanding in any historical period presented, basic and diluted net income (loss) per share attributable to common stockholders is the same in each historical period. See Note 12 to our Unaudited Pro Forma Consolidated Statement of Operations Adjustments within “Unaudited Pro Forma Consolidated Financial Information” included elsewhere in this prospectus for additional information regarding the calculation of pro forma basic and diluted net income (loss).

(2) Adjusted EBITDA represents net income (loss) plus interest expense, provision (benefit) for income taxes, depreciation and amortization, the amortization of the step-up to fair value of merchandise inventory resulting from the application of a purchase accounting adjustment related to the Acquisition, certain Acquisition-related expenses, sponsor fees, equity-based compensation expense, write-off of property and equipment and other non-recurring expenses, primarily consisting of outside legal and professional fees associated with certain non-recurring transactions and events. We present Adjusted EBITDA on a consolidated basis because our management uses it as a supplemental measure in assessing our operating performance, and we believe that it is helpful to investors, securities analysts and other interested parties as a measure of our comparative operating performance from period to period. Adjusted EBITDA is not a measurement of financial performance under GAAP. It should not be considered an alternative to net income (loss) as a measure of our operating performance or any other measurement of performance derived in accordance with GAAP. Adjusted EBITDA has limitations as an analytical tool, and you should not consider such measure either in isolation or as a substitute for analyzing our results as reported under GAAP. Our definition and calculation of Adjusted EBITDA is not necessarily comparable to other similarly titled measures used by other companies due to different methods of calculation. To address these limitations we reconciled Adjusted EBITDA to the nearest GAAP financial measure, net income (loss).

The following provides a reconciliation of net income (loss) to Adjusted EBITDA for the periods presented and the calculation of Adjusted EBITDA margin:

(a) Represents the impact to cost of goods sold resulting from the amortization of the step-up to fair value of merchandise inventory resulting from the application of a purchase accounting adjustment related to the Acquisition.

(b) Represents transaction costs incurred in connection with the Acquisition, consisting of legal and advisory fees, which are not expected to recur.

(c) Represents management fees charged by our previous equity sponsors.

(d) Represents expenses associated with equity incentive units granted to our management. Prior to the Acquisition, incentive units were accounted for as a liability-classified award and the related compensation expense was recognized based on changes in the intrinsic value of equity.
the award at each reporting period. Subsequent to the Acquisition, new incentive units were granted to management and are accounted for as equity-classified awards with the related compensation expense recognized based on fair value at the date of the grants.

(e) Represents the net gain or loss on the disposal of fixed assets.

(f) Represents items management believes are not indicative of ongoing operating performance. These expenses are primarily composed of legal and professional fees associated with non-recurring events. The fiscal year 2012 costs are primarily associated with legal and professional services incurred in connection with the Company having entered into agreements with lenders to amend certain loan agreement covenants. The fiscal year 2014 expenses were primarily related to legal and professional services associated with the Company’s evaluation of a sale of the business. The pro forma fiscal year 2015 expenses are primarily due to legal, accounting, and professional fees incurred in connection with this offering.

(3) Adjusted EBITDA margin is defined as Adjusted EBITDA divided by net sales.

(4) Net operating assets and liabilities consist of current assets excluding cash, less current liabilities excluding the current portion of long-term debt.

(5) For the pro forma thirty-nine weeks ended October 29, 2016 there were no adjustments to net income as all adjustments related to the Acquisition had been reflected in our historical financial statements. Pro forma net income per share attributable to common stockholders, basic and pro forma net income per share attributable to common stockholders, diluted during the thirty-nine weeks ended October 29, 2016 were $0.54 and $0.51, respectively. See Note 12 to our Unaudited Pro Forma Consolidated Statement of Operations Adjustments within “Unaudited Pro Forma Consolidated Financial Information” included elsewhere in this prospectus for additional information regarding the calculation of pro forma basic and diluted net income for the thirty-nine weeks ended October 29, 2016.
RISK FACTORS

This offering and investing in our common stock involve a high degree of risk. You should carefully consider the risks and uncertainties described below, as well as the other information contained in this prospectus, including our consolidated financial statements and the related notes thereto included elsewhere in this prospectus, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” before deciding to invest in our common stock. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently deem to be immaterial may also materially and adversely affect our business, financial condition and results of operations. Any of the following risks could adversely affect our business, financial condition and results of operations, in which case the trading price of our common stock could decline and you could lose all or part of your investment.

Risks Related to Our Business and Industry

Our business is sensitive to economic conditions and consumer spending.

We face numerous business risks relating to macroeconomic factors. The retail industry is cyclical and consumer purchases of discretionary retail items, including our merchandise, generally decline during recessionary periods and other times when disposable income is lower. Factors impacting discretionary consumer spending include general economic conditions, wages and employment, consumer debt, reductions in net worth based on severe market declines, residential real estate and mortgage markets, taxation, volatility of fuel and energy prices, interest rates, consumer confidence, political and economic uncertainty and other macroeconomic factors. Deterioration in economic conditions or increasing unemployment levels may reduce the level of consumer spending and inhibit consumers’ use of credit, which may adversely affect our revenues and profits. In recessionary periods and other periods where disposable income is adversely affected, we may have to increase the number of promotional sales or otherwise dispose of inventory for which we have previously paid to manufacture, which could further adversely affect our profitability. It is difficult to predict when or for how long any of these conditions can affect our business and a prolonged economic downturn could have a material adverse effect on our business, financial condition and results of operations.

Our inability to anticipate and respond to changing customer preferences and shifts in fashion and industry trends in a timely manner could have a material adverse effect on our business, financial condition and results of operations.

Our success largely depends on our ability to consistently gauge tastes and trends and provide a balanced assortment of merchandise that satisfies customer demands in a timely manner. We enter into agreements to manufacture and purchase our merchandise well in advance of the applicable selling season and our failure to anticipate, identify or react appropriately in a timely manner to changes in customer preferences, tastes and trends and economic conditions could lead to, among other things, missed opportunities, excess inventory or inventory shortages, markdowns and write-offs, all of which could negatively impact our profitability and have a material adverse effect on our business, financial condition and results of operations. Failure to respond to changing customer preferences and fashion trends could also negatively impact our brand image with our customers and result in diminished brand loyalty.

Our inability to maintain our brand image, engage new and existing customers and gain market share could have a material adverse effect on our growth strategy and our business, financial condition and results of operations.

Our ability to maintain our brand image and reputation is integral to our business, as well as the implementation of our strategy to grow. Maintaining, promoting and growing our brand will depend largely on the success of our design, merchandising and marketing efforts and our ability to provide a consistent, high-quality customer experience. Our reputation could be jeopardized if we fail to maintain high standards for

17
merchandise quality and integrity and any negative publicity about these types of concerns may reduce demand for our merchandise. While our brand enjoys a loyal customer base, the success of our growth strategy depends, in part, on our ability to keep existing customers engaged as well as attract new customers to shop our brand. If we experience damage to our reputation or loss of consumer confidence, we may not be able to retain existing customers or acquire new customers, which could have a material adverse effect on our business, financial condition and results of operations.

Our inability to manage our inventory levels and merchandise mix, including with respect to our omni-channel retail operations, could have a material adverse effect on our business, financial condition and results of operations.

Customer demand is difficult to predict and the lead times required for a substantial portion of our merchandise make it challenging to respond quickly to changes. Though we have the ability to source certain merchandise categories with shorter lead times, we generally enter into contracts for a substantial portion of our merchandise well in advance of the applicable selling season. Our business, financial condition and results of operations could be materially adversely affected if we are unable to manage inventory levels and merchandise mix and respond to changes in customer demand patterns. Inventory levels in excess of customer demand may result in lower than planned profitability. On the other hand, if we underestimate demand for our merchandise, we may experience inventory shortages resulting in missed sales and lost revenues. Either of these events could significantly affect our operating results and brand image and loyalty. Our profitability may also be impacted by changes in our merchandise mix and changes in our pricing. These changes could have a material adverse effect on our business, financial condition and results of operations.

In addition, our omni-channel operations create additional complexities in our ability to manage inventory levels, as well as certain operational issues in stores and on our website, including timely shipping and returns. Accordingly, our success depends to a large degree on continually evolving the processes and technology that enable us to plan and manage inventory levels and fulfill orders, address any related operational issues in store and on our website and further align channels to optimize our omni-channel operations. If we are unable to successfully manage these complexities, it may have a material adverse effect on our business, financial condition and results of operations.

Competitive pressures from other retailers as well as adverse structural developments in the retail sector may have a material adverse effect on our business, financial condition and results of operations.

The women’s apparel industry is highly competitive. We compete with local, national and international retail chains and department stores, specialty and discount stores, catalogs and internet businesses offering similar categories of merchandise. We face a variety of competitive challenges, including price pressure, anticipating and quickly responding to changing customer demands or preferences, maintaining favorable brand recognition and effectively marketing our merchandise to our customers in diverse demographic markets, sourcing merchandise efficiently and developing merchandise assortments in styles that appeal to our customers in ways that favorably distinguish us from our competitors. In addition, the internet and other new technologies facilitate competitive entry and comparison shopping. We strive to offer an omni-channel shopping experience for our customers that enhances their shopping experiences. Omni-channel retailing is constantly evolving and we must keep pace with changing customer expectations and new developments by our competitors. Furthermore, many of our competitors have advantages over us, including substantially greater financial, marketing and other resources. Increased levels of promotional activity by our competitors, some of whom may be able to adopt more aggressive pricing policies than we can, both on our website and in stores, may negatively impact our sales and profitability. There can be no assurances that we will be able to compete successfully with these companies in the future. In addition to competing for sales, we compete for favorable store locations, lease terms and qualified sales associates and professional staff. Increased competition in these areas may result in higher costs and reduced profitability, which could have a material adverse effect on our business, financial condition and results of operations.
We may be unable to accurately forecast our operating results and growth rate, which may adversely affect our reported results.

We may not be able to accurately forecast our operating results and growth rate. We use a variety of factors in our forecasting and planning processes, including historical results, recent history and assessments of economic and market conditions, among other things. The growth rates in sales and profitability that we have experienced historically may not be sustainable as our active customer base expands and we achieve higher market penetration rates, and our percentage growth rates may decrease. The growth of our sales and profitability depends on the continued growth of demand for the merchandise we offer. A softening of demand, whether caused by changes in customer preferences or a weakening of the economy or other factors, may result in decreased net sales or growth. Furthermore, many of our expenses and investments are fixed, and we may not be able to adjust our spending in a timely manner to compensate for any unexpected shortfall in our net sales results. Failure to accurately forecast our operating results and growth rate could cause our actual results to be materially lower than anticipated, and if our growth rates decline as a result, investors’ perceptions of our business may be adversely affected, and the market price of our common stock could decline.

Our inability to successfully optimize our omni-channel operations and maintain a relevant and reliable omni-channel experience for our customers could have an adverse effect on our growth strategy and our business, financial condition and results of operations.

Growing our business through our omni-channel operations is key to our growth strategy. Our goal is to offer our customers seamless access to our merchandise across our channels, including both our direct and retail channels. Accordingly, our success depends on our ability to anticipate and implement innovations in sales and marketing strategies to appeal to existing and potential customers who increasingly rely on multiple channels, such as E-commerce, to meet their shopping needs. Failure to enhance our technology and marketing efforts to align with our customers’ developing shopping preferences could significantly impair our ability to meet our strategic business and financial goals. If we do not successfully optimize our omni-channel operations or if they do not achieve their intended objectives, it could have a material adverse effect on our business, financial condition and results of operations.

We depend on our E-commerce business and failure to successfully manage this business and deliver a seamless omni-channel shopping experience to our customers could have an adverse effect on our growth strategy and our business, financial condition and results of operations.

Sales through our direct channel, of which our E-commerce business constitutes the vast majority, accounted for approximately 42% of our total net sales for the twelve months ended October 29, 2016. Our business, financial condition and results of operations are dependent on maintaining our E-commerce business and expanding this business is an important part of our strategy to grow through our omni-channel operations. Dependence on our E-commerce business and the continued growth of our direct and retail channels subjects us to certain risks, including:

- the failure to successfully implement new systems, system enhancements and internet platforms;
- the failure of our technology infrastructure or the computer systems that operate our website and their related support systems, causing, among other things, website downtimes, telecommunications issues or other technical failures;
- the reliance on third-party computer hardware/software providers;
- rapid technological change;
- liability for online content;
violations of federal, state, foreign or other applicable laws, including those relating to data protection;

credit card fraud;

cyber security and vulnerability to electronic break-ins and other similar disruptions; and

diversion of traffic and sales from our stores.

Our failure to successfully address and respond to these risks and uncertainties could negatively impact sales, increase costs, diminish our growth prospects and damage the reputation of our brand, each of which could have a material adverse effect on our business, financial condition and results of operations.

Our business depends on effective marketing and increasing customer traffic and the success of our direct channel depends on customers’ use of our website and response to catalogs and digital marketing.

We have many initiatives in our marketing programs. If our competitors increase their spending on marketing, if our marketing expenses increase, if our marketing becomes less effective than that of our competitors, or if we do not adequately leverage technology and data analytics needed to generate concise competitive insight, we could experience a material adverse effect on our business, financial condition and results of operations. A failure to sufficiently innovate or maintain adequate and effective marketing strategies could inhibit our ability to maintain brand relevance and increase sales.

In particular, the level of customer traffic and volume of customer purchases through our direct channel, which accounted for approximately 42% of our net sales for the twelve months ended October 29, 2016, is substantially dependent on our ability to provide a content-rich and user-friendly website, widely distributed and informative catalogs, a fun, easy and hassle-free customer experience and reliable delivery of our merchandise. If we are unable to maintain and increase customers’ use of our E-commerce platform, and the volume of purchases declines, our business, financial condition 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 database has also been a key component of our overall strategy. If the performance of our website, catalogs and email declines, or if our overall marketing strategy is not successful, it could have a material adverse effect on our business, financial condition and results of operations.

We occupy our stores under long-term leases, which are subject to future increases in occupancy costs and which we may be unable to renew or may limit our flexibility to move to new locations.

We lease all of our store locations, our corporate headquarters and our distribution and customer contact center. We typically occupy our stores under operating leases with terms of up to ten years, which may include options to renew for additional multi-year periods thereafter. We depend on cash flow from operations to pay our lease expenses. If our business does not generate sufficient cash flow from operating activities to fund these expenses, we may not be able to service our lease expenses, which could materially harm our business. In the future, we may not be able to negotiate favorable lease terms. Our inability to do so may cause our occupancy costs to be higher in future years or may force us to close stores in desirable locations. If we are unable to renew our store leases, we may be forced to close or relocate a store, which could subject us to significant construction and other costs. Closing a store, for even a brief period to permit relocation, would reduce the revenue contribution of that store. Additionally, the revenue and profit, if any, generated at a relocated store may not equal the revenue and profit generated at the previous location.
Long-term leases can limit our flexibility to move a store to a new location. Some of our leases have early cancellation clauses, which permit the lease to be terminated if certain sales levels are not met in specific periods, whereas some of our leases are non-cancelable. If an existing or future store is not profitable, and we have the right to close it, we may nonetheless be committed to perform our obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. Moreover, even if a lease has an early cancellation clause, we may not satisfy the contractual requirements for early cancellation under that lease. Our inability to enter into new leases or renew existing leases on terms acceptable to us or be released from our obligations under leases for stores that we close could have a material adverse effect on our business, financial condition and results of operations.

Our growth strategy depends in part on our ability to open and operate new retail stores on a profitable basis and if we are not successful in implementing future retail store expansion, or if such new stores would negatively impact sales from our existing stores or from our direct channel, our growth and profitability could be adversely impacted.

Our growth strategy depends in part on our ability to open and operate new retail stores on a profitable basis. We may be unable to identify and open new retail locations in desirable places in the future. We compete with other retailers and businesses for suitable retail locations. Local land use, local zoning issues, environmental regulations, governmental permits and approvals and other regulations may affect our ability to find suitable retail locations and also influence the cost of leasing them. We also may have difficulty negotiating real estate leases for new stores on acceptable terms. In addition, construction, environmental, zoning and real estate delays may negatively affect retail location openings and increase costs and capital expenditures. If we are unable to open new retail store locations in desirable places and on favorable terms, our net sales and profits could be materially adversely affected.

As we expand our store base, our lease expense and our cash outlays for rent under the lease terms will increase. Such growth will require that we continue to expand and improve our operating capabilities, including making investments in our information technology and operational infrastructure, and expand, train and manage our employee base, and we may be unable to do so. We primarily rely on cash flow generated from our operations to pay our lease expenses and to fund our growth initiatives. It requires a significant investment to open a new retail store. If we open a large number of stores relatively close in time, the cost of these retail store openings and lease expenses and the cost of continuing operations could reduce our cash position. If our business does not generate sufficient cash flow from operating activities to fund these expenses, we may not have sufficient cash available to address other aspects of our business or we may be unable to service our lease expenses, which could materially harm our business.

As we increase the number of retail stores, our stores may become more highly concentrated in geographic regions we already serve. As a result, the number of customers and related net sales at individual stores may decline and the payback period may be increased. The growth in the number of our retail stores could also draw customers away from our direct business and if our competitors open stores with similar formats, our retail store format may become less unique and may be less attractive to customers as a shopping destination. If either of these events occurs, our business, financial condition and results of operations could be materially adversely affected.

There can be no assurances that we will be able to achieve our store expansion goals, nor can there be any assurances that our newly opened stores will achieve revenue or profitability levels comparable to those of our existing stores in the time periods estimated by us. In addition, the substantial management time and resources which our retail store expansion strategy requires may result in disruption to our existing business operations which may decrease our profitability. If our stores fail to achieve, or are unable to sustain, acceptable revenue, profitability and cash flow levels, we may incur store asset impairment charges, significant costs associated with closing those stores or both, which could have a material adverse effect on our business, financial condition and results of operations.
We rely on third-party service providers, such as Federal Express and the U.S. Postal Service, for the delivery of our merchandise and our catalogs.

We primarily utilize Federal Express to support retail store shipping. We also use the U.S. Postal Service to deliver millions of catalogs each year, and we depend on third parties to print and mail our catalogs. As a result, postal rate increases and paper and printing costs will affect the cost of our catalog and promotional mailings. We rely on discounts from the basic postal rate structure, such as discounts for bulk mailings and sorting. The operational and financial difficulties of the U.S. Postal Service are well documented. Any significant and unanticipated increase in postage, shipping costs, reduction in service, slow-down in delivery or increase in paper and printing costs could impair our ability to deliver merchandise and catalogs in a timely or economically efficient manner and could adversely impact our profitability if we are unable to pass such increases directly on to our customers or if we are unable to implement more efficient delivery and order fulfillment systems, all of which could have a material adverse effect on our business, financial condition and results of operations.

Competitive pricing pressures with respect to shipping our merchandise to our customers may harm our business and results of operations.

Historically, the shipping and handling fees we charge our direct customers are intended to recover the related shipping and handling expenses. Online and omni-channel retailers are increasing their focus on delivery services, as customers are increasingly seeking faster, guaranteed delivery times and low-price or free shipping. To remain competitive, we may be required to offer discounted, free or other more competitive shipping options to our customers, which may result in declines in our shipping and handling fees and increased shipping and handling expense. Declines in the shipping and handling fees that we generate may have a material adverse effect on our profitability to the extent that our shipping and handling expense is not declining proportionally, or if our shipping and handling expense would increase, which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to payment-related risks.

We accept payments using a variety of methods, including credit cards, debit cards, gift cards, cash and bank checks. For existing and future payment methods we offer to our customers, we may become subject to additional regulations and compliance requirements (including obligations to implement enhanced authentication processes that could result in increased costs and reduce the ease of use of certain payment methods), as well as fraud. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time, thereby raising our operating costs and lowering profitability. We rely on third-party service providers for payment processing services, including the processing of credit and debit cards. In each case, it could disrupt our business if these third-party service providers become unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, including data security rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may be liable for card issuing banks’ and others’ costs, subject to fines and higher transaction fees and/or lose our ability to accept credit and debit card payments from our customers and process electronic funds transfers or facilitate other types of payments. Any of these developments could have a material adverse effect on our business, financial condition and results of operations.

On October 1, 2015, under payment card industry standards, liability shifted for certain debit and credit card transactions to retailers who do not accept Europay, MasterCard and Visa (“EMV”) chip technology transactions. Until we complete the implementation of EMV chip technology in our stores, we may be liable for chargebacks related to counterfeit transactions generated through EMV chip enabled cards, which could have a material adverse effect on our business, financial condition and results of operations. Further, we may experience a decrease in transaction volume if we cannot process transactions for cardholders whose issuer has migrated entirely from magnetic strip to EMV chip enabled cards.
If we fail to acquire new customers in a cost-effective manner, it could have an adverse impact on our growth strategy as we may not be able to increase net revenue or profit per active customer.

The success of our growth strategy depends in part on our ability to acquire new customers in a cost-effective manner. In order to expand our active customer base, we must appeal to and acquire customers who identify with our brand. We have made significant investments related to customer acquisition and expect to continue to spend significant amounts to acquire additional customers. As our brand becomes more widely known in the market, future marketing campaigns may not result in the acquisition of new customers at the same rate as past campaigns. There can be no assurances that the revenue from new customers we acquire will ultimately exceed the cost of acquiring those customers.

We use paid and non-paid advertising. Our paid advertising includes catalogs, paid search engine marketing, email, display and other advertising. Our non-paid advertising efforts include search engine optimization and social media. We obtain a significant amount of traffic via search engines and, therefore, rely on search engines such as Google, Yahoo! and Bing. Search engines frequently update and change the logic that determines the placement and display of results of a user’s search, such that the purchased or algorithmic placement of links to our site can be negatively affected. A major search engine could change its algorithms in a manner that negatively affects our paid or non-paid search ranking, and competitive dynamics could impact the effectiveness of search engine marketing or search engine optimization. We also obtain traffic via social networking websites or other channels used by our current and prospective customers. As E-commerce and social networking continue to rapidly evolve, we must continue to establish relationships with these channels and may be unable to develop or maintain these relationships on acceptable terms. Additionally, digital advertising costs may continue to rise and as our usage of these channels expands, such costs may impact our ability to acquire new customers in a cost-effective manner. If the level of usage of these channels by our active customer base does not grow as expected, we may suffer a decline in customer growth or net sales. If we are unable to acquire new customers in a cost-effective manner, it could have a material adverse effect on our business, financial condition and results of operations.

Interruptions in our foreign sourcing operations and the relationships with our suppliers and agents could disrupt production, shipment or receipt of our merchandise, which would result in lost sales and increased costs.

We do not own or operate any manufacturing facilities and therefore depend upon independent third-party suppliers for the manufacturing of all of our merchandise, primarily through the use of agents. In pro forma fiscal year 2015, approximately 81% of our products were sourced through agents and 19% were sourced directly from suppliers and factories. Our merchandise is manufactured to our specifications primarily by factories outside of the United States. Some of the factors that might affect a supplier’s ability to ship orders of our merchandise in a timely manner or to meet our quality standards are outside of our control, including inclement weather, natural disasters, political and financial instability, legal and regulatory developments, strikes, health concerns regarding infectious diseases, and acts of terrorism. Inadequate labor conditions, health or safety issues in the factories where goods are produced can negatively impact our brand’s reputation. Late delivery of merchandise or delivery of merchandise that does not meet our quality standards could cause us to miss the delivery date requirements of our customers or delay timely delivery of merchandise to our stores for those items. These events could cause us to fail to meet customer expectations, cause our customers to cancel orders or cause us to be unable to deliver merchandise in sufficient quantities or of sufficient quality to our stores, which could result in lost sales.

We have no long-term merchandise supply contracts as we typically transact business on an order-by-order basis. If we are unable to maintain the relationships with our suppliers and agents and are unexpectedly required to change suppliers or agents, or if a key supplier or agent is unable or unwilling to supply acceptable merchandise in sufficient quantities on acceptable terms, we could experience a significant disruption in the supply of merchandise. We could also experience operational difficulties with our suppliers, such as reductions in the availability of production capacity, supply chain disruptions, errors in complying with merchandise
specifications, insufficient quality control, shortages of fabrics or other raw materials, failures to meet production deadlines or increases in manufacturing costs.

We source our imported merchandise from eight countries including China, India, the Philippines, Indonesia and Vietnam. Approximately 75% of our products were sourced in Asia in pro forma fiscal year 2015. Any event causing a sudden disruption of manufacturing or imports from Asia or elsewhere, including the imposition of additional import restrictions, could materially harm our operations. Many of our imports are subject to existing or potential duties, tariffs or quotas that may limit the quantity of certain types of goods that may be imported into the United States from countries in Asia or elsewhere. We compete with other companies for production facilities and import quota capacity. While substantially all of our foreign purchases of our merchandise are negotiated and paid for in U.S. dollars, the cost of our merchandise may be affected by fluctuations in the value of relevant foreign currencies.

In addition, we are engaging in growing the amount of production carried out in other developing countries. These countries may present other risks with regard to infrastructure available to support manufacturing, labor and employee relations, political and economic stability, corruption, regulatory, environmental, health and safety compliance. While we endeavor to monitor and audit facilities where our production is done, any significant events with factories we use can adversely impact our reputation, brand and product delivery.

Furthermore, many of our suppliers rely on working capital financing to support their operations. To the extent any of our suppliers are unable to obtain adequate credit or their borrowing costs increase, we may experience delays in obtaining merchandise, our suppliers increasing their prices or our suppliers modifying payment terms in a manner that is unfavorable to us.

The failure of our suppliers to comply with our social compliance program requirements could have a material adverse effect on our reputation, business, financial condition and results of operations.

We require our third-party suppliers to comply with all applicable laws and regulations, as well as our Terms of Engagement-Commitment to Ethical Sourcing, which cover many areas, including labor, health, safety, environmental and other legal standards. We monitor compliance with these standards using third-party monitoring firms. Although we have an active program to provide training for our third-party suppliers and monitor their compliance with these standards, we do not control the suppliers or their practices. Any failure of our third-party suppliers to comply with our ethical sourcing standards or labor or other local laws in the country of manufacture, or the divergence of a third-party supplier’s labor practices from those generally accepted as ethical in the United States, could disrupt the shipment of merchandise to our stores, force us to locate alternative manufacturing sources, reduce demand for our merchandise, damage our reputation and/or expose us to potential liability for their wrongdoings. Any of these events could have a material adverse effect on our reputation, business, financial condition and results of operations.

We rely on third parties to provide 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, financial condition and results of operations.

We have entered into agreements with third parties that include, but are not limited to, logistics services, information technology systems (including hosting our website), servicing certain customer calls, software development and support, catalog production, select marketing services, distribution and employee benefits servicing. Services provided by 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 services for which we have contracted on a timely basis or within expected service level and performance standards could result in a disruption of our business and have an adverse effect on our business, financial condition and results of operations.
Increases in the demand for, or the price of, cotton and other raw materials used to manufacture our merchandise or other fluctuations in sourcing or distribution costs could increase our costs and negatively impact our profitability.

We believe that we have strong supplier relationships, and we work continuously with our suppliers to manage cost increases. Our overall profitability depends, in part, on the success of our ability to mitigate rising costs or shortages of raw materials used to manufacture our merchandise. Cotton and other raw materials used to manufacture our merchandise are subject to availability constraints and price volatility impacted by a number of factors, including supply and demand for fabrics, weather, government regulations, economic climate and other unpredictable factors. In addition, our sourcing costs may fluctuate due to labor conditions, transportation or freight costs, energy prices, currency fluctuations or other unpredictable factors. The cost of labor at many of our third-party suppliers has been increasing in recent years, and we believe it is unlikely that such cost pressures will abate.

Most of our merchandise is shipped from our suppliers by ocean vessel. If a disruption occurs in the operation of ports through which our merchandise is imported, we may incur increased costs related to air freight or use of alternative ports. Shipping by air is significantly more expensive than shipping by ocean and our margins and profitability could be reduced. Shipping to alternative ports could also lead to delays in receipt of our merchandise. We rely on third-party shipping companies to deliver our merchandise to us. Failures by these shipping companies to deliver our merchandise to us or lack of capacity in the shipping industry could lead to delays in receipt of our merchandise or increased expense in the delivery of our merchandise. Any of these developments could have a material adverse effect on our business, financial condition and results of operations.

Reductions in the volume of mall traffic or the closing of shopping malls as a result of changing economic conditions or demographic patterns could significantly reduce our sales and leave us with unsold inventory.

A significant portion of our stores are currently located in shopping malls. Sales at stores located in malls are highly dependent on the traffic in those malls and the ability of developers to generate traffic near our stores. In recent years, there has been increased purchasing of merchandise online. This has adversely affected mall traffic. A continuation of this trend could adversely impact the sales generated by our mall stores, which could have a material adverse effect on our business, financial condition 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 are dependent in part on the weather and may decline when weather conditions do not favor the use of this apparel. Severe weather events may also impact our ability to supply our retail stores, deliver orders to customers on schedule and staff our retail stores and distribution and customer contact center, which could have a material adverse effect on our business, financial condition and results of operations.

Material damage to, or interruptions in, our information systems could have a material adverse effect on our business, financial condition and results of operations, and we may be exposed to risks and costs associated with protecting the integrity and security of our customers’ information.

We depend largely upon our information technology systems in the conduct of all aspects of our operations, including to operate our website, process transactions, respond to customer inquiries, manage inventory, purchase, sell and ship goods on a timely basis and maintain cost-efficient operations. Such systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches and natural disasters. Damage or interruption to our information technology systems may require a significant investment to fix or replace the affected system, and we may suffer interruptions in our operations in the interim. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations.
Additionally, a significant number of customer purchases across our omni-channel platform are made using credit cards, and a significant number of our customer orders are placed through our website. We process, store and transmit large amounts of data, including personal information, for our customers. From time to time, we may implement strategic initiatives related to elevating our customer service experience, such as customer membership programs, where we collect and maintain increasing amounts of customer data. We also handle and transmit sensitive information about our suppliers and workforce, including social security numbers, bank account information and health and medical information. We depend in part throughout our operations on the secure transmission of confidential information over public networks. In addition, security breaches can also occur as a result of non-technical issues, including vandalism, catastrophic events and human error. Our operations may further be impacted by security breaches that occur at third-party suppliers. Although we maintain cyber-security insurance, there can be no assurances that our insurance coverage will be sufficient, or that insurance proceeds will be paid to us in a timely manner. States and the federal government have enacted additional laws and regulations to protect consumers against identity theft, including laws governing treatment of personally identifiable information. As the data privacy and security laws and regulations evolve, we may be subject to more extensive requirements to protect the customer information that we process in connection with the purchases of our merchandise. There can be no assurances that we will be able to operate our operations in accordance with Payment Card Industry Data Security Standards (PCI DSS), other industry recommended practices or applicable laws and regulations or any future security standards or regulations, or that meeting those standards will in fact prevent a data breach. These laws have increased the costs of doing business and, if we fail to implement appropriate safeguards or we fail to detect and provide prompt notice of unauthorized access as required by some of these laws, we could be subject to potential claims for damages and other remedies. If a third party is able to circumvent our security measures, they could destroy or steal valuable information or disrupt our operations. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any security breach could expose us to risks of data loss, fines, litigation and liability and could seriously disrupt our operations and harm our reputation. In addition, we could be required to expend significant resources to change our business practices or modify our service offerings in connection with the protection of personally identifiable information, which could have a material adverse effect on our business, financial condition and results of operations. The impact of privacy breaches at service providers could also severely damage our business and reputation.

We rely heavily on technology services provided by third parties for the successful operation of our business, including electronic messaging, digital marketing efforts and the collection and retention of customer data and associate information. We also rely on third parties to process credit card transactions, perform E-commerce and social media activities and retain data relating to our financial position and results of operations, strategic initiatives and other important information. The facilities and systems of our third-party service providers may be vulnerable to cyber-security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming and/or human errors or other similar events. Any actual or perceived misappropriation, loss or other unauthorized disclosure of confidential or personally identifiable information by our third-party service providers could severely damage our reputation and our relationship with our customers, associates and investors as well as expose us to risks of litigation, liability or other penalties, all of which could have a material adverse effect on our business, financial condition and results of operations.

Our failure to comply with data protection laws and regulations could subject us to sanctions and damages and could harm our reputation and business.

We collect and process personal data as part of our business. As a result, we are subject to U.S. data protection laws and regulations at both the federal and state levels. The legislative and regulatory landscape for data protection continues to evolve, and in recent years there has been an increasing focus on privacy and data...
security issues. The strategic use of our customer database, including interactions with our customers, marketing efforts and analysis of customer behavior, rely on the collection, retention and use of customer data and may be affected by these laws and regulations and their interpretation and enforcement. Alleged violations of laws, regulations or contractual obligations relating to privacy and data protection, and any relevant claims, may expose us to potential liability, require us to expend significant resources in responding to and defending such allegations and claims, and result in negative publicity and a loss of confidence in us by our customers, all of which could have an adverse effect on our business, financial condition and results of operations. Further, it is unclear how the laws and regulations relating to the collection, process and use of personal data will further develop in the United States, and to what extent this may affect our operations in the future. Any failure to comply with data protection laws and regulations, or future changes required to the way in which we use personal data, could have a material adverse effect on our business, financial condition and results of operations.

*Increased usage of social media poses reputational risks.*

As use of social media becomes more prevalent, our susceptibility to risks related to social media increases. The immediacy of social media precludes us from having real-time control over postings made regarding us via social media, whether matters of fact or opinion. Information distributed via social media could result in immediate unfavorable publicity for which we, like our competitors, do not have the ability to reverse. This unfavorable publicity could result in damage to our reputation and therefore have a material adverse effect on our business, financial condition and results of operations.

*We depend on our executive management and key personnel and may not be able to retain or replace these employees or recruit additional qualified personnel, which could harm our business.*

We believe that we have benefited substantially from the leadership and experience of our senior executives, including our President and Chief Executive Officer, Paula Bennett. The loss of the services of any of our senior executives could have a material adverse effect on our business, financial condition and results of operations, as we may not be able to find suitable management personnel to replace departing executives on a timely basis. In addition, as our business expands, we believe that our future success will depend greatly on our continued ability to attract and retain highly skilled and qualified personnel. There is a high level of competition for personnel in the retail industry. Our inability to meet our staffing requirements in the future could impair our ability to increase revenue and could otherwise harm our business.

*Our failure to find store employees that reflect our brand image and embody our culture could adversely affect our business, financial condition and results of operations.*

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of store employees, including store managers, who understand and appreciate our culture and customers, and are able to adequately and effectively represent this culture and establish credibility with our customers. The store employee turnover rate in the retail industry is generally high. Labor shortages and excessive store employee turnover will result in higher employee costs associated with finding, hiring and training new store employees. If we are unable to hire and retain store personnel capable of consistently providing a high level of customer service, our ability to open new stores and operate existing stores may be impaired and our performance and brand image may be negatively impacted. Competition for such qualified individuals and wage increases by other retailers could require us to pay higher wages to attract a sufficient number of employees. We are also dependent upon temporary personnel to adequately staff our stores and distribution and customer contact center, with heightened dependence during busy periods such as the holiday season. There can be no assurances that there will be sufficient sources of suitable temporary personnel to meet our demand. Any such failure to meet our staffing needs or any material increases in employee turnover rates could have a material adverse effect on our business, financial condition and results of operations.
Labor organizing and other activities could negatively impact us.

Currently, none of our employees are represented by a union. However, our employees have the right at any time to form or affiliate with a union. Such organizing activities could lead to work slowdowns or stoppages, which could lead to disruption in our operations and increases in our labor costs, either of which could materially adversely affect our business, financial condition and results of operations.

Increases in labor costs, including wages, could adversely affect our business, financial condition and results of operations.

The labor costs associated with our retail stores and our distribution and customer contact center are subject to many external factors, including unemployment levels, prevailing wage rates, minimum wage laws, potential collective bargaining arrangements, health insurance costs and other insurance costs and changes in employment and labor legislation or other workplace regulation. From time to time, legislative proposals are made to increase the federal minimum wage in the United States, as well as the minimum wage in a number of individual states and municipalities, and to reform entitlement programs, such as health insurance and paid leave programs. As minimum wage rates increase or related laws and regulations change, we may need to increase not only the wage rates of our minimum wage employees, but also the wages paid to our other hourly or salaried employees. Any increase in the cost of our labor could have an adverse effect on our business, financial condition and results of operations or if we fail to pay such higher wages we could suffer increased employee turnover. Increases in labor costs could force us to increase prices, which could adversely impact our sales. If competitive pressures or other factors prevent us from offsetting increased labor costs by increases in prices, our profitability may decline and could have a material adverse effect on our business, financial condition and results of operations.

We could be materially and adversely affected if our distribution and customer contact center is damaged or closed or if its operations are diminished.

Our distribution and customer contact center is located in Tilton, New Hampshire. The distribution center manages the receipt, storage, sorting, packing and distribution of merchandise to our stores and to our direct customers. Independent third-party transportation companies then deliver merchandise from the distribution center to our stores or direct to our customers. The customer contact center handles all customer interactions, other than those in retail stores, including phone sales orders and service calls, emails and internet contacts. Any significant interruption in the operations of our Tilton distribution and customer contact center, our third-party distribution, fulfillment or transportation providers, for any reason, including natural disasters, accidents, inclement weather, technology system failures, work stoppages, slowdowns or strikes or other unforeseen events and circumstances, could delay or impair our ability to receive orders and to distribute merchandise to our stores and/or our customers. This could lead to inventory issues, increased costs, lower sales and a loss of loyalty to our brand, among other things, which could adversely affect our business, financial condition and results of operations.

Inventory shrinkage could have a material adverse effect on our business, financial condition and results of operations.

We are subject to the risk of inventory loss and theft. Although our inventory shrinkage rates have not been material, or fluctuated significantly in recent years, there can be no assurances that actual rates of inventory loss and theft in the future will be within our estimates or that the measures we are taking will effectively reduce inventory shrinkage. Although some level of inventory shrinkage is an unavoidable cost of doing business, if we were to experience higher rates of inventory shrinkage or incur increased security costs to combat inventory theft, it could have a material adverse effect on our business, financial condition and results of operations.
Table of Contents

We may be unable to protect our trademarks and other intellectual property rights.

We believe that our trademarks and service marks are important to our success and our competitive position due to their name recognition with our customers. We devote substantial resources to the establishment and protection of our trademarks and service marks. We are not aware of any valid claims of infringement or challenges to our right to use any of our trademarks and service marks. Nevertheless, there can be no assurances that the actions we have taken to establish and protect our trademarks and service marks will be adequate to prevent imitation of our merchandise by others or to prevent others from seeking to block sales of our merchandise as a violation of the trademarks, service marks and intellectual property of others. Also, others may assert rights in, or ownership of, our trademarks and other intellectual property and we may not be able to successfully resolve these types of conflicts to our satisfaction.

We may be subject to liability if we infringe upon the intellectual property rights of third parties.

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 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 also be required to pay substantial damages. Such infringement claims could harm our brand. In addition, any payments we are required to make and any injunction we are required to comply with as a result of such infringement could have a material adverse effect on our business, financial condition and results of operations.

We are subject to laws and regulations in the jurisdictions in which we operate and changes to the regulatory environment in which we operate or failure to comply with applicable laws and regulations could adversely affect our business, financial condition and results of operations.

Our business requires compliance with many laws and regulations in the United States and abroad, including, without limitation, labor and employment, tax, environmental, privacy, anti-bribery laws and regulations, trade laws and customs, truth-in-advertising, E-commerce, consumer protection and zoning and occupancy laws and ordinances that regulate retailers generally and/or govern the importation, promotion and sale of merchandise and the operation of stores and warehouse facilities. In addition, in the future, there may be new legal or regulatory requirements or more stringent interpretations of applicable requirements, which could increase the complexity of the regulatory environment in which we operate and the related cost of compliance. While it is our policy and practice to comply with all legal and regulatory requirements and our procedures and internal controls are designed to ensure such compliance, failure to achieve compliance could subject us to lawsuits and other proceedings, and could also lead to damage awards, fines and penalties. Litigation matters may include, among other things, government and agency investigations, employment, commercial, intellectual property, tort, advertising and, after this offering, stockholder claims. We cannot predict with certainty the outcomes of these legal proceedings and other contingencies. The outcome of some of these legal proceedings, audits and other contingencies could require us to take, or refrain from taking, actions which could negatively affect our operations or require us to pay substantial amounts of money adversely affecting our business, financial condition and results of operations. Even a claim of an alleged violation of applicable laws or regulations could negatively affect our reputation. Additionally, defending against these lawsuits and proceedings may be necessary, which could result in substantial costs and diversion of management’s attention and resources, causing a material adverse effect on our business, financial condition and results of operations. Any pending or future legal proceedings and audits could have a material adverse effect on our business, financial condition and results of operations.
Changes in tax laws in any of the multiple jurisdictions in which we operate, or adverse outcomes from tax audits that we may be subject to in any of the jurisdictions in which we operate, could result in an unfavorable change in our effective tax rate, which could adversely affect our business, financial condition and operating results.

Additionally, results of the November 2016 U.S. elections have introduced greater uncertainty with respect to tax and trade policies, tariffs and government regulations affecting trade between the U.S. and other countries. We source the majority of our merchandise from manufacturers located outside of the U.S., including a significant amount from Asia. Major developments in tax policy or trade relations, such as the disallowance of tax deductions for imported merchandise or the imposition of unilateral tariffs on imported products, could have a material adverse effect on our business, results of operations and liquidity.

War, terrorism, civil unrest or other violence may negatively impact availability of merchandise and/or otherwise adversely impact our business.

In the event of war, terrorism, civil unrest or other violence, our ability to obtain merchandise available for sale in our stores or on our websites may be negatively impacted. A substantial portion of our merchandise is imported from other countries, see “— Interruptions in our foreign sourcing operations and the relationships with our suppliers and agents could disrupt production, shipment or receipt of our merchandise, which would result in lost sales and could increase our costs.” If commercial transportation is curtailed or substantially delayed, our business may be adversely impacted, as we may have difficulty shipping merchandise to our distribution and customer contact center and stores, as well as fulfilling catalog and website orders. In addition, our stores are located in public areas where large numbers of people typically gather. Terrorist attacks, threats of terrorist attacks or civil unrest involving public areas could cause people not to visit areas where our stores are located. Other types of violence in malls or in other public areas could lead to lower customer traffic in areas in which we operate stores. If any of these events were to occur, we may be required to suspend operations in some or all of our stores, which could have a material adverse effect on our business, financial condition and results of operations.

The terms of our term loan credit agreement and asset-based revolving credit facility restrict our operational and financial flexibility, which could adversely affect our ability to respond to changes in our business and to manage our operations.

Our Term Loan and our ABL Facility (together with the Term Loan, the “Credit Agreements”), contain, and any additional debt financing we may incur would likely contain, covenants that restrict our operations, including limitations on our ability to grant liens, incur additional debt, pay dividends, cause our subsidiaries to pay dividends to us, make certain investments and engage in certain merger, consolidation or asset sale transactions. A failure by us to comply with the covenants or financial ratios contained in our Credit Agreements could result in an event of default, which could adversely affect our ability to respond to changes in our business and manage our operations. Upon the occurrence of an event of default, the lenders could elect to declare all amounts outstanding to be due and payable and exercise other remedies as set forth in our Credit Agreements. If the indebtedness under our Credit Agreements were to be accelerated, our future financial condition could be materially adversely affected. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities.”

Changes to estimates related to our property, fixtures and equipment or operating results that are lower than our current estimates at certain store locations may cause us to incur impairment charges on certain long-lived assets, which may adversely affect our results of operations.

In accordance with accounting guidance as it relates to the impairment of long-lived assets, we make certain estimates and projections with regard to individual store operations, as well as our overall performance, in
connection with our impairment analyses for long-lived assets. When impairment triggers are deemed to exist for any location, the estimated undiscounted future cash flows are compared to its carrying value. If the carrying value exceeds the undiscounted cash flows, an impairment charge equal to the difference between the carrying value and the fair value is recorded. The projections of future cash flows used in these analyses require the use of judgment and a number of estimates and projections of future operating results. If actual results differ from our estimates, additional charges for asset impairments may be required in the future. If future impairment charges are significant, our reported operating results would be adversely affected.

**Goodwill and identifiable intangible assets represent a significant portion of our total assets and any impairment of these assets could adversely affect our results of operations.**

Our goodwill and indefinite-lived intangible assets, which consist of goodwill from the Acquisition, and our trade name, represented a significant portion of our total assets as of January 30, 2016. Accounting rules require the evaluation of our goodwill and indefinite-lived intangible assets for impairment at least annually, or more frequently when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Such indicators are based on market conditions and the operational performance of our business.

To test goodwill for impairment, we may initially use a qualitative approach to determine whether conditions exist to indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying value. If our management concludes, based on its assessment of relevant events, facts and circumstances that it is more likely than not that a reporting unit’s carrying value is greater than its fair value, then a quantitative analysis will be performed to determine if there is any impairment. We may also elect to initially perform a quantitative analysis, which is a two-step assessment. In step one we estimate the reporting unit’s fair value by estimating the future cash flows of the reporting units to which the goodwill relates, and then discount the future cash flows at a market-participant-derived weighted average cost of capital. The estimates of fair value of reporting units are based on the best information available as of the date of the assessment. If the carrying value of a reporting unit exceeds its estimated fair value in the first step, a second step is performed. Step two compares the implied fair value of goodwill to the carrying amount of goodwill. The implied fair value of goodwill is determined by a hypothetical purchase price allocation using the reporting unit’s fair value as the purchase price. If the implied fair value of the goodwill is less than the reporting unit’s carrying amount, then goodwill is impaired and is written down to the implied fair value amount.

To test our other indefinite-lived assets for impairment, which consists of our trade name, we determine the fair value of our trade name using the relief-from-royalty method, which estimates the present value of royalty income that could be hypothetically earned by licensing the brand name to a third party over the remaining useful life. If in conducting an impairment evaluation we determine that the carrying value of an asset exceeded its fair value, we would be required to record a non-cash impairment charge for the difference between the carrying value and the fair value of the asset. If a significant amount of our goodwill and identifiable intangible assets were deemed to be impaired, our business, financial condition and results of operations could be materially adversely affected.

**Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our financial results or financial condition.**

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including but not limited to revenue recognition, business combinations, impairment of goodwill, indefinite-lived intangible assets and long-lived assets, inventory and equity-based compensation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change our reported or expected financial performance or financial condition.
Changes in lease accounting standards may materially and adversely affect us.

The Financial Accounting Standards Board, or FASB, recently adopted new accounting rules, to be effective for our fiscal year beginning after December 2018 that will require companies to capitalize all leases on their balance sheets by recognizing a lessee’s rights and obligations. When the rules are effective, we will be required to account for the leases for stores as assets and liabilities on our balance sheet, where previously we accounted for such leases on an “off balance sheet” basis. As a result, a significant amount of lease related assets and liabilities will be recorded on our balance sheet and we may be required to make other changes to the recording and classification of our lease related expenses. Though these changes will not have any direct impact on our overall financial condition, these changes could cause investors or others to believe that we are highly leveraged and could change the calculations of financial metrics and covenants under our debt facilities, as well as third-party financial models regarding our financial condition.

Risks Related to this Offering and Ownership of Our Common Stock

We are an “emerging growth company,” and will be able take advantage of reduced disclosure requirements applicable to “emerging growth companies,” which could make our common stock less attractive to investors.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or JOBS Act, and, for as long as we continue to be an “emerging growth company,” we intend to take advantage of certain exemptions from various reporting requirements applicable to other public companies but not to “emerging growth companies.” These exemptions include not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an “emerging growth company” for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (ii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three-year period. We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will incur significantly increased costs and devote substantial management time as a result of operating as a public company particularly after we are no longer an “emerging growth company.”

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. For example, we will be required to comply with certain of the requirements of the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as rules and regulations subsequently implemented by the Securities and Exchange Commission, and the NYSE, our stock exchange, including the establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. We expect that compliance with these requirements will increase our legal and financial compliance costs and will make some activities more time consuming and costly. In addition, we expect that our management and other personnel will need to divert attention from operational and other business matters to devote substantial time to these public company requirements. In particular, we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of the Sarbanes-Oxley Act. In that regard, we expect to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge.

However, for as long as we remain an “emerging growth company” as defined in the JOBS Act, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other
public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We intend to take advantage of these reporting exemptions until we are no longer an “emerging growth company.”

Under the JOBS Act, “emerging growth companies” can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not “emerging growth companies.”

After we are no longer an “emerging growth company,” we expect to incur additional management time and cost to comply with the more stringent reporting requirements applicable to companies that are deemed accelerated filers or large accelerated filers, including complying with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act.

We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

If we are unable to design, implement and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act, it could have a material adverse effect on our business and stock price. We have identified material weaknesses in our internal control over financial reporting.

As a public company, we will have significant requirements for enhanced financial reporting and internal controls. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. If we are unable to establish or maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our operating results. In addition, we will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of this offering. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Testing and maintaining internal controls may divert our management’s attention from other matters that are important to our business. We may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act.

In connection with the audit of our consolidated financial statements as of January 30, 2016 and for the period from May 8, 2015 through January 30, 2016, we identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

We determined that we did not maintain a sufficient complement of personnel with the level of accounting expertise and supervisory review structure commensurate with the complexity of our financial accounting and financial reporting requirements. We also did not design and maintain controls related to the accounting for business combinations. Specifically, we did not design controls to review certain purchase accounting adjustments such as the amortization of customer list intangibles. These control deficiencies resulted in audit adjustments to our consolidated financial statements and could result in material misstatements to our annual or interim consolidated financial statements that would not be prevented or detected. Accordingly, our
management has determined that these control deficiencies constitute material weaknesses. We are in the process of implementing measures designed to improve our internal control over financial reporting and remediate the control deficiencies that led to our material weaknesses, including that we have hired additional finance personnel and are establishing formalized accounting policies and procedures and internal controls.

We cannot assure you that the measures we have taken to date, together with any measures we may take in the future, will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting or to avoid potential future material weaknesses. If we are unable to conclude that we have effective internal control over financial reporting or if our efforts are not successful to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting or other material weaknesses or control deficiencies occur in the future, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements and investors may lose confidence in our financial reporting, which could have a material adverse effect on the trading price of our stock.

We are a “controlled company” within the meaning of the NYSE rules and, as a result, qualify for and intend to rely on exemptions from certain corporate governance requirements.

Following this offering, TowerBrook will continue to control a majority of the voting power of our outstanding voting stock, and as a result we will be a controlled company within the meaning of the corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a controlled company and may elect not to comply with certain corporate governance requirements, including the requirements that:

- a majority of the board of directors consist of independent directors;
- the nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities;
- the compensation committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- there be an annual performance evaluation of the nominating and corporate governance and compensation committees.

These requirements will not apply to us as long as we remain a controlled company. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

We continue to be controlled by TowerBrook, and TowerBrook’s interests may conflict with our interests and the interests of other stockholders.

Following this offering, TowerBrook will own 60% of our common equity (or 57% if the underwriters exercise their option to purchase additional shares in full). In addition, representatives of TowerBrook comprise a majority of our directors. As a result, TowerBrook will have effective control over the outcome of votes on all matters requiring approval by our stockholders, including entering into significant corporate transactions such as mergers, tender offers and the sale of all or substantially all of our assets and issuance of additional debt or equity. In addition, as long as TowerBrook beneficially owns at least 50% of our common stock, the Stockholders Agreement will provide TowerBrook with veto rights with respect to certain material matters. The interests of TowerBrook and its affiliates could conflict with or differ from our interests or the interests of our other stockholders. For example, the concentration of ownership held by TowerBrook could delay, defer or prevent a change of control of our company or impede a merger, takeover or other business combination which
may otherwise be favorable for us. Additionally, TowerBrook is in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete, directly or indirectly with us. TowerBrook may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. So long as TowerBrook continues to directly or indirectly own a significant amount of our equity, even if such amount is less than 50%, TowerBrook will continue to be able to substantially influence or effectively control our ability to enter into corporate transactions.

_Our certificate of incorporation will contain a provision renouncing our interest and expectancy in certain corporate opportunities._

Our certificate of incorporation will provide for the allocation of certain corporate opportunities between us and TowerBrook. Under these provisions, neither TowerBrook, its portfolio companies, funds or other affiliates, nor any of their officers, directors, agents, stockholders, members or partners will have any duty to refrain from engaging, directly or indirectly, in the same business activities, similar business activities or lines of business in which we operate. For instance, a director of our company who also serves as a director, officer, partner or employee of TowerBrook or any of its portfolio companies, funds or other affiliates may pursue certain acquisitions or other opportunities that may be complementary to our business and, as a result, such acquisition or other opportunities may not be available to us. These potential conflicts of interest could have a material adverse effect on our business, financial condition, results of operations or prospects if attractive corporate opportunities are allocated by TowerBrook to itself or its portfolio companies, funds or other affiliates instead of to us. The terms of our certificate of incorporation are more fully described in “Description of Capital Stock.”

_Provisions in our organizational documents and Delaware law may discourage our acquisition by a third party._

Our certificate of incorporation will authorize our board of directors to issue preferred stock without stockholder approval. If the board of directors elects to issue preferred stock, it could be more difficult for a third party to acquire us. In addition, some provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us, even if the change of control would be beneficial to our stockholders.

Section 203 of the General Corporation Law of the State of Delaware (the “DGCL”) affects the ability of an “interested stockholder” to engage in certain business combinations, for a period of three years following the time that the stockholder becomes an “interested stockholder.” We will elect in our certificate of incorporation not to be subject to Section 203 of the DGCL. Nevertheless, our certificate of incorporation will contain provisions that have the same effect as Section 203 of the DGCL, except that it will provide that affiliates of TowerBrook and their transferees will not be deemed to be “interested stockholders,” regardless of the percentage of our voting stock owned by them, and will therefore not be subject to such restrictions. These charter provisions may limit the ability of third parties to acquire control of our company. See “Description of Capital Stock—Certain Anti-Takeover, Limited Liability and Indemnification Provisions.”

_We are a holding company and rely on dividends, distributions and other payments, advances and transfers of funds from our subsidiaries to meet our obligations._

We are a holding company that does not conduct any business operations of our own. As a result, we are largely dependent upon cash dividends and distributions and other transfers from our subsidiaries to meet our obligations. The agreements governing the indebtedness of our subsidiaries impose restrictions on our subsidiaries’ ability to pay dividends or other distributions to us. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities.” The deterioration of the earnings from, or other available assets of, our subsidiaries for any reason could also limit or impair their ability to pay dividends or other distributions to us.
Table of Contents

Investors in this offering will experience immediate and substantial dilution.

Based on our pro forma net tangible book value per share as of October 29, 2016 and an assumed initial public offering price of $15.00 per share (the midpoint of the range set forth on the cover of this prospectus), purchasers of our common stock in this offering will experience an immediate and substantial dilution of $20.61 per share, representing the difference between our pro forma net tangible book value per share and the assumed initial public offering price. This dilution is due in large part to earlier investors having paid substantially less than the initial public offering price when they purchased their shares. See “Dilution.”

Future sales of our common stock in the public market, or the perception in the public market that such sales may occur, could reduce our stock price.

After the completion of this offering, we will have 43,747,944 outstanding shares of common stock. This number includes 11,666,667 shares that the selling stockholder is selling in this offering, which may be resold immediately in the public market. The number of outstanding shares of common stock also includes 32,081,277 shares, including shares controlled by TowerBrook, that are “restricted securities,” as defined under Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”), and eligible for sale in the public market subject to the requirements of Rule 144. We, each of our officers and directors, TowerBrook and substantially all of our existing stockholders have agreed that (subject to certain exceptions), for a period of 180 days after the date of this prospectus, we and they will not, without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and Jefferies LLC, dispose of any shares or any securities convertible into or exchangeable for our common stock, see “Underwriting.” Following the expiration of the applicable lock-up period, all of the issued and outstanding shares of our common stock will be eligible for future sale, subject to the applicable volume, manner of sale, holding periods and other limitations of Rule 144. Sales of significant amounts of stock in the public market could adversely affect prevailing market prices of our common stock. See “Shares Eligible for Future Sale” for a discussion of the shares of common stock that may be sold into the public market in the future.

There can be no assurances that a viable public market for our common stock will develop.

Prior to this offering, our common stock was not traded on any market. An active, liquid and orderly trading market for our common stock may not develop or be maintained after this offering. Active, liquid and orderly trading markets usually result in less price volatility and more efficiency in carrying out investors’ purchase and sale orders. We cannot predict the extent to which investor interest in our common stock will lead to the development of an active trading market on the NYSE or otherwise how liquid that market might become. If an active public market for our common stock does not develop, or is not sustained, it may be difficult for you to sell your shares at a price that is attractive to you or at all.

The initial public offering price of our common stock may not be indicative of the market price of our common stock after this offering.

The initial public offering price was determined by negotiations between us and representatives of the underwriters, based on numerous factors which we discuss in “Underwriting” and may not be indicative of the market price of our common stock after this offering. If you purchase our common stock, you may not be able to resell those shares at or above the initial public offering price.
Our stock price may be volatile.

The market price of our common stock could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our common stock, you could lose a substantial part or all of your investment in our common stock. The following factors could affect our stock price:

- our operating and financial performance;
- quarterly variations in the rate of growth (if any) of our financial indicators, such as net income per share, net income and revenues;
- the public reaction to our press releases, our other public announcements and our filings with the SEC;
- strategic actions by our competitors;
- changes in operating performance and the stock market valuations of other companies;
- announcements related to litigation;
- our failure to meet revenue or earnings estimates made by research analysts or other investors;
- changes in revenue or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- speculation in the press or investment community;
- sales of our common stock by us or our stockholders, or the perception that such sales may occur;
- changes in accounting principles, policies, guidance, interpretations or standards;
- additions or departures of key management personnel;
- actions by our stockholders;
- general market conditions;
- domestic and international economic, legal and regulatory factors unrelated to our performance; and
- the realization of any risks described under this “Risk Factors” section, or other risks that may materialize in the future.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company’s securities. Such litigation, if instituted against us, could result in very substantial costs, divert our management’s attention and resources and harm our business, financial condition and results of operations.

If securities or industry analysts do not publish research or reports about our business or publish negative reports, our stock price could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our
company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover our company downgrades our common stock or if our operating results do not meet their expectations, our stock price could decline.

The issuance by us of additional shares of common stock or convertible securities may dilute your ownership of us and could adversely affect our stock price.

In connection with this offering, we intend to file a registration statement with the SEC on Form S-8 providing for the registration of 2,237,303 shares of our common stock issued or reserved for issuance under our long-term incentive plan. Subject to the satisfaction of vesting conditions and the expiration of lock-up agreements, shares registered under the registration statement on Form S-8 will be available for resale immediately in the public market without restriction. From time to time in the future, we may also issue additional shares of our common stock or securities convertible into common stock pursuant to a variety of transactions, including acquisitions. The issuance by us of additional shares of our common stock or securities convertible into our common stock would dilute your ownership of us and the sale of a significant amount of such shares in the public market could adversely affect prevailing market prices of our common stock.

We may issue preferred stock whose terms could adversely affect the voting power or value of our common stock.

Our certificate of incorporation will authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the common stock.

Our designation of the Delaware Court of Chancery as the exclusive forum for certain types of stockholder legal proceedings could limit our stockholders’ ability to obtain a more favorable forum.

Our certificate of incorporation will provide that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws or (iv) any action asserting a claim against us that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our certificate of incorporation described in the preceding sentence. This choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. See “Description of Capital Stock—Forum Selection.” Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs that we do not currently anticipate associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition and results of operations.
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, which involve risks and uncertainties. These forward-looking statements are generally identified by the use of forward-looking terminology, including the terms “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and, in each case, their negative or other various or comparable terminology. All statements other than statements of historical facts contained in this prospectus, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth are forward-looking statements. The forward-looking statements are contained principally in the sections entitled “Prospectus Summary,” “Risk Factors,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” and include, among other things, statements relating to:

- our strategy, outlook and growth prospects;
- our operational and financial targets and dividend policy;
- our planned expansion of the store base and the implementation of the new design in our existing stores;
- general economic trends and trends in the industry and markets; and
- the competitive environment in which we operate.

These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause our results to vary from expectations include, but are not limited to:

- our ability to successfully expand and increase sales;
- our ability to maintain and enhance a strong brand image;
- our ability to successfully optimize our omni-channel operations and maintain a relevant and reliable omni-channel experience;
- our ability to generate adequate cash from our existing business to support our growth;
- our ability to identify and respond to new and changing customer preferences;
- our ability to compete effectively in an environment of intense competition;
- our ability to contain the increase in the cost of shipping our merchandise, mailing catalogs, paper and printing;
- our ability to acquire new customers in a cost-effective manner;
- the success of the locations in which our stores are located and our ability to open and operate new retail stores on a profitable basis;
- our ability to adapt to changes in consumer spending and general economic conditions;
- natural disasters, unusually adverse weather conditions, boycotts and unanticipated events;
- our dependence on third-party vendors to provide us with sufficient quantities of merchandise at acceptable prices;
- increases in costs of raw materials, distribution and sourcing costs and in the costs of labor and employment;
• the susceptibility of the price and availability of our merchandise to international trade conditions;

• failure of our suppliers and their manufacturing sources to use acceptable labor or other practices;

• our dependence upon key executive management or our inability to hire or retain the talent required for our business;

• failure of our information technology systems to support our current and growing business;

• disruptions in our supply chain and distribution and customer contact center;

• our ability to protect our trademarks or other intellectual property rights;

• infringement on the intellectual property of third parties;

• acts of war, terrorism or civil unrest;

• the impact of governmental laws and regulations and the outcomes of legal proceedings;

• our ability to secure the personal information of our customers and employees and comply with applicable security standards;

• impairment charges for goodwill, indefinite-lived intangible assets or other long-lived assets;

• our failure to maintain adequate internal controls over our financial and management systems;

• increased costs as a result of being a public company; and

• other risks, uncertainties and factors set forth in this prospectus, including those set forth under “Risk Factors.”

These forward-looking statements reflect our views with respect to future events as of the date of this prospectus and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this prospectus and, except as required by law, we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this prospectus. We anticipate that subsequent events and developments will cause our views to change. You should read this prospectus and the documents filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. Our forward-looking statements do not reflect the potential impact of any future acquisitions, merger, dispositions, joint ventures or investments we may undertake. We qualify all of our forward-looking statements by these cautionary statements.
USE OF PROCEEDS

The selling stockholder is selling all of the shares of our common stock being sold in this offering, including any shares that may be sold in connection with the exercise of the underwriters’ option to purchase additional shares. See “Principal and Selling Stockholders.” Accordingly, we will not receive any proceeds from the sale of shares of our common stock in this offering. We will bear all costs, fees and expenses in connection with this offering, which are estimated to be $6.1 million.

DIVIDEND POLICY

We currently do not plan to declare cash dividends on shares of our common stock in the foreseeable future. We expect that we will retain all of our future earnings for use in the operation and expansion of our business. Subject to the foregoing, the payment of cash dividends in the future, if any, will be at the discretion of our board of directors and will depend upon such factors as earnings levels, capital requirements, restrictions imposed by applicable law, our overall financial condition, restrictions in our debt agreements, including our Term Loan and ABL Facility, and any other factors deemed relevant by our board of directors. As a holding company, our ability to pay dividends depends on our receipt of cash dividends from our operating subsidiaries, which may further restrict our ability to pay dividends as a result of restrictions on their ability to pay dividends to us under our Term Loan, our ABL Facility and under future indebtedness that we or they may incur. See “Risk Factors—Risks Related to this Offering and Ownership of Our Common Stock” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities.”
CORPORATE CONVERSION

On February 24, 2017, we converted from a Delaware limited liability company named Jill Intermediate LLC into a Delaware corporation and changed our name to J.Jill, Inc. In order to consummate the corporate conversion, a certificate of conversion was filed with the Secretary of State of the State of Delaware. In conjunction with the conversion, all of our outstanding equity interests were converted into 43,747,944 shares of common stock. Jill Intermediate LLC had one class of equity interests, all of which were held by J.Jill Holdings, our former direct parent company, and J.Jill Topco Holdings, the direct parent company of J.Jill Holdings. In conjunction with our conversion into a Delaware corporation, J.Jill Holdings and J.Jill Topco Holdings each received shares of our common stock in proportion to the percentage of Jill Intermediate LLC’s equity interests held by them prior to the conversion.

In connection with the conversion, J.Jill, Inc. will continue to hold all assets of Jill Intermediate LLC and will assume all of its liabilities and obligations. We are a holding company, and J.Jill Acquisition LLC, our wholly-owned subsidiary, will remain the operating company for our business assets. J.Jill, Inc. is governed by a certificate of incorporation filed with the Delaware Secretary of State and bylaws, the material portions of which are described in this prospectus under “Description of Capital Stock.”

Following our conversion into a Delaware corporation, J.Jill Holdings, our former direct parent company, merged with and into us, and we were the surviving entity to such merger. Prior to the completion of this offering, all of the shares of our common stock are held by J.Jill Topco Holdings, our current direct parent. Following the completion of this offering, J.Jill Topco Holdings plans to distribute all of the shares of our common stock held by it, other than the shares it sells in this offering, to its partners in accordance with the terms of its limited partnership agreement.

The diagram below depicts our organizational structure immediately following the consummation of this offering and the transactions described above:
The following table sets forth our cash and our capitalization as of October 29, 2016, on:

- an actual basis; and
- a pro forma basis to give effect to the completion of our corporate conversion from a Delaware limited liability company to a Delaware corporation, the merger of J Jill Holdings with and into us and the conversion of all of our outstanding common units into 43,747,944 shares of common stock, each of which occurred on February 24, 2017, as described under “Corporate Conversion.”

### (in thousands, except share and per share data)

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<tbody>
<tr>
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<td>Actual</td>
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<tr>
<td><strong>Cash</strong></td>
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<td><strong>Debt:</strong></td>
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<td>Preferred stock, $0.01 par value, no shares authorized, issued and outstanding (historical); 50,000,000 shares authorized, no shares issued and outstanding (pro forma)</td>
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<tr>
<td>Common stock, par value $0.01 per share; no shares authorized, issued and outstanding (historical); 250,000,000 shares authorized, 43,747,944 issued and outstanding (pro forma)</td>
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</tr>
<tr>
<td>Common units, zero par value, 1,000,000 units authorized, issued and outstanding (historical); no units authorized, issued and outstanding (pro forma)</td>
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<td><strong>Total equity</strong></td>
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<td><strong>Total capitalization</strong></td>
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</table>

(1) On January 18, 2017, we made a voluntary prepayment of $10.1 million, including accrued interest, on our Term Loan. This prepayment is not reflected in the table above.

You should read this table together with the information included elsewhere in this prospectus, including “Prospectus Summary—Summary Consolidated Financial Data,” “Selected Consolidated Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes thereto.

The foregoing table is based on 43,747,944 shares of our common stock outstanding as of October 29, 2016, and except as otherwise indicated, reflects and assumes the following:

- assumes an initial public offering price of $15.00 per share of common stock, the midpoint of the price range on the cover of this prospectus;
- reflects the completion of our corporate conversion from a Delaware limited liability company to a Delaware corporation and the merger of J Jill Holdings with and into us, as described under “Corporate Conversion”;
- reflects the conversion of all of our outstanding equity interests into 43,747,944 shares of our common stock, which was effectuated on February 24, 2017;
assumes no exercise of the underwriters’ option to purchase 1,750,000 additional shares of common stock in this offering; and

does not reflect an additional 2,237,303 shares of our common stock reserved for future grant under our Equity Incentive Plan (as defined herein), which we expect to adopt in connection with this offering.
DILUTION

Purchasers of the common stock in this offering will experience immediate and substantial dilution to the extent of the difference between the initial public offering price per share of our common stock and the net tangible book value per share of our common stock as of October 29, 2016.

Our historical net tangible book value (deficit) as of October 29, 2016 was $(245.4) million, or $(245.42) per unit. Our historical net tangible book value (deficit) represents the amount of our total tangible assets (total assets less total intangible assets) less total liabilities. Historical net tangible book value (deficit) per share represents historical net tangible book value (deficit) divided by the number of shares of common stock issued and outstanding as of October 29, 2016.

Our pro forma net tangible book value (deficit) as of October 29, 2016 was $(245.4) million, or $(5.61) per share of our common stock. Pro forma net tangible book value (deficit) represents the amount of our total tangible assets (total assets less total intangible assets) less total liabilities, after giving effect to the completion of our corporate conversion from a Delaware limited liability company to a Delaware corporation and the merger of JJill Holdings with and into us, as described under “Corporate Conversion.” Pro forma net tangible book value (deficit) per share represents our pro forma net tangible book value (deficit) divided by the total number of shares outstanding as of October 29, 2016, after giving effect to the conversion of all of our outstanding common units into 43,747,944 shares of common stock.

Dilution per share to new investors is determined by subtracting the net tangible book value per share from the initial public offering price per share paid by new investors. Because all of the shares of our common stock to be sold in this offering, including those subject to the underwriters’ option to purchase additional shares, will be sold by the selling shareholder, there will be no increase in the number of shares of our common stock outstanding as a result of this offering. The following table illustrates the per share dilution to new investors purchasing shares in this offering, based on an assumed initial public offering price of $15.00 per share (which is the midpoint of the range set forth on the cover page of this prospectus):

<table>
<thead>
<tr>
<th>Assumed initial public offering price per share</th>
<th>$15.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical net tangible book value per unit as of October 29, 2016</td>
<td>$(245.42)</td>
</tr>
<tr>
<td>Increase per share attributable to the pro forma adjustments described above</td>
<td>239.81</td>
</tr>
<tr>
<td>Pro forma net tangible book value per share as of October 29, 2016</td>
<td>$(5.61)</td>
</tr>
<tr>
<td>Dilution in net tangible book value per share</td>
<td>$20.61</td>
</tr>
</tbody>
</table>

The following table summarizes, as of October 29, 2016, the total number of shares of common stock owned by existing stockholders and to be owned by new investors, the total consideration paid, and the average price per share paid by our existing stockholders and to be paid by new investors in this offering at the assumed initial public offering price of $15.00 per share, calculated before deduction of estimated underwriting discounts and commissions.

<table>
<thead>
<tr>
<th>Shares Purchased</th>
<th>Total Consideration</th>
<th>Average Price per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Percent</td>
<td>Amount</td>
</tr>
<tr>
<td>Existing stockholders</td>
<td>32,081,277</td>
<td>73.33%</td>
</tr>
<tr>
<td>Investors in the offering</td>
<td>11,666,667</td>
<td>26.67%</td>
</tr>
<tr>
<td>Total</td>
<td>43,747,944</td>
<td>100%</td>
</tr>
</tbody>
</table>

45
A $1.00 increase (decrease) in the assumed initial public offering price would increase (decrease) total consideration paid by new investors, total consideration paid by all shareholders and average price per share paid by new investors by $11.7 million, $11.7 million and $1.00 per share, respectively. An increase (decrease) of 1.0 million in the number of shares offered by the selling shareholder, assuming no changes in the assumed initial public offering price per share would increase (decrease) total consideration paid by new investors and total consideration paid by all shareholders by $15.0 million and $15.0 million, respectively.

If the underwriters were to fully exercise their option to purchase additional shares of our common stock, the percentage of common stock held by existing investors would be 69%, and the percentage of shares of common stock held by new investors would be 31%.

The foregoing tables and calculations are based on 43,747,944 shares of our common stock outstanding as of October 29, 2016, and except as otherwise indicated, reflects and assumes the following:

- assumes an initial public offering price of $15.00 per share of common stock, the midpoint of the price range on the cover of this prospectus;
- reflects the completion of our corporate conversion from a Delaware limited liability company to a Delaware corporation and the merger of JJill Holdings with and into us, as described under “Corporate Conversion”;
- reflects the conversion of all of our outstanding equity interests into 43,747,944 shares of our common stock, which was effectuated on February 24, 2017;
- assumes no exercise of the underwriters’ option to purchase 1,750,000 additional shares of common stock in this offering; and
- does not reflect an additional 2,237,303 shares of our common stock reserved for future grant under our Equity Incentive Plan (as defined herein) which we expect to adopt in connection with this offering.

We may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of such securities could result in further dilution to our stockholders.
The selected historical financial data presented below does not purport to project our financial position or results of operations for any future date or period and should be read together with "Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our consolidated financial statements and related notes thereto included elsewhere in this prospectus.

The following tables present our selected consolidated financial and other data as of and for the periods indicated. The selected consolidated statements of operations data for the fiscal years ended February 1, 2014 and January 31, 2015, the periods from February 1, 2015 to May 7, 2015 (Predecessor) and from May 8, 2015 to January 30, 2016 (Successor), and the selected consolidated balance sheet data as of January 30, 2016 and January 31, 2015 are derived from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the selected consolidated balance sheet data as of February 2, 2013 and January 31, 2015 and the consolidated statement of operations data for the fiscal year ended February 2, 2013 from our audited consolidated financial statements, which are not included in this prospectus. Our historical audited results are not necessarily indicative of the results that should be expected in any future period.

The selected consolidated statements of operations data for the period from May 8, 2015 to October 31, 2015 (Successor) and the thirty-nine weeks ended October 29, 2016 (Successor) and the selected consolidated balance sheet data as of October 29, 2016 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. We have prepared our unaudited consolidated financial statements on the same basis as our audited consolidated financial statements and have included all adjustments, consisting only of normal recurring adjustments that, in our opinion, are necessary to present fairly the financial information set forth in those statements. The results for any interim period are not necessarily indicative of the results that may be expected for the full year and our historical unaudited results are not necessarily indicative of the results that should be expected in any future period.

The selected historical financial data presented below does not purport to project our financial position or results of operations for any future date or period and should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our consolidated financial statements and related notes thereto included elsewhere in this prospectus.

<table>
<thead>
<tr>
<th>Statements of Operations Data:</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Interim Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (in thousands, except share and per share data)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$431,881</td>
<td>$141,921</td>
<td></td>
<td>$274,741</td>
</tr>
<tr>
<td>Costs of goods sold</td>
<td>$456,026</td>
<td>$141,921</td>
<td>$141,921</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$276,518</td>
<td>$273,882</td>
<td>$420,094</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>$279,557</td>
<td>$161,236</td>
<td>$273,882</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>$201,336</td>
<td>$50,999</td>
<td>$133,411</td>
</tr>
<tr>
<td>Operating income</td>
<td>$12,999</td>
<td>$13,341</td>
<td>$12,320</td>
</tr>
<tr>
<td>Interest expense</td>
<td>$19,183</td>
<td>$19,064</td>
<td>$4,599</td>
</tr>
<tr>
<td>Income (loss) before provision for income taxes</td>
<td>$6,184</td>
<td>$4,197</td>
<td>$39,185</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>$1,583</td>
<td>$1,497</td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$(3,601)</td>
<td>$10,296</td>
<td>$13,630</td>
</tr>
</tbody>
</table>

Net income (loss) per share attributable to common stockholders (1):

<table>
<thead>
<tr>
<th>Basic and diluted</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Interim Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.08</td>
<td>$0.04</td>
<td>$0.07</td>
<td></td>
</tr>
</tbody>
</table>

Weighted average number of common shares outstanding (1):

<table>
<thead>
<tr>
<th>Basic and diluted</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Interim Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>43,747,944</td>
<td>43,747,944</td>
<td>43,747,944</td>
<td>43,747,944</td>
</tr>
</tbody>
</table>

Table of Contents

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables present our selected consolidated financial and other data as of and for the periods indicated. The selected consolidated statements of operations data for the fiscal years ended February 1, 2014 and January 31, 2015, the periods from February 1, 2015 to May 7, 2015 (Predecessor) and from May 8, 2015 to January 30, 2016 (Successor), and the selected consolidated balance sheet data as of January 30, 2016 and January 31, 2015 are derived from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the selected consolidated balance sheet data as of February 2, 2013 and January 31, 2015 and the consolidated statement of operations data for the fiscal year ended February 2, 2013 from our audited consolidated financial statements, which are not included in this prospectus. Our historical audited results are not necessarily indicative of the results that should be expected in any future period.

The selected consolidated statements of operations data for the period from May 8, 2015 to October 31, 2015 (Successor) and the thirty-nine weeks ended October 29, 2016 (Successor) and the selected consolidated balance sheet data as of October 29, 2016 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. We have prepared our unaudited consolidated financial statements on the same basis as our audited consolidated financial statements and have included all adjustments, consisting only of normal recurring adjustments that, in our opinion, are necessary to present fairly the financial information set forth in those statements. The results for any interim period are not necessarily indicative of the results that may be expected for the full year and our historical unaudited results are not necessarily indicative of the results that should be expected in any future period.

The selected historical financial data presented below does not purport to project our financial position or results of operations for any future date or period and should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our consolidated financial statements and related notes thereto included elsewhere in this prospectus.
### Adjusted EBITDA Margin

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by net sales. We recommend that you review the calculation of Adjusted EBITDA margin, under "Prospectus Summary—Summary Consolidated Historical and Pro Forma Financial and Other Data."

1. Basic net income (loss) per share attributable to common stockholders is computed by dividing net income (loss) by basic weighted average common shares outstanding. Diluted net income (loss) per share attributable to common stockholders is computed by dividing net income (loss) by the diluted weighted average common shares outstanding, which has been adjusted to include any potentially dilutive securities. There are no potentially dilutive securities outstanding in any of the historical period presented above. As such, basic and diluted net income (loss) per share attributable to common stockholders is the same in each period.

2. Adjusted EBITDA represents net income (loss) plus interest expense, provision (benefit) for income taxes, depreciation and amortization, the amortization of the step-up to fair value of merchandise inventory resulting from the application of a purchase accounting adjustment related to the Acquisition, certain Acquisition-related expenses, sponsor fees, equity-based compensation expense, write-off of property and equipment and other non-recurring expenses, primarily consisting of outside legal and professional fees associated with certain non-recurring transactions and events. We present Adjusted EBITDA on a consolidated basis because our management uses it as a supplemental measure in assessing our operating performance, and we believe that it is helpful to investors, securities analysts and other interested parties as a measure of our comparative operating performance from period to period. Adjusted EBITDA is not a measurement of financial performance under GAAP. It should not be considered an alternative to net income (loss) as a measure of our operating performance or any other measure of performance derived in accordance with GAAP. In addition, Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items, or affected by similar nonrecurring items. Adjusted EBITDA has limitations as an analytical tool, and you should not consider such measure either in isolation or as a substitute for analyzing our results as reported under GAAP. Our definition and calculation of Adjusted EBITDA is not necessarily comparable to other similarly titled measures used by other companies due to different methods of calculation. We recommend that you review the reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable GAAP financial measure, under “Prospectus Summary—Summary Consolidated Historical and Pro Forma Financial and Other Data” and not rely solely on Adjusted EBITDA or any single financial measure to evaluate our business.

3. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by net sales. We recommend that you review the calculation of Adjusted EBITDA margin, under “Prospectus Summary—Summary Consolidated Historical and Pro Forma Financial and Other Data.”

4. Net operating assets and liabilities consist of current assets excluding cash, less current liabilities excluding the current portion of long-term debt.
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma consolidated financial statements should be read in conjunction with “Selected Historical Consolidated Financial and Other Data,” “Management’s Discussion and Analysis of the Financial Condition and Results of Operations” and our consolidated financial statements and the related notes thereto, included elsewhere in this prospectus.

The unaudited pro forma consolidated balance sheet at October 29, 2016 has been derived from the unaudited historical balance sheet included elsewhere in this prospectus and gives effect to our conversion from a Delaware limited liability company named Jill Intermediate LLC into a Delaware corporation (the “Corporate Conversion”) and the merger of JJill Holdings, our direct parent, with and into us (the “Parent Merger”), which occurred prior to the completion of this offering as if they had occurred on October 29, 2016. As the Acquisition and the Financing (as defined below) are reflected in our historical consolidated balance sheet as of October 29, 2016, included elsewhere in this prospectus, there are no pro forma adjustments to our consolidated balance sheet to reflect the Acquisition and the Financing.

The unaudited pro forma consolidated statement of operations for the year ended January 30, 2016 has been derived from our consolidated audited statements of operations included elsewhere in this prospectus and represents the addition of the Predecessor period from February 1, 2015 through May 7, 2015 and the Successor period from May 8, 2015 through January 30, 2016, and gives effect to the following as if they had occurred on February 1, 2015:

- JJill Holdings’ acquisition of approximately 94% of the outstanding interests of Jill Intermediate LLC and JJill Topco Holdings’ acquisition of approximately 6% of the outstanding interests of Jill Intermediate LLC and our election to push down the effects of the Acquisition to our consolidated financial statements (the “Acquisition”);
- the related Acquisition financing as provided for under the Term Loan for $250.0 million and the ABL Facility for $40.0 million (the “Financing”);
- the Corporate Conversion and the Parent Merger, which occurred prior to the completion of this offering; and
- the distribution of our common stock by JJill Topco Holdings to its partners that hold vested and unvested Class A Common Interests (“Common Interests”) in accordance with its limited partnership agreement, upon completion of this offering (the “Distribution”). The shares of J.Jill, Inc. common stock distributed in respect of unvested Common Interests will become restricted J.Jill, Inc. common stock, subject to the original vesting terms of such Common Interests. Holders of vested and unvested Common Interests will receive a pro rata distribution of vested and unvested J.Jill, Inc. common stock, equal to their fair value of Common Interests immediately prior to the distribution, resulting in no incremental fair value.

The unaudited pro forma consolidated statement of operations does not include the impacts of any revenue, cost or other operating synergies that may result from the Acquisition. There are no pro forma adjustments to our statement of operations for the year ended January 30, 2016 or for the nine months ended October 29, 2016 related to the Parent Merger as there will be no impact to our statements of operations as a result of the Parent Merger; or (ii) for the nine months ended October 29, 2016 related to the Acquisition and the Financing, as both of these transactions were reflected for the entire period in our unaudited consolidated statement of operations for the nine months ended October 29, 2016. However, there are pro forma adjustments to EPS for the nine months ended October 29, 2016 to give effect to the Corporate Conversion and the Distribution.
The accompanying unaudited pro forma consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X. The pro forma adjustments reflect events that are (i) directly attributed to the Acquisition, the Financing and the Parent Merger; (ii) factually supportable; and (iii) with respect to the pro forma statements of operations, expected to have a continuing impact on the consolidated results.

The unaudited pro forma consolidated financial information presented is based on available information and assumptions we believe are reasonable. The unaudited pro forma consolidated balance sheet and the unaudited pro forma consolidated statement of operations are presented for illustrative purposes and do not purport to represent what the results of operations would actually have been if the Acquisition, the Financing and the Parent Merger had occurred as of the dates indicated or what the results of operations would be for any future periods.
## J.Jill, Inc.

**UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET**

*(in thousands, except share and per share data)*

<table>
<thead>
<tr>
<th>Assets</th>
<th>October 29, 2016</th>
<th>Pro Forma Adjustments</th>
<th>Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$4,955</td>
<td>$</td>
<td>$4,955</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>11,338</td>
<td>11,338</td>
<td></td>
</tr>
<tr>
<td>Inventories, net</td>
<td>79,041</td>
<td>79,041</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>18,215</td>
<td></td>
<td>18,215</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>113,549</td>
<td></td>
<td>113,549</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>98,050</td>
<td>98,050</td>
<td></td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>167,603</td>
<td>167,603</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>196,572</td>
<td>196,572</td>
<td></td>
</tr>
<tr>
<td>Receivable from related party</td>
<td>1,617</td>
<td>1,617</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>1,077</td>
<td>1,077</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$578,468</td>
<td></td>
<td>$578,468</td>
</tr>
</tbody>
</table>

| Liabilities and Members’ / Stockholders’ Equity | | | |
| **Current liabilities:** | | | |
| Accounts payable | $39,574 | $ | $39,574 |
| Accrued expenses and other current liabilities | 49,271 | 49,271 |
| Current portion of long-term debt | 2,900 | 2,900 |
| **Total current liabilities** | 91,745 | | 91,745 |
| Long-term debt, net of current portion | 274,356 | 274,356 |
| Deferred income taxes | 77,342 | 77,342 |
| Other liabilities | 16,271 | 16,271 |
| **Total liabilities** | $459,714 | | $459,714 |

| Commitments and contingencies | | | |
| **Members’ Equity / Stockholders’ Equity** | | | |

| Preferred stock, $0.01 par value, no shares authorized, issued and outstanding (historical); 50,000,000 shares authorized, no shares issued and outstanding (pro forma) | — | — |
| Common stock, par value $0.01 per share; no shares authorized, issued and outstanding (historical); 250,000,000 shares authorized, 43,747,944 issued and outstanding (pro forma) | — | 437(l) | 437 |
| Common units, zero par value, 1,000,000 units authorized, issued and outstanding (historical); no units authorized, issued and outstanding (pro forma) | — | — | (1) |
| **Contributed capital** | 107,712 | (107,712) | 115,835 |
| **Accumulated earnings (deficit)** | 11,042 | (8,560) | 2,482 |
| **Total members’/ stockholders’ equity** | 118,754 | | 118,754 |
| **Total liabilities and members’/ stockholders’ equity** | $578,468 | | $578,468 |

*See notes to Unaudited Pro Forma Consolidated Balance Sheet*
## J.Jill, Inc.
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS**
(in thousands, except share and per share data)

<table>
<thead>
<tr>
<th></th>
<th>Predecessor For the Period from February 1, 2015 through May 7, 2015</th>
<th>Successor For the Period from May 8, 2015 through January 30, 2016</th>
<th>Pro Forma Adjustments</th>
<th>Pro Forma For the Fiscal Year ended January 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$141,921</td>
<td>$420,094</td>
<td>—</td>
<td>$562,015</td>
</tr>
<tr>
<td><strong>Costs of goods sold</strong></td>
<td>44,232</td>
<td>155,091</td>
<td>(10,471) (2)</td>
<td>188,852</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>97,689</td>
<td>265,003</td>
<td>10,471</td>
<td>373,163</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>80,151</td>
<td>246,482</td>
<td>2,044(3)</td>
<td>331,752</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(1,943(4))</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(250) (5)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(34) (6)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>973(7)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>443(8)</td>
<td></td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>13,341</td>
<td>—</td>
<td>(13,341) (9)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>4,197</td>
<td>18,521</td>
<td>18,693</td>
<td>41,411</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>4,599</td>
<td>11,893</td>
<td>401(10)</td>
<td>16,893</td>
</tr>
<tr>
<td><strong>Income (loss) before provision for income taxes</strong></td>
<td>(402)</td>
<td>6,628</td>
<td>18,292</td>
<td>24,518</td>
</tr>
<tr>
<td><strong>Provision for income taxes</strong></td>
<td>1,499</td>
<td>2,322</td>
<td>6,402(11)</td>
<td>10,223</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>$ (1,901)</td>
<td>$ 4,306</td>
<td>$ 11,890</td>
<td>$ 14,295</td>
</tr>
</tbody>
</table>

**Net income (loss) per share attributable to common stockholders:**

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>$ (0.04)</th>
<th>$ 0.10</th>
<th>$ 0.35</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Diluted</td>
<td>$ (0.04)</td>
<td>$ 0.10</td>
<td>$ 0.34</td>
</tr>
</tbody>
</table>

**Weighted average number of common shares outstanding:**

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>43,747,944</th>
<th>43,747,944</th>
<th>(3,413,970) (12)</th>
<th>40,333,974</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Diluted</td>
<td>43,747,944</td>
<td>43,747,944</td>
<td>(1,216,511) (12)</td>
<td>42,531,433</td>
</tr>
</tbody>
</table>

*See notes to Unaudited Pro Forma Consolidated Statement of Operations*

52
NOTE A—Description of the Acquisition, Financing, Corporate Conversion, Parent Merger and Distribution

On May 8, 2015, JJill Holdings and JJill Topco Holdings completed the Acquisition of the Company. The purchase price of the Acquisition was $396.4 million, which was funded through an equity contribution by JJill Holdings and JJill Topco Holdings and borrowings under our Term Loan. JJill Holdings accounted for the Acquisition as a business combination under the acquisition method of accounting. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of Acquisition. We have elected to push down the effects of the Acquisition to our consolidated historical financial statements.

In conjunction with the Acquisition, we entered into our seven-year Term Loan of $250.0 million, which contains certain terms and conditions that require us to comply with financial and other covenants. The Term Loan has a variable interest rate which is based on a rate per annum equal to LIBOR plus 5.0%, with a minimum required LIBOR per annum of 1.0%. The rate per annum was 6.0% at January 30, 2016. The Term Loan is collateralized by all of our assets and contains a provision requiring scheduled quarterly repayments that began October 31, 2015 and that continue until maturity on May 8, 2022.

We also entered into our five-year secured $40.0 million asset-based ABL Facility. Our ABL Facility is collateralized by a first lien on accounts receivable and inventory. Amounts outstanding under the ABL Facility bear interest of LIBOR plus the applicable margin, as defined in the agreement. The ABL Facility consists of revolving loans whereby interest on each revolving loan is payable upon maturity, with durations ranging between 30 to 180 days. Principal is payable upon maturity of the ABL Facility on May 8, 2020. The ABL Facility also requires the payment of monthly fees based on the average quarterly unused portion, as well as a fee on the balance of the outstanding letters of credit. As of October 29, 2016, there were no amounts that had been drawn under the ABL Facility. Based on the borrowing terms of the agreement, the available borrowing capacity at October 29, 2016 was $38.5 million.

In securing the Term Loan and the ABL Facility, we incurred financing and issuance costs of $9.6 million. Debt issuance costs are deferred and amortized using the effective interest rate method for the Term Loan and the straight-line method for the ABL Facility. Debt discounts are deferred and amortized using the effective interest rate method over the term of the related debt agreements.

On February 24, 2017, we completed transactions pursuant to which we converted from a Delaware limited liability company named Jill Intermediate LLC into a Delaware corporation and changed our name to J.Jill, Inc. In order to consummate the corporate conversion, a certificate of conversion was filed with the Secretary of State of the State of Delaware. In conjunction with the conversion, all of our outstanding equity interests were converted into shares of common stock. In connection with the conversion, J.Jill, Inc. will continue to hold all assets of Jill Intermediate LLC and will assume all of its liabilities and obligations. Following our conversion into a Delaware corporation, JJill Holdings, our direct parent company, merged with and into us and we were the surviving entity to such merger. Following the merger, all of the shares of our common stock are held by JJill Topco Holdings, our current direct parent. Upon completion of this offering, our common stock held by JJill Topco Holdings will be distributed to its partners that hold vested and unvested Class A Common Interests in accordance with its limited partnership agreement. The shares of J.Jill, Inc. common stock distributed in respect of unvested Common Interests will become restricted J.Jill, Inc. common stock, subject to the original vesting terms of such Common Interests. Holders of vested and unvested Common Interests will receive a pro rata distribution of vested and unvested J.Jill, Inc. common stock, equal to their fair value of Common Interests immediately prior to the distribution, resulting in no incremental fair value.

J.Jill Topco Holdings controlled both JJill Holdings and J.Jill, Inc. As a result, the merger of J.Jill, Inc., and JJill Holdings, its direct parent, was accounted for as a merger of entities under common control in accordance with Accounting Standards Codification (“ASC”) 805. Accordingly, the merger does not result in a change in the
basis of accounting. The results of the merger reflect the combination of the results of operations of JJill Holdings and the Company. JJill Holdings did not have operations on its own, except for transaction cost of $8.6 million incurred to execute the Acquisition of the Company. As these costs are non-recurring in nature, the unaudited pro forma consolidated statement of operations did not reflect such costs.

Notes to Unaudited Pro Forma Consolidated Balance Sheet

(1) Represents the (i) conversion of our common units to 43,747,944 shares of common stock and (ii) the reclassification of $8.6 million from contributed capital to accumulated deficit upon the Parent Merger.

Notes to Unaudited Pro Forma Consolidated Statement of Operations Adjustments

(2) Represents the elimination of the increase in cost of goods sold resulting from the amortization of the fair value step-up of merchandise inventory reflected in the purchase price allocation at the date of the Acquisition. The Company’s inventory turn is approximately four times per year. As such, the step up in the fair value of inventory, which increased cost of goods sold within approximately the first three months after the Acquisition, has been removed from the unaudited pro forma consolidated statement of operations as there is no continuing impact on the results of operations.

(3) Represents the incremental depreciation expense resulting from the increase in fair value of certain fixed assets, reflected in the purchase price allocation at the date of the Acquisition.

<table>
<thead>
<tr>
<th>Fixed Asset</th>
<th>Estimated Useful Life</th>
<th>Fair Value at Acquisition Date</th>
<th>Estimated Depreciation Expense, Year ended January 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>Shorter of estimated useful life or lease term</td>
<td>$39,924</td>
<td>$11,012</td>
</tr>
<tr>
<td>Furniture, fixtures &amp; equipment</td>
<td>5-7 years</td>
<td>21,222</td>
<td>6,812</td>
</tr>
<tr>
<td>Computer software</td>
<td>3-5 years</td>
<td>5,490</td>
<td>3,286</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>3-5 years</td>
<td>3,209</td>
<td>1,426</td>
</tr>
<tr>
<td>Construction in process</td>
<td>N/A</td>
<td>8,839</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$78,684</td>
<td>22,536</td>
</tr>
<tr>
<td>Less: historical depreciation expense</td>
<td></td>
<td></td>
<td>(20,492)</td>
</tr>
</tbody>
</table>

(4) Represents the incremental amortization expense resulting from the increase in fair value of certain definite-lived intangible assets, reflected in the purchase price allocation at the date of acquisition.

<table>
<thead>
<tr>
<th>Intangible Asset</th>
<th>Estimated Useful Life</th>
<th>Fair Value at Acquisition Date</th>
<th>Estimated Amortization Expense, for the Year Ended January 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer relationship—retail</td>
<td>8 years</td>
<td>$12,400</td>
<td>$2,607</td>
</tr>
<tr>
<td>Customer relationship—direct</td>
<td>9 years</td>
<td>41,700</td>
<td>8,067</td>
</tr>
<tr>
<td>Customer relationship—multi-channel</td>
<td>16 years</td>
<td>80,100</td>
<td>5,293</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$134,200</td>
<td>15,967</td>
</tr>
<tr>
<td>Less: historical amortization expense</td>
<td></td>
<td>(14,024)</td>
<td></td>
</tr>
</tbody>
</table>

Pro forma adjustment $1,943
Total amortization of acquired intangible assets over the next five years is expected to be as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$16,025</td>
</tr>
<tr>
<td>2017</td>
<td>14,143</td>
</tr>
<tr>
<td>2018</td>
<td>12,471</td>
</tr>
<tr>
<td>2019</td>
<td>11,008</td>
</tr>
<tr>
<td>2020</td>
<td>9,805</td>
</tr>
<tr>
<td>Thereafter</td>
<td>54,781</td>
</tr>
<tr>
<td></td>
<td><strong>$118,233</strong></td>
</tr>
</tbody>
</table>

(5) Represents the elimination of the management fee charged by our previous equity sponsor for the period from February 1, 2015 through May 7, 2015 as it is not expected to have a continuing impact on the results of operations.

(6) Represents the net decrease in amortization expense related to recognition of the fair value of favorable/unfavorable leases.

(7) Represents incremental pro forma deferred rent expense resulting from the recalculation of deferred rent expense from the Acquisition.

(8) Represents the incremental compensation expense related to certain management incentive bonuses awarded in connection with the Acquisition. These bonuses are being amortized over the required service period, which is greater than a year, and thus were deemed to have an ongoing impact on the results of operations.

(9) Represents the elimination of the transaction costs incurred in connection with the Acquisition, consisting substantially of legal and advisory fees, which are not expected to have a continuing impact on the results of operations.

(10) Represents the net change in interest expense resulting from (i) the elimination of cash interest and amortization of deferred issuance costs related to our debt facilities in place during the 2015 Predecessor Period, which were repaid in conjunction with the Acquisition and (ii) the addition of interest expense and amortization of deferred issuance costs for the same period related to our new debt facilities. The following table summarizes the interest expense under the respective facilities for the period:

<table>
<thead>
<tr>
<th>Interest Expense for the Year Ended January 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual pro forma interest expense:</td>
</tr>
<tr>
<td>Term Loan interest expense</td>
</tr>
<tr>
<td>Amortization of deferred issuance costs on the Term Loan</td>
</tr>
<tr>
<td>ABL Facility interest expense</td>
</tr>
<tr>
<td>Other interest expense</td>
</tr>
<tr>
<td>Total interest expense</td>
</tr>
<tr>
<td>Less: historical interest expense</td>
</tr>
<tr>
<td>Additional interest expense</td>
</tr>
</tbody>
</table>

(a) Reflects annual interest expense on the $250 million Term Loan, assuming an interest rate of 6%.
(b) Reflects amortization of deferred issuance costs for the year.
(c) Reflects various fees under the ABL Facility, including the unused line fee of 0.375% and amortization of deferred financing fees.

A 1/8% increase or decrease in the variable interest rate of the Term Loan facility would increase or decrease our annual interest expense by $0.3 million.

(11) Represents the income tax effect for the above adjustments reflecting an estimated statutory tax rate of 35%.

(12) Basic and diluted net income (loss) per share attributable to common stockholders for the pro forma fiscal year ended January 30, 2016 and the thirty-nine weeks ended October 29, 2016 are based on our capital structure after giving effect to the Corporate Conversion and the Distribution. During the pro forma thirty-nine weeks ended October 29, 2016 there were no adjustments to net income as all adjustments related to the Acquisition and the Financing had been reflected in our historical financial statements for the thirty-nine weeks ended October 29, 2016.

After giving effect to the Corporate Conversion and the Distribution, pro forma basic and diluted net income (loss) per share attributable to common stockholders was as follows:

<table>
<thead>
<tr>
<th>Pro Forma</th>
<th>For the Fiscal Year Ended January 30, 2016</th>
<th>For the Thirty-Nine Weeks Ended October 29, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Numerator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pro forma net income attributable to common stockholders</td>
<td>$14,295</td>
<td>$22,030</td>
</tr>
<tr>
<td>Denominator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average common shares outstanding — basic</td>
<td>43,747,944</td>
<td>43,747,944</td>
</tr>
<tr>
<td>Pro forma adjustments (1):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted common shares</td>
<td>(3,673,456)</td>
<td>(3,673,456)</td>
</tr>
<tr>
<td>Weighted average common shares vested</td>
<td>259,486</td>
<td>834,474</td>
</tr>
<tr>
<td>Pro forma weighted average common shares outstanding — basic</td>
<td>40,333,974</td>
<td>40,908,962</td>
</tr>
<tr>
<td>Pro forma net income per share attributable to common stockholders — basic</td>
<td>$0.35</td>
<td>$0.54</td>
</tr>
</tbody>
</table>

56
Diluted pro forma net income per share attributable to common stockholders:

<table>
<thead>
<tr>
<th></th>
<th>For the Fiscal Year Ended January 30, 2016</th>
<th>For the Thirty-Nine Weeks Ended October 29, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Numerator</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pro forma net income attributable to common stockholders</td>
<td>$14,295</td>
<td>$22,030</td>
</tr>
<tr>
<td><strong>Denominator</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average common shares outstanding — basic</td>
<td>40,333,974</td>
<td>40,908,962</td>
</tr>
<tr>
<td>Dilutive effect of J.Jill, Inc. restricted common shares (1)</td>
<td>2,197,459</td>
<td>2,001,337</td>
</tr>
<tr>
<td>Pro forma weighted average common shares outstanding — diluted</td>
<td>42,531,433</td>
<td>42,910,299</td>
</tr>
<tr>
<td>Pro forma net income per share attributable to common stockholders — diluted</td>
<td>$0.34</td>
<td>$0.51</td>
</tr>
</tbody>
</table>

(1) Upon the completion of this offering, holders of vested and unvested J.Jill Topco Holdings Common Interests will receive vested and unvested J.Jill, Inc. common stock, respectively, in a distribution by J.Jill Topco Holdings in accordance with its limited partnership agreement. The shares of J.Jill, Inc. common stock distributed in respect of unvested Common Interests will become restricted J.Jill, Inc. common stock subject to the original vesting terms of such Common Interests. Holders of vested and unvested Common Interests will receive a pro rata distribution of vested and unvested J.Jill, Inc. common stock, equal to their fair value of Common Interests immediately prior to the distribution, resulting in no incremental fair value.

The adjustment to pro forma basic weighted average shares for the pro forma fiscal year ended January 30, 2016 assumes that (i) the Corporate Conversion and the Distribution occurred on February 1, 2015; (ii) at that date, 3,673,456 shares of the 43,747,944 shares outstanding after the Corporate Conversion were restricted shares that were subject to vesting restrictions due to the Distribution; and (iii) during the pro forma fiscal year ended January 30, 2016, 259,486 shares of those 3,673,456 restricted shares vested in accordance with the vesting conditions on a weighted average basis. The adjustment to pro forma basic weighted average shares for the thirty-nine weeks ended October 29, 2016 assumes that during the thirty-nine weeks ended October 29, 2016, an additional 574,988 shares of the 3,673,456 restricted shares vested in accordance with the vesting conditions on a weighted average basis.
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes thereto included elsewhere in this prospectus, as well as the information presented under “Selected Historical Consolidated Financial and Other Data” and “Unaudited Pro Forma Consolidated Financial Information.” The following discussion contains forward-looking statements that reflect our plans, estimates and assumptions. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause such differences are discussed in the sections of this prospectus titled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.”

We operate on a 52- or 53-week fiscal year that ends on the Saturday that is closest to January 31 of that year. Each fiscal year generally is comprised of four 13-week fiscal quarters, although in the years with 53 weeks, the fourth quarter represents a 14-week period. Fiscal year 2013, fiscal year 2014 and pro forma fiscal year 2015 ended on February 1, 2014, January 31, 2015 and January 30, 2016, respectively, and were each comprised of 52 weeks.

Overview

J.Jill is a nationally recognized women’s apparel brand focused on a loyal, engaged and affluent customer in the attractive 40-65 age segment. The J.Jill brand represents an easy, relaxed and inspired style that reflects the confidence and comfort of a woman with a rich, full life. We operate a highly profitable omni-channel platform that is well diversified across our direct (42% of net sales for the twelve months ended October 29, 2016) and retail (58% of net sales for the twelve months ended October 29, 2016) channels. We began as a catalog company and have been a pioneer of the omni-channel model with a compelling presence across stores, website and catalog since 1999. We have developed an industry-leading customer database that allows us to match approximately 97% of transactions to an identifiable customer. We take a data-centric approach, in which we leverage our database and apply our insights to manage our business as well as to acquire and engage customers to drive optimum value and productivity. Our goals are to Create a great brand, to Build a successful business and to Make J.Jill a great place to work. To achieve this, we have aligned our strategy and team around four guiding pillars – Brand, Customer, Product and Channel.

Our Growth Strategy

We plan to pursue the following strategies to continue to enhance our competitive positioning and drive growth in sales and profitability:

• **Grow the size and value of our active customer base.** We have a significant opportunity to continue to attract new customers to our brand and to grow the size and value of our active customer base across all channels. We have strategically increased our marketing investment to drive growth through the acquisition of new customers, reactivation of lapsed customers and the retention of existing customers.

• **Increase direct sales.** Given our strong foundation that positions us to capitalize on the growth of online and mobile shopping, we believe we have the opportunity to grow our direct sales from 42% of our net sales to approximately 50% over the next few years. We are undertaking several initiatives to enhance our capabilities and drive additional direct sales.

• **Profitably expand our store base.** Based on our proven new store economics, we believe that we have the potential to grow our store base by up to 100 stores over the long term from our total of 275 stores as of January 28, 2017. We will target new locations in lifestyle centers and premium malls, and we plan to open 10-15 new stores in fiscal year 2017 and in each year thereafter.
• **Strengthen omni-channel capabilities.** We are pursuing a variety of initiatives designed to enhance our omni-channel capabilities focused on best serving our customer, wherever and whenever she chooses to shop. We expect our sustainable model, combined with our omni-channel initiatives, will continue to drive traffic, increase average transaction value and enhance conversion across all of our channels.

• **Enhance product assortment.** We believe there is an opportunity to grow our business by selectively broadening and enhancing our assortment in certain product categories including our Pure Jill and Wearever sub-brands, our Women’s and Petite’s businesses and accessories. Through our focused and enhanced product offering, particularly in our sub-brands and extended sizes, we believe we will continue to drive profitable sales growth over time.

**Factors Affecting Our Operating Results**

Various factors are expected to continue to affect our results of operations going forward, including the following:

**Overall Economic Trends.** Consumer purchases of clothing and other merchandise generally decline during recessionary periods and other periods when disposable income is adversely affected, and consequently our results of operations are affected by general economic conditions. For example, reduced consumer confidence and lower availability and higher cost of consumer credit reduces demand for our merchandise and limit our ability to increase or sustain prices. The growth rate of the market could be affected by macroeconomic conditions in the United States.

**Consumer Preferences and Fashion Trends.** Our ability to maintain our appeal to existing customers and attract new customers depends on our ability to anticipate fashion trends. During periods in which we have successfully anticipated fashion trends we have generally had more favorable results.

**Competition.** The retail industry is highly competitive and retailers compete based on a variety of factors, including design, quality, price and customer service. Levels of competition and the ability of our competitors to more accurately predict fashion trends and otherwise attract customers through competitive pricing or other factors may impact our results of operations.

**Our Strategic Initiatives.** We are in the process of implementing significant business initiatives that have had and will continue to have an impact on our results of operations, including our brand voice and customer segmentation initiatives. Although these initiatives are designed to create growth in our business and continuing improvement in our operating results, the timing of expenditures related to these initiatives, as well as the achievement of returns on our investments, may affect our results of operation in future periods.

**Pricing and Changes in Our Merchandise Mix.** Our product offering changes from period to period, as do the prices at which goods are sold and the margins we are able to earn from the sales of those goods. The levels at which we are able to price our merchandise are influenced by a variety of factors, including the quality of our products, cost of production, prices at which our competitors are selling similar products and the willingness of our customers to pay for products.

**How We Assess the Performance of Our Business**

In assessing the performance of our business, we consider a variety of financial and operating metrics, including GAAP and non-GAAP measures, including the following:

**Net sales** consists primarily of revenues, net of merchandise returns and discounts, generated from the sale of apparel and accessory merchandise through our direct channel and retail channel. Net sales also include shipping and handling fees collected from customers. Revenue from our retail channel is recognized at the time of sale and revenue from our direct channel is recognized upon receipt of merchandise by the customer.
Net sales are impacted by the size of our active customer base, product assortment and availability, marketing and promotional activities and the spending habits of our customers. Net sales are also impacted by the migration of single-channel customers to omni-channel customers, who on average spend nearly three times more than single channel customers.

**Total company comparable sales** includes net sales from our full-price stores that have been open for more than 52 weeks and from our direct channel. This measure highlights the performance of existing stores open during the period, while excluding the impact of new store openings and closures. When a store in the total company comparable store base is temporarily closed for remodeling or other reasons, it is included in total company comparable sales only using the full weeks it was open. Certain of our competitors and other retailers calculate total company comparable sales differently than we do. As a result, the reporting of our total company comparable sales may not be comparable to sales data made available by other companies.

**Number of stores** reflects all stores open at the end of a reporting period. In connection with opening new stores, we incur pre-opening costs. Pre-opening costs include expenses incurred prior to opening a new store and primarily consist of payroll, travel, training, marketing, initial opening supplies and costs of transporting initial inventory and fixtures to store locations, as well as occupancy costs incurred from the time of possession of a store site to the opening of that store. These pre-opening costs are included in selling, general and administrative expenses and are generally incurred and expensed within 30 days of opening a new store.

**Gross profit** is equal to our net sales less cost of goods sold. Gross profit as a percentage of our net sales is referred to as **gross margin**. **Cost of goods sold** includes the direct cost of sold merchandise, inventory shrinkage, and adjustments and reserves for excess, aged and obsolete inventory. We review our inventory levels on an ongoing basis to identify slow-moving merchandise and use product markdowns to efficiently sell these products. Changes in the assortment of our products may also impact our gross profit. The timing and level of markdowns are driven by customer acceptance of our merchandise. Certain of our competitors and other retailers report cost of goods sold differently than we do. As a result, the reporting of our gross profit and gross margin may not be comparable to other companies.

The primary drivers of the cost of goods sold are raw materials, which fluctuate based on certain factors beyond our control, including labor conditions, transportation or freight costs, energy prices, currency fluctuations and commodity prices. We place orders with merchandise suppliers in United States dollars and, as a result, are not exposed to significant foreign currency exchange risk.

**Selling, general and administrative expenses** include all operating costs not included in cost of goods sold. These expenses include all payroll and related expenses, occupancy costs and other operating expenses related to our stores and to our operations at our headquarters, including utilities, depreciation and amortization. These expenses also include marketing expense, including catalog production and mailing costs, warehousing, distribution and shipping costs, customer service operations, consulting and software services, professional services and other administrative costs.

Our historical revenue growth has been accompanied by increased selling, general and administrative expenses. The most significant increases were in occupancy costs associated with retail store expansion, and in marketing and payroll investments. While we expect these expenses to increase as we continue to open new stores, increase brand awareness and grow our business, we believe these expenses will decrease as a percentage of net sales over time.

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. We expect that compliance with the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as rules and regulations subsequently implemented by the Securities and Exchange Commission, will increase our legal and financial compliance costs and will make some activities more time consuming and costly. In addition, we expect that our management and other personnel will
need to devote substantial time to these public company requirements. In particular, we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of the Sarbanes-Oxley Act. In that regard, we expect to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge.

*Adjusted EBITDA* represents net income (loss) plus interest expense, provision (benefit) for income taxes, depreciation and amortization, the amortization of the step-up to fair value of merchandise inventory resulting from the application of a purchase accounting adjustment related to the Acquisition, certain Acquisition-related expenses, sponsor fees, equity-based compensation expense, write-off of property and equipment and other non-recurring expenses, primarily consisting of outside legal and professional fees associated with certain non-recurring transactions and events. We present Adjusted EBITDA on a consolidated basis because our management uses it as a supplemental measure in assessing our operating performance, and we believe that it is helpful to investors, securities analysts and other interested parties as a measure of our comparative operating performance from period to period. We also use Adjusted EBITDA as one of the primary methods for planning and forecasting overall expected performance of our business and for evaluating on a quarterly and annual basis actual results against such expectations. Further, we recognize Adjusted EBITDA as a commonly used measure in determining business value and as such, use it internally to report results.

*Adjusted EBITDA margin* represents, for any period, Adjusted EBITDA as a percentage of net sales.

While we believe that Adjusted EBITDA and Adjusted EBITDA margin are useful in evaluating our business, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures that have limitations as an analytical tool. Adjusted EBITDA should not be considered as an alternative to, or substitute for, net income (loss), which is calculated in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate Adjusted EBITDA and Adjusted EBITDA margin differently or not at all, which reduces the usefulness of Adjusted EBITDA and Adjusted EBITDA margin as a tool for comparison. We recommend that you review the reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable GAAP financial measure, and our calculation of Adjusted EBITDA margin, under “Prospectus Summary—Summary Consolidated Historical and Pro Forma Financial and Other Data” and not rely solely on Adjusted EBITDA, Adjusted EBITDA margin or any single financial measure to evaluate our business.

**Factors Affecting the Comparability of our Results of Operations**

**Acquisition**

On May 8, 2015, J Jill Holdings acquired approximately 94% of the outstanding interests of Jill Intermediate LLC and J Jill Topco Holdings acquired the remaining 6% of the outstanding interests of Jill Intermediate LLC. J Jill Topco Holdings owns 100% of J Jill Holdings. The purchase price was $396.4 million, which consisted of $386.3 million of cash consideration and $10.1 million of noncash consideration in the form of an equity rollover by Jill Intermediate LLC’s predecessor management owners. The Acquisition was funded through an equity contribution by J Jill Holdings and J Jill Topco Holdings and borrowings under our seven-year $250.0 million Term Loan, as described under “Credit Facilities” below.

J Jill Holdings accounted for the Acquisition as a business combination under the acquisition method of accounting. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of Acquisition.

We have elected to push down the effects of the Acquisition to our consolidated financial statements. The financial information for all periods after May 7, 2015 represents the financial information of the Successor. Prior to, and including, May 7, 2015, the consolidated financial statements, included elsewhere in this prospectus, include the accounts of the Predecessor.

Due to the change in the basis of accounting resulting from the Acquisition, the Predecessor’s consolidated financial statements and the Successor’s consolidated financial statements, included elsewhere in this prospectus,
are not comparable. See “Unaudited Pro Forma Consolidated Financial Information” and our historical audited consolidated financial statements and the related notes thereto included elsewhere in this prospectus for additional information regarding the Acquisition.

Recent Transactions

Amendment to Credit Facility and Dividend

On May 27, 2016, we entered into an agreement to amend our Term Loan to borrow an additional $40.0 million in loans. The other terms and conditions of the Term Loan remained substantially unchanged, as discussed in “—Liquidity and Capital Resources—Credit Facilities.” We used the additional loan proceeds, along with cash on hand, to fund a $70.0 million dividend to the partners of J Jill Topco Holdings, which was approved by the members of Jill Intermediate LLC and the board of directors of J Jill Topco Holdings on May 27, 2016.

On January 18, 2017, we made a voluntary prepayment of $10.1 million, including accrued interest, on our Term Loan.

Results of Operations

Period from February 1, 2015 to May 7, 2015 (Predecessor) and Period from May 8, 2015 through October 31, 2015 (Successor) Compared to the Thirty-Nine Weeks Ended October 29, 2016 (Successor)

The following table summarizes our consolidated results of operations for the periods indicated:

<table>
<thead>
<tr>
<th></th>
<th>Predecessor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the Period from</td>
<td>For the Period from</td>
</tr>
<tr>
<td>(in thousands)</td>
<td>Dollars % of Net Sales</td>
<td>Dollars % of Net Sales</td>
</tr>
<tr>
<td>Net sales</td>
<td>$141,921 100.0%</td>
<td>$274,741 100.0%</td>
</tr>
<tr>
<td>Costs of goods sold</td>
<td>44,232 31.2%</td>
<td>101,185 36.8%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>97,689 68.8%</td>
<td>173,556 63.2%</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>80,151 56.5%</td>
<td>161,236 58.7%</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>13,341 9.4%</td>
<td>---</td>
</tr>
<tr>
<td>Operating income</td>
<td>4,197 2.9%</td>
<td>12,320 4.5%</td>
</tr>
<tr>
<td>Interest expense</td>
<td>4,599 3.2%</td>
<td>7,922 2.9%</td>
</tr>
<tr>
<td>Income (loss) before provision for income taxes</td>
<td>(402) (0.3%)</td>
<td>4,398 1.6%</td>
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<tr>
<td>Provision (benefit) for income taxes</td>
<td>1,499 1.0%</td>
<td>1,541 0.6%</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$ (1,901) (1.3%)</td>
<td>$ 2,857 1.0%</td>
</tr>
</tbody>
</table>

Net Sales

Net sales were $472.1 million for the thirty-nine weeks ended October 29, 2016, compared to $141.9 million for the Predecessor period from February 1, 2015 to May 7, 2015 (the “2015 Predecessor Period”) and $274.7 million for the Successor period from May 8, 2015 to October 31, 2015 (the “2015 Interim Successor Period”). This increase was due to an increase in total comparable company sales, primarily driven by an increase in our active customer base in the thirty-nine weeks ended October 29, 2016.

Our direct channel was responsible for 37% of our net sales for the 2015 Predecessor Period, 38% in the 2015 Interim Successor Period, and 41% in the thirty-nine weeks ended October 29, 2016. Our retail channel was responsible for 63% of our net sales for the 2015 Predecessor Period, 62% in the 2015 Interim Successor Period, and 59% in the thirty-nine weeks ended October 29, 2016. At the end of those same periods, we operated 250, 260, and 271 retail stores, respectively.
Gross Profit and Cost of Goods Sold

Gross profit was $322.5 million for the thirty-nine weeks ended October 29, 2016, compared to $97.7 million for the 2015 Predecessor Period and $173.6 million for the 2015 Interim Successor Period. This increase was primarily due to an increase in net sales, partially offset by an increase in cost of goods sold resulting from amortizing the increase in the fair value of merchandise inventory in the 2015 Interim Successor Period as a result of the application of purchase accounting.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $273.9 million for the thirty-nine weeks ended October 29, 2016, compared to $80.2 million for the 2015 Predecessor Period and $161.2 million for the 2015 Interim Successor Period. The increase included higher sales related expenses, increased marketing costs to acquire and retain customers and increased corporate payroll and other expenses to support business growth. The increase also related to increased depreciation and amortization expense, including deferred rent amortization, due to (i) the revaluation of assets and liabilities that occurred in connection with the Acquisition, (ii) increased capital spending in stores as a result of opening new stores and remodeling existing stores, and (iii) increased capital spending on information systems, primarily due to the implementation of a new merchandising system. The selling, general and administrative expenses increases were partially offset by lower equity-based compensation due to a change in our equity-based compensation plan following the Acquisition compared to the plan that was in place prior to the Acquisition.

As a percentage of net sales, selling, general and administrative expenses were 58.0% for the thirty-nine weeks ended October 29, 2016, compared to 56.5% for the 2015 Predecessor Period and 58.7% for the 2015 Interim Successor Period.

Acquisition-Related Expenses

We incurred expenses related to the Acquisition of $13.3 million during the 2015 Predecessor Period, consisting primarily of legal and advisory fees. No such costs were incurred during the 2015 Interim Successor Period or the thirty-nine weeks ended October 29, 2016.

Interest Expense

Interest expense was $13.6 million for the thirty-nine weeks ended October 29, 2016, compared to $4.6 million for the 2015 Predecessor Period and $7.9 million for the 2015 Interim Successor Period. This increase is due to the addition of $40.0 million to our Term Loan pursuant to an amendment on May 27, 2016.

Provision for Income Taxes

The provision for income taxes was $12.9 million for the thirty-nine weeks ended October 29, 2016, compared to $1.5 million for the 2015 Predecessor Period and $1.5 million for the 2015 Interim Successor Period. Our effective tax rate for the same periods was 37.0%, 372.9% and 35.0%, respectively. The disparity in the 2015 Predecessor Period was due to lower income (loss) before provision for income taxes as a result of the inclusion of certain expenses related to the Acquisition in that period, which are not deductible for tax purposes.
The following table summarizes our consolidated results of operations for the periods indicated:

| (in thousands) | Predecessor | Successor | | | |
|----------------|-------------|-----------|-----------------|-------------|
| | For the Fiscal Year ended January 31, 2015 | For the Period February 1, 2015 to May 7, 2015 | For the Period May 8, 2015 to January 30, 2016 |
| Net sales | $ 483,400 | $ 141,921 | $ 420,094 |
| Costs of goods sold | 164,792 | 44,232 | 155,091 |
| Gross profit | 318,608 | 97,689 | 265,003 |
| Selling, general and administrative expenses | 279,557 | 80,151 | 246,482 |
| Acquisition-related expenses | — | — | — |
| Operating income | 39,051 | 4,197 | 18,521 |
| Interest expense | 17,895 | 4,599 | 11,893 |
| Income (loss) before provision for income taxes | 21,156 | (402) | 6,628 |
| Provision for income taxes | 10,860 | 1,499 | 2,322 |
| Net income (loss) | $ 10,296 | $ (1,901) | $ 4,306 |

Net Sales

Net sales were $141.9 million for the Predecessor period from February 1, 2015 to May 7, 2015 (the “2015 Predecessor Period”) and $420.1 million for the Successor period from May 8, 2015 to January 30, 2016 (the “2015 Successor Period”), compared to $483.4 million for the Predecessor fiscal year ended January 31, 2015 (“fiscal year 2014”). At the end of those same periods, we operated 250, 261, and 248 retail stores, respectively.

Our direct channel was responsible for 39% of our net sales in fiscal year 2014, 37% in the 2015 Predecessor Period, and 41% in the 2015 Successor Period. Our retail channel was responsible for 61% of our net sales in fiscal year 2014, 63% in the 2015 Predecessor Period, and 59% in the 2015 Successor Period. The increase in net sales was due to an increase in total comparable company sales, primarily driven by an increase in our active customer base.

Gross Profit and Cost of Goods Sold

Gross profit was $97.7 million for the 2015 Predecessor Period and $265.0 million for the 2015 Successor Period, compared to $318.6 million for fiscal year 2014. The increase was primarily due to an increase in net sales partially offset by an increase in cost of goods sold during the 2015 Successor Period resulting from the amortization of the step-up to fair value of merchandise inventory resulting from the application of a purchase accounting adjustment related to the Acquisition.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $80.2 million for the 2015 Predecessor Period and $246.5 million for the 2015 Successor Period, compared to $279.6 million for fiscal year 2014. The increase included higher sales related expenses, increased marketing costs to acquire and retain customers and increased corporate payroll and other expenses to support business growth. The increase also reflects increased depreciation and amortization expense, including deferred rent amortization, due to (i) the revaluation of assets.
and liabilities that occurred in connection with the Acquisition, (ii) increased capital spending in stores as a result of opening new stores and remodeling existing stores, and (iii) increased capital spending on information systems primarily due to the implementation of a new merchandising system. This increase also includes an increase in incentive compensation expense driven by the improved performance of our business.

As a percentage of net sales, selling, general and administrative expenses were 56.5% for the 2015 Predecessor Period and 58.7% for the 2015 Successor Period, compared to 57.8% for fiscal year 2014.

**Acquisition-Related Expenses**

We incurred acquisition-related expenses of $13.3 million during the 2015 Predecessor Period, consisting primarily of legal and advisory fees. No such costs were incurred during the 2015 Successor Period or fiscal year 2014.

**Interest Expense**

Interest expense was $4.6 million for the 2015 Predecessor Period and $11.9 million for the 2015 Successor Period, compared to $17.9 million for fiscal year 2014. In fiscal year 2014, our interest expense was higher due to voluntary prepayments on our predecessor term loan facility, which accelerated the amortization of deferred financing costs. During the 2015 Successor Period, interest incurred on debt decreased as a result of a decrease in the weighted average interest rate and lower amortization of deferred financing costs, offset by an increase in debt.

**Provision for Income Taxes**

The provision for income taxes was $1.5 million for the 2015 Predecessor Period and $2.3 million for the 2015 Successor Period, compared to $10.9 million for fiscal year 2014. Our effective tax rates for the same periods were (372.9)%, 35.0% and 51.3%, respectively. The decrease in provision for income taxes was primarily due to lower income (loss) before provision for income taxes for the 2015 Predecessor Period as a result of the inclusion of certain expenses related to the Acquisition in that period.

**Supplemental Pro Forma Fiscal Year Ended January 30, 2016 Compared to Fiscal Year Ended January 31, 2015 (Predecessor)**

In addition to the historical analysis of results of operations for the audited historical statements of operations presented for fiscal year 2014, the 2015 Predecessor Period and the 2015 Successor Period, we have also presented a supplemental unaudited pro forma consolidated statement of operations for the fiscal year ended January 30, 2016 ("pro forma fiscal year 2015").

The unaudited consolidated statement of operations for pro forma fiscal year 2015 was derived from our historical audited statements of operations included elsewhere in this prospectus. The unaudited pro forma consolidated statement of operations gives effect to (i) the Acquisition, (ii) the related financing as provided for under our Term Loan for $250.0 million and our ABL Facility of $40.0 million (the “Financing”), (iii) the Corporate Conversion and the Parent Merger and (iv) the distribution of our common stock by J.Jill Topco Holdings to its partners that hold vested and unvested J.Jill Topco Holdings Common Interests in accordance with its limited partnership agreement (where holders of vested and unvested Common Interests will receive a pro rata distribution of vested and unvested J.Jill, Inc. common stock, equal to their fair value of Common Interests immediately prior to the distribution, resulting in no incremental fair value), upon completion of this offering, as if they were entered into on February 1, 2015. The historical financial information has been adjusted to give effect to the pro forma adjustments that are (i) directly attributed to the Acquisition and related Financing, (ii) factually supportable and (iii) expected to have a continuing impact on the consolidated statement of operations.
Table of Contents

The unaudited consolidated pro forma fiscal year 2015 statement of operations has been prepared in accordance with Article 11 of Regulation S-X. Although this presentation is not prepared in accordance with GAAP, we believe this information provides a meaningful comparison of our performance for our unaudited pro forma fiscal year 2015 as compared to fiscal year 2014. Management believes the assumptions applied to these adjustments are reasonable based on available information. The unaudited pro forma consolidated statement of operations is presented for informational purposes only and is not necessarily indicative of the results of operations that would have been reported had the Acquisition and related transactions occurred on February 1, 2015, or indicative of results of operations expected to occur in the future. This unaudited pro forma information should be read in conjunction with “Unaudited Pro Forma Consolidated Financial Information,” “Selected Historical Financial Information,” “—Predecessor Period from February 1, 2015 to May 7, 2015 and Successor Period from May 8, 2015 to January 30, 2016 Compared to the Fiscal Year Ended January 31, 2015 (Predecessor)” and our historical audited consolidated financial statements included elsewhere in this prospectus.

The following table summarizes our consolidated results of operations for the periods indicated:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands)</td>
<td>Dollars $ % of Net Sales</td>
<td>Dollars $ % of Net Sales</td>
<td>$ Change % Change</td>
</tr>
<tr>
<td>Net sales</td>
<td>483,400 100.0%</td>
<td>562,015 100.0%</td>
<td>78,615 16.3%</td>
</tr>
<tr>
<td>Costs of goods sold</td>
<td>164,792 34.1%</td>
<td>188,852 33.6%</td>
<td>24,060 14.6%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>318,608 65.9%</td>
<td>373,163 66.4%</td>
<td>54,555 17.1%</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>279,557 57.8%</td>
<td>331,752 59.0%</td>
<td>52,195 18.7%</td>
</tr>
<tr>
<td>Operating income</td>
<td>39,051 8.1%</td>
<td>41,411 7.4%</td>
<td>2,360 6.0%</td>
</tr>
<tr>
<td>Interest expense</td>
<td>17,895 3.7%</td>
<td>16,893 3.0%</td>
<td>(1,002) (5.6)%</td>
</tr>
<tr>
<td>Income before provision for income taxes</td>
<td>21,156 4.4%</td>
<td>24,518 4.4%</td>
<td>3,362 15.9%</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>10,860 2.3%</td>
<td>10,223 1.8%</td>
<td>(637) (5.9)%</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 10,296 2.1%</td>
<td>$ 14,295 2.6%</td>
<td>$ 3,999 38.8%</td>
</tr>
</tbody>
</table>

Net Sales

Net sales for pro forma fiscal year 2015 increased $78.6 million, or 16.3%, to $562.0 million, from $483.4 million for fiscal year 2014. This increase was primarily due to an increase in total comparable company sales of 12.4%, which was driven by an 11.6% increase in our active customer base. Our direct channel was responsible for 40% of our net sales in pro forma fiscal year 2015, an increase from 39% in fiscal year 2014. Our retail channel was responsible for 60% of our net sales in pro forma fiscal year 2015 and 61% in fiscal year 2014. At the end of those same periods, we operated 261 and 248 retail stores, respectively.

Gross Profit and Cost of Goods Sold

Gross profit for pro forma fiscal year 2015 increased $54.6 million, or 17.1%, to $373.2 million, from $318.6 million for fiscal year 2014. This increase was due primarily to the increase in net sales of 16.3%. The balance of the increase reflects gross margin for pro forma fiscal year 2015 increasing to 66.4% from 65.9% for fiscal year 2014. The increased gross margin was primarily due to supply chain efficiencies.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for pro forma fiscal year 2015 increased $52.2 million, or 18.7%, to $331.8 million from $279.6 million for fiscal year 2014. As a percentage of net sales, selling, general
and administrative expenses for pro forma fiscal year 2015 were 59.0% as compared to 57.8% for fiscal year 2014. These increases related to higher sales related expenses of $16.6 million, increased marketing costs of $7.6 million and increased corporate payroll and other expenses of $5.3 million to support business growth. The increase also related to increased depreciation and amortization expense of $22.6 million, including deferred rent amortization, due to (i) the revaluation of assets and liabilities that occurred in connection with the Acquisition, (ii) increased capital spending in stores as a result of opening new stores and remodeling existing stores, and (iii) increased capital spending on information systems primarily due to the implementation of a new merchandising system. Further, incentive compensation expenses increased $4.7 million, driven by improved performance of the business, offset by an equity-based compensation decrease of $4.5 million due to the implementation of a new equity-based compensation plan following the Acquisition compared to the plan that was in place prior to the Acquisition.

Interest Expense

Interest expense for pro forma fiscal year 2015 decreased by $1.0 million, or 5.6%, to $16.9 million from $17.9 million for fiscal year 2014. The decrease in interest expense was due to a decrease in the weighted average interest rate to 6.1% from 15.4% and lower amortization of deferred financing costs. In fiscal year 2014, we incurred additional amortization resulting from voluntary prepayments on our predecessor term loan facility, which accelerated the amortization of deferred financing costs. The decrease in interest expense was partially offset by an increase in average debt outstanding, to $249.4 million during pro forma fiscal year 2015 from $97.3 million in fiscal year 2014.

The average debt balance and weighted average interest rates for pro forma fiscal year 2015 assume our Term Loan and ABL Facility were entered into on February 1, 2015. See “Unaudited Pro Forma Consolidated Financial Information,” “—Factors Affecting the Comparability of our Results of Operations—Acquisition,” “—Liquidity and Capital Resources—Credit Facilities” elsewhere in this prospectus for additional information regarding our Term Loan and ABL Facility and the Acquisition.

Provision for Income Taxes

The provision for income taxes for pro forma fiscal year 2015 decreased by $0.6 million, or 5.9%, to $10.2 million from $10.9 million for fiscal year 2014. Our effective tax rate was 41.7% for pro forma fiscal year 2015 and 51.3% for fiscal year 2014. This decrease in the effective rate was due to the higher amount of non-deductible equity-based compensation expenses in fiscal year 2014 compared to pro forma fiscal year 2015.
Fiscal Year Ended January 31, 2015 (Predecessor) Compared to Fiscal Year Ended February 1, 2014 (Predecessor)

The following table summarizes our consolidated results of operations for the periods indicated:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$456,026 100.0%</td>
<td>$483,400 100.0%</td>
<td>$27,374 6.0%</td>
</tr>
<tr>
<td>Costs of goods sold</td>
<td>161,261 35.4%</td>
<td>164,792 34.1%</td>
<td>3,531 2.2%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>294,765 64.6%</td>
<td>318,608 65.9%</td>
<td>23,843 8.1%</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>267,319 58.6%</td>
<td>279,557 57.8%</td>
<td>12,238 4.6%</td>
</tr>
<tr>
<td>Operating income</td>
<td>27,446 6.0%</td>
<td>39,057 8.1%</td>
<td>11,605 42.3%</td>
</tr>
<tr>
<td>Interest expense</td>
<td>19,064 4.2%</td>
<td>17,895 3.7%</td>
<td>(1,169) (6.1)%</td>
</tr>
<tr>
<td>Income before provision for income taxes</td>
<td>8,382 1.8%</td>
<td>21,156 4.4%</td>
<td>12,774 152.4%</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>3,884 0.8%</td>
<td>10,860 2.3%</td>
<td>6,976 179.6%</td>
</tr>
<tr>
<td>Net income</td>
<td>$4,498 1.0%</td>
<td>$10,296 2.1%</td>
<td>$5,798 128.9%</td>
</tr>
</tbody>
</table>

**Net Sales**

Net sales for fiscal year 2014 increased $27.4 million, or 6.0%, to $483.4 million, from $456.0 million for fiscal year ended February 1, 2014 (“fiscal year 2013”). This increase was primarily due to an increase in total comparable company sales of 5.4%, driven by an increase in the average net sales per customer. Our direct channel was responsible for 39% of our net sales in both fiscal year 2014 and fiscal year 2013. Our retail channel was responsible for 61% of our net sales in both fiscal year 2014 and fiscal year 2013. At the end of those same periods, we operated 248 and 234 retail stores, respectively.

**Gross Profit and Cost of Goods Sold**

Gross profit for fiscal year 2014 increased $23.8 million, or 8.1%, to $318.6 million, from $294.8 million for fiscal year 2013. This increase was due primarily to the increase in net sales of 6.0%. The balance of the increase reflects gross margin for fiscal year 2014 increasing to 65.9% from 64.6% for fiscal year 2013. The increased gross margin was primarily due to a reduction in promotional markdowns.

**Selling, General and Administrative Expenses**

Selling, general and administrative expenses for fiscal year 2014 increased $12.2 million, or 4.6%, to $279.6 million from $267.3 million for fiscal year 2013. The increase included higher sales related expenses of $6.1 million and increased incentive and equity-based compensation expenses of $5.0 million due primarily to improved performance, as well as increased corporate payroll and other expenses of $3.8 million and increased marketing costs of $1.8 million to support the growth of the business. These increases were partially offset by decreased depreciation and amortization expense of $3.9 million, resulting from certain fixed assets becoming fully-depreciated during fiscal year 2014. As a percentage of net sales, selling, general and administrative expenses for fiscal year 2014 were 57.8% as compared to 58.6% for fiscal year 2013. This rate reduction was due primarily to gaining efficiencies on increased sales and the associated leveraging of fixed costs.

68
Table of Contents

Interest Expense

Interest expense for fiscal year 2014 decreased by $1.2 million, or 6.1%, to $17.9 million, from $19.1 million for fiscal year 2013. Interest incurred on debt decreased by $0.6 million, resulting from a decrease in average debt from $97.3 million during fiscal year 2014 compared to $107.0 million for fiscal year 2013 as a result of scheduled payments and voluntary prepayments on our predecessor term loan facility in fiscal year 2014. This was partially offset by an increase in the weighted average interest rate to 15.4% compared to 14.5% during the same periods.

Provision for Income Taxes

The provision for income taxes for fiscal year 2014 increased by $7.0 million, or 179.6%, to $10.9 million from $3.9 million for fiscal year 2013 due to the improved performance of our business. Our effective tax rate was 51.3% and 46.3% for fiscal year 2014 and fiscal year 2013, respectively. This increase in the effective rate was due to a higher amount of non-deductible equity-based compensation expenses in fiscal year 2014.
The following table sets forth our historical consolidated statements of income for each of the eleven fiscal quarters through the thirteen weeks ended October 29, 2016. This unaudited quarterly information has been prepared on the same basis as our annual audited consolidated financial statements included elsewhere in this prospectus and includes all adjustments, consisting of only normal recurring adjustments, that we consider necessary to fairly present the financial information for the fiscal quarters presented below. The unaudited quarterly data below should be read in conjunction with our audited and unaudited consolidated financial statements and the related notes thereto included elsewhere in this prospectus.

<table>
<thead>
<tr>
<th></th>
<th>Predecessor</th>
<th></th>
<th>Successor</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fiscal Year 2014</td>
<td></td>
<td>Fiscal Year 2015</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Thirteen weeks ended</td>
<td></td>
<td>Period from May 3, 2015 to May 7, 2015</td>
<td>Period from May 8, 2015 to August 1, 2015</td>
</tr>
<tr>
<td>(in thousands, unaudited)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>$106,857</td>
<td>$121,890</td>
<td>$125,710</td>
<td>$128,943</td>
</tr>
<tr>
<td>Costs of goods sold</td>
<td>33,680</td>
<td>40,133</td>
<td>41,021</td>
<td>49,958</td>
</tr>
<tr>
<td>Gross profit</td>
<td>73,177</td>
<td>81,757</td>
<td>84,689</td>
<td>78,985</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>66,078</td>
<td>67,604</td>
<td>71,938</td>
<td>73,937</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>7,099</td>
<td>14,153</td>
<td>12,751</td>
<td>5,048</td>
</tr>
<tr>
<td>Interest expense</td>
<td>4,491</td>
<td>4,631</td>
<td>4,492</td>
<td>4,281</td>
</tr>
<tr>
<td>Income (loss) before provision (benefit) for income taxes</td>
<td>2,608</td>
<td>9,522</td>
<td>8,259</td>
<td>767</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>1,339</td>
<td>4,888</td>
<td>4,293</td>
<td>394</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$1,269</td>
<td>$4,634</td>
<td>$4,020</td>
<td>$373</td>
</tr>
<tr>
<td>Total Company Comparable Sales</td>
<td>(2.4%)</td>
<td>5.0%</td>
<td>7.3%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

* We do not calculate total company comparable sales for the period from May 3, 2015 to May 7, 2015 and the period from May 8, 2015 to August 1, 2015 as they do not present a meaningful comparison to our other periods.

Liquidity and Capital Resources

General

Our primary sources of liquidity and capital resources are cash generated from operating activities and availability under our ABL Facility. Our primary requirements for liquidity and capital are working capital and general corporate needs, including merchandise inventories, marketing, including catalog production and distribution, payroll, store occupancy costs and capital expenditures associated with opening new stores, remodeling existing stores and upgrading information systems. Additional future liquidity needs will include costs of operating as a public company.
We believe that our current sources of liquidity and capital will be sufficient to finance our continued operations, growth strategy and additional expenses we expect to incur as a public company for at least the next 12 months. There can be no assurance, however, that our business will generate sufficient cash flows from operations or that future borrowings will be available under our ABL Facility or otherwise to enable us to service our indebtedness, or to make capital expenditures in the future. Our future operating performance and our ability to service or extend our indebtedness will be subject to future economic conditions and to financial, business, and other factors, many of which are beyond our control.

Capital expenditures were $7.4 million during the 2015 Predecessor Period, $26.6 million during the 2015 Successor Period, $34.0 million during pro forma fiscal year 2015 and $24.1 million during fiscal year 2014. The increase in capital expenditures was due primarily to an increase in the remodeling of stores and investment in information systems. We currently expect that our capital expenditures for fiscal year 2016 will be approximately $40.0 million including approximately $12.0 million for construction of new stores, $15.0 million for remodeling of existing stores and $13.0 million for investments in information technology. During the thirty-nine weeks ended October 29, 2016 capital expenditures totaled $25.7 million.

**Cash Flow Analysis**

The following table shows our cash flows information for the periods presented:

<table>
<thead>
<tr>
<th>Fiscal Periods</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Interim Periods</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the Fiscal Year Ended February 1, 2014</td>
<td>$45,293</td>
<td>$50,562</td>
<td>$18,932</td>
<td>$36,971</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$41,374</td>
<td>$5,733</td>
<td>$18,932</td>
<td>$36,971</td>
</tr>
<tr>
<td>For the Fiscal Year Ended January 31, 2015</td>
<td>$5,733</td>
<td>$5,733</td>
<td>$36,971</td>
<td>$36,971</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>$(27,419)</td>
<td>$(412,303)</td>
<td>$(403,613)</td>
<td>$(403,613)</td>
</tr>
<tr>
<td>For the Period from February 1, 2015 through May 7, 2015</td>
<td>$(24,143)</td>
<td>$(412,303)</td>
<td>$(403,613)</td>
<td>$(403,613)</td>
</tr>
<tr>
<td>Net cash (used in) provided by financing activities</td>
<td>$(7,406)</td>
<td>$(7,406)</td>
<td>$(25,706)</td>
<td></td>
</tr>
<tr>
<td>For the Period from May 8, 2015 through May 7, 2016</td>
<td>$(18,029)</td>
<td>$389,246</td>
<td>$389,871</td>
<td>$33,815</td>
</tr>
</tbody>
</table>

*Net Cash provided by (used in) Operating Activities*

Net cash provided by operating activities during the thirty-nine weeks ended October 29, 2016 was $37.0 million. Key elements of cash provided by operating activities were (i) net income of $22.0 million, (ii) adjustments to reconcile net income to net cash provided by operating activities of $29.6 million, primarily driven by depreciation and amortization, and (iii) an increase in net operating assets and liabilities of $14.7 million, primarily driven by increases in inventories and accounts receivable, which was partially offset by increases in accrued expenses and other noncurrent liabilities.

Net cash provided by operating activities during the 2015 Interim Successor Period was $18.9 million. Key elements of cash provided by operating activities were (i) net income of $2.9 million, (ii) adjustments to reconcile net loss to net cash provided by operating activities of $34.8 million, primarily driven by depreciation and amortization and amortization of the step-up to fair value of merchandise inventory resulting from the application of a purchase accounting adjustment related to the Acquisition, and (iii) an increase in net operating assets and liabilities of $18.7 million, primarily due to increases in taxes receivable, inventories and prepaid expenses and other current assets, partially offset by increases in accrued expenses and other noncurrent liabilities.
Net cash provided by operating activities during the 2015 Successor Period was $50.6 million. Key elements of cash provided by operating activities were (i) net income of $4.3 million, (ii) adjustments to reconcile net income to net cash provided by operating activities of $36.4 million, primarily driven by depreciation and amortization and amortization of the step-up to fair value of merchandise inventory resulting from the application of a purchase accounting adjustment related to the Acquisition, and (iii) a decrease in net operating assets and liabilities and other activities of $9.9 million, primary due to a decrease in accounts receivable and an increase in accounts payable as well as an increase in accrued incentive plan expenses resulting from increased earnings, partially offset by increases in taxes receivable, prepaid expenses, and other current assets.

Net cash provided by operating activities during the 2015 Predecessor Period was $5.7 million. Key elements of cash provided by operating activities were (i) net loss of $1.9 million, (ii) adjustments to reconcile net loss to net cash provided by operating activities of $6.7 million, which primarily consisted of depreciation and amortization, and payment-in-kind interest on debt, and (iii) a decrease in net operating assets and liabilities and other activities of $0.9 million, primarily driven by accrued Acquisition expenses paid at the Acquisition date, partially offset by a decrease in accounts payable and increases in accounts receivable and inventories.

Net cash provided by operating activities during fiscal year 2014 was $41.4 million. Key elements of cash provided by operating activities were (i) net income of $10.3 million, (ii) adjustments to reconcile net income to net cash provided by operating activities of $28.8 million, primarily driven by depreciation and amortization, payment-in-kind interest, and equity-based compensation charges, and (iii) a decrease in net operating assets and liabilities of $2.3 million, largely due to an increase in accrued expenses and an increase in accounts payable partially offset by increases in inventories and accounts receivable.

Net cash provided by operating activities during fiscal year 2013 was $45.3 million. Key elements of cash provided by operating activities were (i) net income of $4.5 million, (ii) adjustments to reconcile net income to net cash provided by operating activities of $27.1 million, primarily driven by depreciation and amortization and payment-in-kind interest on debt, and (iii) a decrease in net operating assets and liabilities and other activities of $13.7 million, largely due to an increase in accounts payable partially offset by increases in inventories and prepaid assets and a decrease in accrued taxes payable.

**Net Cash used in Investing Activities**

Net cash used in investing activities during the thirty-nine weeks ended October 29, 2016 was $25.7 million, representing purchases of property and equipment related to new store openings, remodeling existing stores, and upgrading our information systems, including our merchandising system.

Net cash used in investing activities during the 2015 Interim Successor Period was $403.6 million, consisting of $385.7 million of cash paid in connection with the Acquisition, net of cash received, and $17.9 million of purchases of property and equipment related to new store openings, remodeling existing stores and upgrading our information systems, including our merchandising system.

Net cash used in investing activities during the 2015 Successor Period was $412.3 million, consisting of the $385.7 million of cash paid in connection with the Acquisition, net of cash received, and $26.6 million of purchases of property and equipment to new store openings, remodeling existing stores and upgrading our information systems, including our merchandising system.

Net cash used in investing activities during the 2015 Predecessor Period was $7.4 million, consisting of purchases of property and equipment related to new store openings, remodeling existing stores and upgrading our information systems, including our merchandising system.

Net cash used in investing activities during fiscal year 2014 was $24.1 million, representing purchases of property and equipment related to new store openings, remodeling existing stores and upgrading our information systems infrastructure and select software.
Net cash used in investing activities during fiscal year 2013 was $27.4 million, representing purchases of property and equipment related to new store openings, remodeling existing stores and upgrading our information systems infrastructure and select software.

Net Cash (used in) provided by Financing Activities

Net cash used in financing activities during the thirty-nine weeks ended October 29, 2016 was $33.8 million, including $38.3 million of proceeds received on long-term debt, net of $1.7 million debt issuance costs paid. The proceeds from the long-term debt, along with cash on hand, were used to fund a $70.0 million dividend to the partners of JJill Topco Holdings. Financing activities also included $2.1 million of scheduled repayments on our Term Loan.

Net cash provided by financing activities during the 2015 Interim Successor Period was $389.9 million, primarily consisting of $240.4 million of proceeds from borrowings under our Term Loan, net of $9.6 million debt issuance costs paid, and $160.5 million of equity proceeds, both incurred in connection with the Acquisition. Financing activities also included an $8.6 million distribution to JJill Topco Holdings as reimbursement for Acquisition-related costs.

Net cash provided by financing activities during the 2015 Successor Period was $389.2 million, primarily consisting of $240.4 million of proceeds from borrowings under our Term Loan, net of $9.6 million debt issuance costs paid, and $160.5 million of equity proceeds, both incurred in connection with the Acquisition. Financing activities also included an $8.6 million distribution to JJill Topco Holdings as reimbursement for Acquisition-related costs and $1.3 million of scheduled repayments of our Term Loan.

Net cash provided by financing activities during the 2015 Predecessor Period was $1.6 million, consisting of $7.3 million of net proceeds from borrowings on our previous revolving credit facility in excess of repayments, which was partially offset by $5.0 million of prepayments and $0.7 million of scheduled repayments on our predecessor term loans.

Net cash used in financing activities during fiscal year 2014 was $17.1 million, consisting of the use of cash from operations to make voluntary prepayments and scheduled payments of our predecessor term loans.

Net cash used in financing activities during fiscal year 2013 was $18.0 million consisting of the use of cash from operations to make voluntary prepayments and scheduled payments of our predecessor term loans.

Dividends

On June 6, 2016, we paid a $70.0 million dividend to the partners of JJill Topco Holdings.

After completion of this offering, we intend to retain any future earnings for use in the operation and growth of our business, and therefore we do not anticipate paying any cash dividends in the foreseeable future. See “Dividend Policy” elsewhere in this prospectus for additional information regarding dividends.

Credit Facilities

As described above, we entered into our Term Loan and ABL Facility in connection with the Acquisition. Concurrently, we repaid the principal and interest balances outstanding under our previous credit facilities, as required by the respective agreements upon a change-in-control transaction. The following describes the credit facilities entered into in connection with the Acquisition.

On May 8, 2015, we entered into the seven-year Term Loan of $250.0 million in conjunction with the Acquisition. Obligations under the Term Loan are guaranteed by all of our current and future domestic restricted subsidiaries, subject to certain exceptions. Our borrowings under the Term Loan are secured by (i) first-priority liens on substantially all assets other than the ABL Priority Collateral (as defined below) and (ii) second-priority
On May 8, 2015, we also entered into the ABL Facility, our five-year secured $40.0 million asset-based revolving credit facility. Obligations under the ABL Facility are guaranteed by all of our current and future domestic restricted subsidiaries, subject to certain exceptions. Our borrowings under the ABL Facility are secured by (i) first-priority liens on accounts, inventory and certain other assets (the “ABL Priority Collateral”) and (ii) second-priority liens on substantially all other assets, in each case subject to permitted liens and certain exceptions. The ABL Facility provides for a calculated borrowing base of up to (i) 90% of the net amount of eligible credit card receivables, plus (ii) 85% of the net book value of eligible accounts receivable, plus (iii) the lesser of (A) 100% of the value of eligible inventory and (B) 90% of the net orderly liquidation value of eligible inventory, plus (iv) the least of (A) 100% of the value of eligible in-transit inventory, (B) 90% of the net orderly liquidation value of eligible in-transit inventory and (C) the in-transit maximum amount (the in-transit maximum amount is an amount not to exceed $12.5 million during the 1st and 3rd calendar quarters and $10.0 million during the 2nd and 4th calendar quarters), minus (v) the sum of certain reserves established from time to time by the administrative agent under the ABL Facility.

The ABL Facility allows us to elect, at our own option, the applicable interest rate for borrowings under the ABL Facility using a LIBOR or Base Rate variable interest rate plus an applicable margin. LIBOR loans under the ABL Facility accrue interest at a rate equal to LIBOR plus a spread ranging from 1.75% to 1.50, subject to availability. Base Rate loans under the ABL Facility accrue interest at a rate equal to (i) the highest of (a) the prime rate, (b) the overnight Federal Funds Effective Rate plus 0.50%, (c) LIBOR with a one-month interest period plus 1.00% and (d) 2.00%, plus (ii) a spread ranging from 0.50% to 0.75%, subject to availability. Principal is payable upon maturity of the ABL Facility on May 8, 2020. The ABL Facility also requires the payment of monthly fees based on the average quarterly unused portion of the commitment, as well as a fee on the balance of the outstanding letters of credit.

The ABL Facility contains certain terms and conditions which require us to comply with financial and other covenants, including certain restrictions on the ability to incur additional indebtedness, create liens, enter into

Table of Contents
transactions with affiliates, transfer assets, pay dividends, consolidate or merge with other entities, undergo a change in control, make advances, investments and loans or modify our organizational documents. The ABL Facility contains a financial covenant requiring us to maintain a minimum fixed charge coverage ratio of 1.0 to 1.0, with the ratio being Adjusted EBITDA (subject to certain adjustments under the ABL Facility) to fixed charges. The ABL Facility prohibits our ability to pay dividends to our shareholders and the ability of our subsidiaries to pay dividends to us, subject to certain exceptions. We may pay dividends, and our subsidiaries may pay dividends to us, if our fixed charge coverage ratio is at least 1.0 to 1.0 and our availability under the ABL Facility exceeds certain thresholds after giving effect thereto. The ABL Facility contains certain events of default. If a default occurs and is not cured within an applicable cure period or is not waived, our obligations under the ABL Facility may be accelerated. As of October 29, 2016, we were in compliance with all financial covenants under our ABL Facility.

As of January 30, 2016 and October 29, 2016 there were no amounts outstanding under the ABL Facility. Based on the borrowing terms of the ABL Facility, the maximum additional borrowing capacity at both January 30, 2016 and October 29, 2016 was $38.5 million.

On May 27, 2016, we entered into an agreement to amend our Term Loan to borrow an additional $40.0 million in additional loans, for a total of $288.1 million outstanding, to permit certain dividends and to make certain adjustments to the financial covenant. The other terms and conditions of the Term Loan remained substantially unchanged.

On January 18, 2017, we made a voluntary prepayment of $10.1 million, including accrued interest, on our Term Loan.

See our audited consolidated financial statements and Note 9 thereto for a discussion of our credit facilities prior to the Acquisition.

**Contractual Obligations**

We enter into long-term contractual obligations and commitments in the normal course of business. As of October 29, 2016 our outstanding contractual cash obligations were due during the periods presented below:

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Total</th>
<th>Less than 1 year</th>
<th>1 - 3 years</th>
<th>3 - 5 years</th>
<th>More than 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long-Term Debt Obligations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal payment obligations (1)</td>
<td>$ 286,675</td>
<td>$ 2,900</td>
<td>$ 5,800</td>
<td>$ 5,800</td>
<td>$ 272,175</td>
</tr>
<tr>
<td>Interest expense on long-term debt (2)</td>
<td>94,313</td>
<td>17,516</td>
<td>34,405</td>
<td>33,741</td>
<td>8,651</td>
</tr>
<tr>
<td>Operating Lease Obligations (3)</td>
<td>302,508</td>
<td>42,336</td>
<td>75,078</td>
<td>63,531</td>
<td>121,563</td>
</tr>
<tr>
<td>Purchase Obligations (4)</td>
<td>124,883</td>
<td>124,883</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 808,379</td>
<td>$ 187,635</td>
<td>$ 115,283</td>
<td>$ 103,072</td>
<td>$ 402,389</td>
</tr>
</tbody>
</table>

(1) Amounts assume that the Term Loan is paid upon maturity, and the ABL Facility remains undrawn, which may or may not reflect future events. The table above includes $10.1 million of principal and interest obligations due on our Term Loan, which was voluntarily prepaid on January 18, 2017.

(2) Assumes an interest rate of 6.0% per annum, consistent with the interest rate at October 29, 2016.

(3) Assumes the base lease term included in our outstanding operating lease arrangements as of October 29, 2016. Our future operating lease obligations would change if we were to exercise renewal options or if we renewed existing leases or entered into new operating leases.

(4) Purchase obligations represent purchase commitments on inventory that are short-term and are typically made six to nine months in advance of planned receipt. It also includes commitments related to certain selling, general and administrative expenses that are generally for periods of a year or less.

**Off Balance Sheet Arrangements**

We are not a party to any off balance sheet arrangements.
Critical Accounting Policies and Significant Estimates

Our discussion of results of operations and financial condition is based upon the consolidated financial statements and unaudited consolidated financial statements included elsewhere in this prospectus, which have been prepared in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires management to make estimates and certain assumptions about future events that affect the classification and amounts reported in our consolidated financial statements and accompanying notes, including revenue and expenses, assets and liabilities, and the disclosure of contingent assets and liabilities. These estimates and assumptions are based on our historical results as well as management’s judgment. Although management believes the judgment applied in preparing estimates is reasonable based on circumstances and information known at the time, actual results could vary materially from estimates based on assumptions used in the preparation of our consolidated financial statements.

The most significant accounting estimates involve a high degree of judgment or complexity. Management believes the estimates and judgments most critical to the preparation of our consolidated financial statements and to the understanding of our reported financial results include those made in connection with revenue recognition, including accounting for gift card breakage and estimated merchandise returns; accounting for business combinations; estimating the value of inventory; impairment assessments for goodwill and other indefinite-lived intangible assets, and long-lived assets; and estimating equity-based compensation expense. Management evaluates its policies and assumptions on an ongoing basis. Our significant accounting policies related to these accounts in the preparation of our consolidated financial statements are described below (see Note 2 to our audited consolidated financial statements and Note 1 of our unaudited consolidated financial statements presented elsewhere in this prospectus for additional information regarding our critical accounting policies).

Revenue Recognition

We recognize revenue and the related cost of merchandise sold when merchandise is received by our customers. Revenue from our retail operations is recognized at the time of sale. Revenue from catalog and e-commerce sales is recognized upon receipt of merchandise by the customer. Discounts provided to customers are recorded as a reduction to sales revenue. The criteria for recognition of revenue is met when persuasive evidence that an arrangement exists, delivery of product has occurred, the price is fixed or determinable and collectability is reasonably assured. In circumstances where either title or risk of loss pass upon receipt by the customer, we defer recognition of revenue until such event occurs, based on shipping records.

At the time sales revenue is recognized, we record a reserve for merchandise returns based on prior returns experience and expected future returns in accordance with our return policy and discretionary returns practices. We monitor our returns experience and resulting reserves on an ongoing basis and we believe our estimates are reasonable. We do not believe there is a reasonable likelihood that there will be a material change in the assumptions used to calculate the allowance for sales returns. However, if the actual cost of sales returns are significantly different than the estimated allowance, our results of operations could be materially affected.

We sell gift cards without expiration dates to customers. Proceeds from the sale of gift cards are deferred and reflected as gift cards redeemable until the customer redeems the gift card or when the likelihood of redemption is remote. Based upon historical experience, we estimate the value of outstanding gift cards that will ultimately not be redeemed (breakage) nor escheated under statutory unclaimed property laws. This amount is recognized as revenue over the time pattern established by our historical gift card redemption experience. We monitor our gift card redemption experience and associated accounting on an ongoing basis. Our historical experience has not varied significantly from amounts historically recorded and we believe our assumptions are reasonable.
J Jill Holdings accounted for the Acquisition under the acquisition method of accounting. We elected to push down the effects of the Acquisition and the application of the acquisition method of accounting to our consolidated financial statements. This method requires allocating the purchase price to the acquisition date fair value of assets acquired, including separately identifiable intangible assets, and liabilities assumed. The excess of the purchase price over the fair value of net assets acquired is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires management’s judgment, based on available information at the time of acquisition and subsequently obtained during a measurement period up to one year following the date of acquisition, relating to events or circumstances that existed at the acquisition date. Management’s judgment relies upon estimates and assumptions related to future cash flows, discount rates, useful lives of assets, market conditions and other items. The fair value of assets acquired and liabilities assumed in a business combination is estimated in accordance with the policies described below.

**Inventory**: Our inventory consists entirely of finished good merchandise. Management values the inventory acquired in business combinations based on the income approach, which bases fair value on the net retail value, less operating expenses and a reasonable profit allowance.

**Property and Equipment**: Our property and equipment consists primarily of leasehold improvements, furniture and fixtures, computer software and hardware, and construction in progress. To determine the fair value of property and equipment acquired in a business transaction, we primarily apply the replacement cost approach, which assumes that replacement cost is the best indication of fair value. In certain instances, particularly with respect to determining the fair value of assets with an active secondary market, we also give consideration to the market approach, which is based on current selling prices of similar assets available for purchase in an arms-length transaction.

**Intangible assets other than goodwill**: The fair value of intangible assets other than goodwill acquired in a business combination is recorded at fair value at the date of acquisition, as follows:

**Trade Name**: The fair value of our trade name is determined using the relief-from-royalty method, a variation of the income approach. The relief-from-royalty method determines the present value of the economic royalty savings associated with the ownership or possession of the trade name based on an estimated royalty rate applied to the cash flows to be generated by the business. The estimated royalty rate is determined based on the assessment of a reasonable royalty rate that a third party would negotiate in an arm’s-length license agreement for the use of the trade name.

**Customer Relationships**: The fair value of customer relationships are calculated using the excess earnings method. Under this method, the value of an intangible asset is equal to the present value of the after-tax cash flows attributable solely to the subject intangible asset, after making adjustments for the required return on and of the other associated assets.

**Leasehold interests**: Leasehold interests acquired are recorded as intangible real estate assets to the extent the terms of a lease are favorable compared to current market transactions, or as liabilities to the extent lease terms are unfavorable compared to the current market transactions. We assess the value of its assumed leaseholds based on the difference between contractual rent and market rent calculated for each remaining lease year of each lease, discounted to present value. Market rent is estimated by analyzing comparable leases in the location of its retail locations and an assumed annual inflation rate. The rate applied to calculate present value is based upon data available from industry reports. Variations in any of these factors could have an impact on the classification of leaseholds and the value of resulting assets and liabilities. We include favorable and unfavorable leasehold interests as other assets and other liabilities, respectively, on its consolidated balance sheet.

**Deferred tax assets and liabilities**: We record deferred tax assets and liabilities in connection with a business combination in accordance with the basis of the purchase price consideration for tax purposes as allocated to the assets acquired, based on the established hierarchy of tax regulations.
Inventory consists of finished goods merchandise held for sale to our customers. Inventory is stated at the lower of cost or net realizable value, net of reserves for inventory. Cost is calculated using the weighted average method of accounting, and includes the cost to purchase merchandise from our manufacturers, duties and inbound freight.

In the normal course of business, we record inventory reserves based on past and projected sales performance, as well as the inventory on hand. The carrying value of inventory is reduced to estimated net realizable value when factors indicate that merchandise will not be sold on terms sufficient to recover its cost.

We monitor inventory levels, sales trends and sales forecasts to estimate and record reserves for excess, slow-moving and obsolete inventory. We utilize internal channels, including sales catalogs, the internet, and price reductions in retail and outlet stores to liquidate excess inventory. In some cases, external channels such as discount marketers and inventory liquidators are utilized. The prices obtained through these off-price selling methods varies based on many factors. Accordingly, estimates of future sales prices requires management judgment based on historical experience, assessment of current conditions and assumptions about future transactions. In addition, we conduct physical inventory counts to determine and record actual shrinkage. Estimates for shrinkage are recorded between physical counts, based on actual shrinkage experience. Actual shrinkage can vary from these estimates. When observed differences are identified, we adjust our inventory balances accordingly. We believe our assumptions are reasonable, and monitor actual results to adjust estimates and inventory balances on an ongoing basis. We have not made significant changes to our assumptions during the periods presented in our consolidated financial statements included elsewhere in this prospectus, and estimates have not varied significantly from historically recorded amounts.

**Asset Impairment Assessments**

**Goodwill**

We evaluate goodwill annually during the fourth fiscal quarter to determine whether the carrying value reflected on the balance sheet is recoverable, and more frequently if events or circumstances indicate that the fair value of a reporting unit is less than its fair value. Our two reporting units applicable to goodwill impairment assessments are defined as its direct and retail sales channels. Examples of impairment indicators that would trigger an impairment assessment of goodwill between annual evaluations include, among others, macro-economic conditions, competitive environment, industry conditions, changes in our profitability and cash flows, and changes in sales trends or customer demand.

We may assess our goodwill for impairment initially using a qualitative approach (“step zero”) to determine whether conditions exist to indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying value. If management concludes, based on assessment of relevant events, facts and circumstances, that it is more likely than not that a reporting unit’s fair value is greater than its carrying value, no further impairment testing is required.

If management’s assessment of qualitative factors indicates that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then a two-step quantitative assessment is performed. We also have the option to bypass the qualitative assessment described above and proceed directly to the two-step quantitative assessment. “Step one” requires comparing the fair value of a reporting unit to its carrying value, including goodwill. We estimate the fair value of reporting units using the income approach. The income approach uses a discounted cash flow analysis, which involves significant estimates and assumptions, including preparation of revenue and profitability growth forecasts, selection of the discount rate and the terminal year multiple.
If the fair value of the respective reporting unit exceeds its carrying amount, goodwill is not considered to be impaired and no further testing is required. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is to measure the amount of impairment loss, if any. “Step two” compares the implied fair value of goodwill to the carrying amount of goodwill. The implied fair value of goodwill is determined by a hypothetical purchase price allocation using the reporting unit’s fair value as the purchase price. If the carrying amount of goodwill exceeds the implied fair value, an impairment charge is recorded to write down goodwill to its implied fair value.

To assess for impairment, during the fourth quarter of the 2015 Successor Period, we performed a step one test, and for fiscal year 2014 and fiscal year 2013, we performed a step zero test. Our tests for impairment of goodwill resulted in a determination that the fair value of each reporting unit exceeded the carrying value of its net assets during the 2015 Successor Period, fiscal year 2014 and fiscal year 2013. We do not anticipate any material impairment charges in the near term. This analysis contains uncertainties because it requires us to make assumptions and to apply judgments to estimate industry economic factors and the profitability of future business strategies. If actual results are not consistent with our estimates and assumptions, we may be exposed to future impairment losses that could be material.

**Indefinite-Lived Intangible Assets**

Our trade name has been assigned an indefinite life as we currently anticipate that it will contribute cash flows to us indefinitely. Our trade name is reviewed at least annually to determine whether events and circumstances continue to support an indefinite, useful life.

We evaluate our trade name for potential impairment at least annually during the fourth fiscal quarter, or whenever events or changes in circumstances indicate that its carrying value may not be recoverable. Conditions that may indicate impairment include, but are not limited to, significant loss of market share to a competitor, the identification of other impaired assets within a reporting unit, loss of key personnel that negatively and materially has an adverse effect on our operations, the disposition of a significant portion of a reporting unit or a significant adverse change in business climate or regulations.

Impairment losses are recorded to the extent that the carrying value of the indefinite-lived intangible asset exceeds its fair value. We measure the fair value of our trade name using the income approach, which uses a discounted cash flow analysis. The most significant estimates and assumptions inherent in this approach are the preparation of revenue and profitability growth forecasts, selection of the discount rate, and selection of the terminal year multiple.

We assessed the carrying value of intangible assets as described above and determined that no impairment losses were required during the 2015 Successor Period, fiscal year 2014 or fiscal year 2013.

**Long-Lived Assets**

Long-lived assets include definite-lived intangible assets subject to amortization and property and equipment. Long-lived assets obtained in a business combination are recorded at the acquisition-date fair value, while property and equipment purchased in the normal course of business is recorded at cost.

We assess the carrying value of long-lived assets for potential impairment whenever indicators exist that the carrying value of an asset group might not be recoverable. Indicators of impairment include, among others, a significant decrease in the market price of an asset, a significant adverse change in the extent or manner in which an asset is being used or in its physical condition, and operating or cash flow performance that demonstrates continuing losses associated with an asset group.

When indicators of potential impairment exist, we compare the sum of estimated undiscounted future cash flows expected to result from the use and eventual disposition of the asset group to the carrying value of the asset group. If the carrying value of an asset group exceeds the sum of estimated undiscounted future cash flows,
we record an impairment loss in the amount required to reduce carrying value of the asset group to fair value. We estimate the fair value of an asset group based on the present value of estimated future cash flows, calculated by discounting the cash flow projections used in the previous step.

We assessed the carrying value of long-lived assets as described above and determined that no impairment losses were required during the 2015 Successor Period, the 2015 Predecessor Period, fiscal year 2014 or fiscal year 2013.

Determining the fair value of long-lived assets requires management judgment and relies upon the use of significant estimates and assumptions, including future sales, our margins and cash flows, current and future market conditions, discount rates applied, useful lives and other factors. We believe our assumptions are reasonable based on available information. Changes in assumptions and estimates used in the impairment analysis, or future results that vary from assumptions used in the analysis, could affect the estimated fair value of long-lived intangible assets and could result in impairment charges in a future period.

**Equity-based Compensation**

**Successor**

JJill Topco Holdings maintains an Incentive Equity Plan that allows JJill Topco Holdings to grant incentive units to certain of our directors and senior executives, by granting Class A Common Interests (“Common Interests”). During the 2015 Successor Period, JJill Topco Holdings issued Common Interests, which are considered to be equity-classified awards. We recognize the fair value of the awards as compensation expense, net of estimated forfeitures, over the requisite service period, which is generally the vesting period of the award. We account for equity-based compensation for JJill Topco Holdings' Common Interests by recognizing the fair value of equity-based compensation as an expense within selling, general and administrative expenses in our consolidated statements of operations and comprehensive income (loss) as the costs are deemed to be for our benefit. Fair value of the awards is determined at the date of grant using an option pricing model. Use of an option pricing model requires that we make assumptions as to the volatility of JJill Topco Holdings' Common Interests, the expected dividend yield, the expected term and the risk-free interest rate that approximates the expected term. All key assumptions and inputs are the responsibility of management and we believe them to be reasonable.

During the periods presented, JJill Topco Holdings’ Common Interests were not publicly traded. As there has been no public market for JJill Topco Holdings’ Common Interests to date, the estimated fair value of the Common Interests has been determined by JJill Topco Holdings’ board of directors as of the respective grant date of each Common Interest, with input from management, considering as one of the factors the most recently available third-party valuations of common stock and JJill Topco Holdings' board of directors' assessment of additional objective and subjective factors that it believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant. These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation. JJill Topco Holdings’ Common Interests valuation was prepared using the option-pricing method (“OPM”), which uses market approaches to estimate the enterprise value. The OPM treats common interests and preferred stock as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a company’s securities changes. Under this method, the common interest has value only if the funds available for distribution to stockholders exceeded the value of the preferred stock liquidation preferences at the time of the liquidity event, such as a sale. In addition to considering these valuations, JJill Topco Holdings’ board of directors considered various objective and subjective factors to determine the fair value of JJill Topco Holdings’ common interest as of each grant date, including:

- our financial position, including cash on hand, and our historical and forecasted performance and operating results;
external market conditions affecting our industry;

• the lack of an active market for JJill Topco Holdings’ Common Interests and preferred stock; and

• the likelihood of achieving a liquidity event, such as an initial public offering ("IPO") or sale of our company in light of prevailing market conditions.

The assumptions underlying these valuations represent management’s best estimates, which involve inherent uncertainties and the application of management judgment. As a result, if factors or expected outcomes change and we use significantly different assumptions or estimates, our equity-based compensation expense could be materially different.

Following the closing of this offering, the fair value of our common stock will be determined based on the quoted market price of our common stock.

Predecessor

During the Predecessor periods, we accounted for compensation expense related to our share-based awards using the intrinsic value method, as permitted by ASC 718 for nonpublic entities, with changes in the value of the share-based awards being recognized as compensation expense at each reporting period. JJIP LLC ("JJIP"), a Limited Partnership, was formed by our then current owners and held a portion of our outstanding common units. A management incentive unit equity program was established by JJIP to provide the opportunity for our key employees to participate in the appreciation of the business. During such periods, service-based and performance-based awards were issued. For service-only share-based awards, we recognized the related compensation expense in the period in which the award holder is required to provide service, which is generally over the required service period.

For the performance-based awards, vesting occurred upon achievement or satisfaction of a specified performance condition. Such conditions would be met upon the earlier of the attainment of a predetermined return on investment by certain equity investors in the Predecessor entity, or a change in control, whereby all outstanding unvested awards would immediately vest. We considered the probability of achieving the established performance targets in determining our equity-based compensation with respect to these awards at the end of each reporting period. During fiscal year 2014 and the 2015 Predecessor Period, there was no compensation expense recognized for the performance-based awards. The performance conditions of the Predecessor plan were met only on the date of the Acquisition.

Jumpstart Our Business Startups Act of 2012 (JOBS Act)

In April 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an “emerging growth company.” As an “emerging growth company,” we are electing not to take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards, and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth public companies. Section 107 of the JOBS Act provides that our decision not to take advantage of the extended transition period is irrevocable.

We have chosen to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, as an “emerging growth company” we are not required to, among other things, (i) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Act, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (United States) regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional

81
information about the audit and the consolidated financial statements (auditor discussion and analysis) and (iv) disclose certain executive compensation-related items, such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation. We may remain an “emerging growth company” until the last day of the fiscal year following the fifth anniversary of the completion of this offering. However, if certain events occur prior to the end of such five-year period, including if we become a “large accelerated filer,” our annual gross revenue equals or exceeds $1.0 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an “emerging growth company” prior to the end of such five-year period.

Recent Accounting Pronouncements

See Note 3 to our audited consolidated financial statements and Note 1 to our unaudited interim consolidated financial statements included elsewhere in this prospectus for information regarding recently issued accounting pronouncements.

Quantitative and Qualitative Disclosure of Market Risks

Interest Rate Risk

We are subject to interest rate risk in connection with borrowings under the Term Loan and ABL Facility, which bear interest at variable rates equal to LIBOR plus a margin as defined in the respective agreements described above. As of October 29, 2016, there was no outstanding balance under the ABL Facility, the undrawn borrowing availability under the ABL Facility was $38.5 million and the amount outstanding under the Term Loan had increased to $286.7 million as a result of the amendment described above. We currently do not engage in any interest rate hedging activity and we have no intention to do so in the foreseeable future. Based on the average interest rate on the ABL Facility during the period from the date the facility was entered into on May 8, 2015 through January 30, 2016, and during the first nine months of fiscal year 2016, and to the extent that borrowings were outstanding, a 10% change in our current interest rate would reduce net income $1.1 million during fiscal year 2016.

Impact of Inflation

Our results of operations and financial condition are presented based on historical cost. While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we believe the effects of inflation, if any, on our results of operations and financial condition have been immaterial. We cannot assure you our business will not be affected in the future by inflation.
BUSINESS

Company Overview

J.Jill is a nationally recognized women’s apparel brand focused on a loyal, engaged and affluent customer in the attractive 40-65 age segment. The J.Jill brand represents an easy, relaxed and inspired style that reflects the confidence and comfort of a woman with a rich, full life. We operate a highly profitable omni-channel platform that is well diversified across our direct (42% of net sales for the twelve months ended October 29, 2016) and retail (58% of net sales for the twelve months ended October 29, 2016) channels. We began as a catalog company and have been a pioneer of the omni-channel model with a compelling presence across stores, website and catalog since 1999. We have developed an industry-leading customer database that allows us to match approximately 97% of transactions to an identifiable customer. We take a data-centric approach, in which we leverage our database and apply our insights to manage our business as well as to acquire and engage customers to drive optimum value and productivity. Our goals are to Create a great brand, to Build a successful business and to Make J.Jill a great place to work. To achieve this, we have aligned our strategy and team around four guiding pillars – Brand, Customer, Product and Channel.

Brand and Customer. Our brand promise to the J.Jill woman is to delight her with great wear-now product, to inspire her confidence through J.Jill’s approach to dressing and to provide her with friendly, guiding service wherever and whenever she chooses to shop. While we find that women of all ages are attracted to our brand, our typical customer is 40-65 years old, is college educated and has an annual household income that exceeds $150,000. She leads a busy, yet balanced life, as she works outside the home, is involved in her community and has a family with children. She engages across both our direct and retail channels and is highly loyal, as evidenced by the fact that approximately 70% of our gross sales in pro forma fiscal year 2015 came from customers that have been shopping with J.Jill for at least five years.

Product. Our customers strongly associate our products with a modern balance of style, quality, comfort and ease suitable for a broad range of occasions at accessible prices. Our product assortment is marketed under the J.Jill brand name, sold exclusively through our direct and retail channels, and includes knit and woven tops, bottoms and dresses as well as sweaters, outerwear and accessories across a full range of sizes, including Misses, Petites, Women’s and Tall. We also offer most of these products across our two sub-brands, Pure Jill and Wearever. We design and merchandise our products in-house around clear product stories, grounded with essential yet versatile styles and fabrications updated each month with fresh colors, layering options, novelty and fashion. Each of our monthly merchandised collections includes approximately 40% new styles, which provides a consistent flow of fresh product.

Channel. We operate an omni-channel platform that delivers a seamless experience to our customer wherever and whenever she chooses to shop across our website, retail stores and catalog. Driven by our direct-to-consumer heritage, we have a highly profitable omni-channel platform that is well-diversified across our direct and retail channels. Our retail store portfolio consists of 273 full-price stores averaging approximately 3,750 square feet across 43 states, with approximately half of our stores located in lifestyle centers and approximately half in premium malls. Our stores have produced strong and consistent performance, with 98% of our full-price locations generating positive 4-wall contribution in pro forma fiscal year 2015. Our new store openings have produced an average payback of approximately two years. We introduced a new store design in 2013 that showcases our brand concept and elevates, yet simplifies the J.Jill shopping experience. Within our direct channel, E-commerce represented 88% of net sales for the twelve months ended October 29, 2016 and catalog orders represented 12% of net sales for the twelve months ended October 29, 2016. Our website provides customers with continuous access to the entire J.Jill product offering and features rich content, including updates on new collections and guidance on how to wear and wardrobe our styles as well as the ability to chat live with a customer service representative. We produce 25 annual editions of our catalog and circulated 57 million copies in 2015. Our catalog, combined with an increased investment in online marketing, drives customer acquisition and engagement across all of our channels. Our omni-channel approach allows us to drive customer response and purchasing behavior in all channels.
Under the leadership of Paula Bennett, our President and Chief Executive Officer, we have delivered strong, consistent growth in sales and profitability. We have established a solid foundation to support long-term, sustainable growth by investing to build our team, market our brand and enhance our systems, distribution center and data insight capabilities. Net income in pro forma fiscal year 2015 was $14.3 million. We believe our customer-focused strategy, foundational investments and data insights have resulted in consistent, profitable growth and industry-leading Adjusted EBITDA margins of 14.6% in pro forma fiscal year 2015. For a reconciliation of our Adjusted EBITDA to our net income, please see “Prospectus Summary—Summary Consolidated Historical and Pro Forma Financial and Other Data.” Recent financial highlights include:

- Total net sales growth from $432 million in fiscal year 2012, to $562 million in pro forma fiscal year 2015, reflecting a 9% compound annual growth rate (“CAGR”), and to $617 million for the twelve months ended October 29, 2016, reflecting a 10% CAGR;

- Positive total company comparable sales growth in 17 of the last 19 consecutive quarters, including in each of the last ten consecutive quarters;

- Net income growth from a loss of $3.6 million in fiscal year 2012, to $14.3 million in pro forma fiscal year 2015 and to $23.5 million for the twelve months ended October 29, 2016;

- Net income margin expansion of 330 basis points, from (0.8%) in fiscal year 2012, to 2.5% in pro forma fiscal year 2015, and of 460 basis points to 3.8% for the twelve months ended October 29, 2016;

- 19 consecutive quarters of positive Adjusted EBITDA growth;

- Adjusted EBITDA growth from $44 million in fiscal year 2012, to $82 million in pro forma fiscal year 2015, reflecting a 23% CAGR, and to $99 million for the twelve months ended October 29, 2016, reflecting a 24% CAGR; and

- Adjusted EBITDA margin expansion of 440 basis points, from 10.2% in fiscal year 2012, to 14.6% in pro forma fiscal year 2015, and of 580 basis points to 16.0% for the twelve months ended October 29, 2016.
Table of Contents

$ in millions

<table>
<thead>
<tr>
<th>Net Sales</th>
<th>Total Company Comparable Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012: $422</td>
<td>FY2012: 14.5%</td>
</tr>
<tr>
<td>FY2013: $456</td>
<td>FY2013: 4.6%</td>
</tr>
<tr>
<td>FY2014: $483</td>
<td>FY2014: 5.4%</td>
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<tr>
<td>FY2015: $562</td>
<td>FY2015: 12.4%</td>
</tr>
<tr>
<td>FY2016: $617</td>
<td>LTM</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Income &amp; Margin</th>
<th>Adjusted EBITDA &amp; Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012: $(3.6)</td>
<td>FY2012: 10.2%</td>
</tr>
<tr>
<td>FY2013: $4.5</td>
<td>FY2013: 11.9%</td>
</tr>
<tr>
<td>FY2014: $10.3</td>
<td>FY2014: 13.0%</td>
</tr>
<tr>
<td>FY2015: $14.3</td>
<td>FY2015: 14.6%</td>
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<tr>
<td>FY2016: $23.5</td>
<td>LTM</td>
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Competitive Strengths

We attribute our success to the following competitive strengths:

**Distinct, Well-Recognized Brand.** The J.Jill brand represents an easy, relaxed and inspired style that reflects the confidence and comfort of a woman with a rich, full life. We have cultivated a differentiated brand that resonates with our customers, as evidenced by the fact that we have one of the highest levels of brand satisfaction and one of the highest aided brand awareness scores relative to our peers. Through our commitment to our customer and our brand building activities, we have created significant brand trust and an emotional connection with our customers that we believe will facilitate sustainable sales growth and market share gains over time.

**Industry-Leading Omni-Channel Business.** We have developed a powerful, omni-channel business model comprised of our industry-leading direct channel and our retail stores. Our direct and retail channels complement and drive traffic to one another, and we leverage our targeted marketing initiatives to acquire new customers across all channels. While 64% of new to brand customers first engage with J.Jill through our retail stores, we have a strong track record of migrating customers from a single-channel customer to a more valuable, omni-channel customer. On average, our omni-channel customers shop and spend nearly three times more per year compared to a single-channel customer. As a result, our direct penetration has grown rapidly and accounted for 42% of net sales for the twelve months ended October 29, 2016 driven primarily by growth in our E-commerce business. We believe our strong omni-channel capabilities enable us to deliver a seamless brand experience to our customer, wherever and whenever she chooses to shop.

**Data-Centric Approach That Drives Consistent Profitability and Mitigates Risk.** We believe we have strong customer and transaction data capabilities, but it is our use of the data that distinguishes us from our competitors. We have developed industry-leading data capture capabilities that allow us to match approximately 97% of transactions to an identifiable customer, which we believe is significantly ahead of the industry standard.
We maintain an extensive customer database that tracks customer details from personal identifiers and demographic overlay (e.g., name, address, age, household income) and transaction history (e.g., orders, returns, order value). We continually leverage this database and apply our insights to operate our business as well as to acquire new customers and then create, build and maintain a relationship with each customer to drive optimum value. For example, in pro forma fiscal year 2015 we utilized insights from our data to expand our marketing investment and focus our initiatives to emphasize customer acquisition. This drove growth in active customers by 12% and new customers by 15%. We also increased spend per customer by 6% as customers purchased more frequently and spent more per transaction. We believe our data-centric approach allows us to respond to customer preferences and mitigate risk leading to consistent, predictable operating and financial performance over time.

**Affluent and Loyal Customer Base.** We target an attractive demographic of affluent women in the 40-65 age range, a segment of the population that is experiencing outsized population growth between 2010 and 2020 in the United States, according to the U.S. Census Bureau. With an average annual household income that exceeds $150,000, our customer has significant spending power. She is highly loyal as evidenced by the fact that approximately 70% of our gross sales in pro forma fiscal year 2015 came from customers that have been shopping with J.Jill for at least five years. Customers who remain with our brand for five years or longer spend nearly twice as much and shop with us 1.5 times more per year than a new-to-brand customer. Our private label credit card program also drives customer loyalty and encourages spending, as the spend per card holder is over two times higher than non-card holders. We believe we will continue to develop long-term customer relationships that will drive profitable sales growth.

**Customer-Focused Product Assortment.** Our customers strongly associate our product with a modern balance of style, quality, comfort and ease suitable for a broad range of occasions at accessible price points, with an average selling price of $45. Our customer-focused assortment spans a full range of sizes and is designed to provide easy wardrobing that is relevant to her lifestyle. Each year we offer 12 merchandise collections that are introduced approximately every four weeks and designed and delivered to provide a consistent flow of fresh products. We create product newness through the use of different fabrics, colors, patterns and silhouettes, with approximately 40% new styles delivered in each monthly collection, which motivates our customer to visit our stores and/or our website more frequently. We have an in-house, customer centric product design and development process that leverages our extensive database of customer feedback and allows us to identify and incorporate changes in our customers’ preferences, mitigating fashion risk. We believe our customer focused approach to product development and continual delivery of fresh, high quality products drives traffic, frequency and conversion.

**Highly Experienced Leadership Team, Delivering Superior Results.** Our leadership team is led by President and Chief Executive Officer, Paula Bennett, who joined J.Jill in 2008 and is responsible for leading our successful revitalization and profitable growth. Ms. Bennett is a retail veteran with over 35 years of experience who understands the importance of a strong brand, possesses deep knowledge of our customers and has extensive direct and retail channel experience. Ms. Bennett previously served as Chief Operating Officer of Eileen Fisher, Inc. and also held leadership positions at Bloomingdale’s and Tiffany & Co. She has built a team from leading global organizations with an average of 25 years of industry experience and significant expertise in merchandising, marketing, retail, E-commerce, human resources and finance. We have developed a strong and collaborative culture aligned around our goals to Create a great brand, Build a successful business and Make J.Jill a great place to work. Additionally, we have enhanced and realigned our organizational structure to further elevate the omni-channel customer experience including the recent hires of a Chief Information Officer and a Senior Vice President of Marketing. Our leadership team is aligned and incentivized around growing Adjusted EBITDA and has delivered superior and consistent operating results, growing net sales by a 10% CAGR, Adjusted EBITDA by a 24% CAGR and Adjusted EBITDA margin by 580 basis points from fiscal year 2012 through the twelve months ended October 29, 2016.
Growth Strategy

Key drivers of our growth strategy include:

**Grow Size and Value of Our Customer Base.** We have a significant opportunity to continue to attract new customers to our brand and to grow the size and value of our active customer base across all channels. Historically, we grew our business by driving spend per customer. We strategically increased our marketing investment to drive growth through the acquisition of new customers, reactivation of lapsed customers and the retention of existing customers. This investment has proven effective as, for example, in pro forma fiscal year 2015 we increased our marketing investment by 16%, resulting in active customer base growth of 12% and new customer growth of 15%. We also experienced an increase in spend per customer by 6% as customers purchased more frequently and spent more per transaction. In addition, in pro forma fiscal year 2015, the number of our omni-channel customers, who purchase on nearly three more occasions per year and spend nearly three more times per year than our single-channel customers, increased by 21%. We recently began a brand voice and customer segmentation initiative which, upon completion, will further enhance our ability to target the highest value customers and increase customer spending. Through these initiatives, we believe we will continue to attract new customers to our brand, migrate customers from single-channel to more profitable omni-channel customers and increase overall customer retention and spend.

**Increase Direct Sales.** Given our strong foundation that positions us to capitalize on the growth of online and mobile shopping, we believe we have the opportunity to grow our direct sales from 42% of our net sales to approximately 50% over the next few years. According to Euromonitor, online apparel sales are expected to grow at a CAGR of approximately 15% from 2015 to 2020, which is significantly above the long-term growth of the broader apparel industry. We are undertaking several initiatives to enhance our capabilities and drive additional direct sales. We are in the process of re-platforming our website to improve our customers' personalized shopping experience and increase the ease of navigation, checkout and overall engagement. Our new platform, managed by our experienced team will provide us with the opportunity to expand internationally. In addition, our mobile platform provides us with the ability to effectively engage with our customer on her mobile device by providing her with access to product research and the ability to connect with the brand socially. We believe our powerful direct platform will enable us to further strengthen our dominant market position and broaden our customer reach.

**Profitably Expand Our Store Base.** Based on our proven new store economics, we believe that we have the potential to grow our store base by up to 100 stores over the long term from our total of 275 stores as of January 28, 2017. We will target new locations in lifestyle centers and premium malls, and we plan to open 10-15 new stores in fiscal year 2017 and in each year thereafter. Our new store model targets an average of approximately $1.0 million of net sales per store and approximately $270,000 of 4-wall contribution within the first full year of operations. We introduced a new store design concept in 2013 that showcases our brand concept and elevates, yet simplifies the J.Jill shopping experience. The new store concept provides a welcoming, easy-to-shop format that guides her through clearly merchandised product stories. All of our new stores will reflect our new design concept, and we intend to continue this design for new stores and refresh our existing stores as appropriate. We also plan to selectively close underperforming stores on an annual basis, including one in 2016.

**Strengthen Omni-Channel Capabilities.** We are pursuing a variety of initiatives designed to enhance our omni-channel capabilities focused on best serving our customer, wherever and whenever she chooses to shop. We have recently enhanced our management team to focus on the omni-channel customer experience, including the recent hires of a Chief Information Officer and a Senior Vice President of Marketing. We will continue to leverage our insight into customer attributes and behavior, which will guide strategic investments in our business. For example, we will enhance our ability to seamlessly manage our inventory across all of our channels. We also plan to implement technology to further fulfill customer demand, including ship from store to customer and order online for pickup in store. We expect our sustainable model, combined with our omni-channel initiatives, will continue to drive traffic, increase average transaction value and enhance conversion across all of our channels.
Enhance Product Assortment. We believe there is an opportunity to grow our business by selectively broadening and enhancing our assortment in certain product categories, including our Pure Jill and WearEver sub-brands, our Women’s and Petite’s businesses, and accessories. Based on strong demand for our extended size product and our sub-brands, we believe we have the opportunity to expand and focus these categories in selected stores as well as test the offering in stand-alone store formats. We also believe we have the opportunity to continue to optimize our assortment architecture and productivity by delivering the right mix and flow of fashion and basics to our channels. In addition, we will continue delivering high quality customer-focused product assortments across each of our channels, while strengthening visual merchandising. Through our focused and enhanced product offering, particularly in our sub-brands and extended sizes, we believe we will continue to drive profitable sales growth over time.

Market

J.Jill operates as a specialty retailer in the large and growing women’s apparel industry. According to Euromonitor, total apparel sales in the United States grew from $301 billion in 2010 to $343 billion in 2015, reflecting a CAGR of 3%. Within apparel, E-commerce sales grew at a 15% CAGR from $23 billion to $46 billion, while brick-and-mortar sales remained relatively flat. As we continue to grow our business and expand beyond the United States, global apparel sales are expected to grow at a CAGR of 4%. Online sales are expected to grow at a CAGR of approximately 15%, which is significantly above the long-term growth of the broader apparel industry. Given our strong foundation that positions us to capitalize on the growth of online and mobile shopping, we believe we have the opportunity to grow our direct sales from 42% of our net sales to approximately 50% over the next few years. Within the women’s apparel market, we believe we have an opportunity to gain share within the Sportswear market for women over the age of 40, which has a market size of approximately $42 billion for the twelve month period ended May 2015, according to data from the NPD Group, Inc., and consists of 79 million women, according to a U.S. Census Bureau projection. With our sales of $0.6 billion and an active customer base of 1.7 million for the twelve months ended October 29, 2016, we believe we have significant runway ahead to gain share within this market.

J.Jill’s active customer base is primarily comprised of women in the attractive 40 to 65 age range. This age group contains the largest share of households earnings more than $100,000 annually and represents a sizable market opportunity for J.Jill.

Pillars

We manage J.Jill to deliver our goals to Create a great brand, to Build a successful business and to Make J.Jill a great place to work. To achieve this, we have aligned our strategy and team around four guiding pillars—Brand, Customer, Product and Channel.

Brand

The J.Jill brand represents an easy, relaxed and inspired style that reflects the confidence and comfort of a woman with a rich, full life. We have developed a unique brand image that encourages customers to build deep,
personal connections with our brand and that differentiates us from our peers. Our brand promise to the J.Jill woman is to delight her with great wear-now product, to inspire her confidence through J.Jill’s approach to dressing and to provide her with friendly, guiding service wherever and whenever she chooses to shop. We use our key brand attributes—Naturally Authentic, Thoughtfully Engaging, Relaxed Femininity, Positive Energy and Confident Simplicity—to guide all brand messaging, which is consistently communicated to our customers, whether she chooses to shop on our www.jjill.com website, in our retail stores or through our catalog.

We believe we have the ability to create and maintain positive brand associations with customers. We have cultivated a differentiated brand that resonates with our loyal customers, as evidenced by one of the highest levels of brand satisfaction and one of the highest aided brand awareness scores relative to our peers.

Customer

While we find that women of all ages are attracted to our brand, our typical customer is 40 to 65 years old, is college educated and has an annual household income that exceeds $150,000. She leads a busy, yet balanced life, as she works outside the home, is involved in her community and has a family with children. She values comfort, ease and versatility in her wardrobe, in addition to quality fabrics and thoughtful details. She is fashion conscious and looks to J.Jill to interpret current trends most relevant to her needs and lifestyle. She buys wear-now product and is willing to invest in special, unique pieces. She is tech savvy, but also loves the J.Jill store experience and frequently engages with us across all channels.

Our customers are highly loyal, as evidenced by our average customer tenure of seven years and annual retention rate of 59% in pro forma fiscal year 2015. As our customers increase their tenure with our brand, they tend to spend more and order more frequently. Customers who have been with the brand for more than five years comprise approximately 61% of our active customer base, and in pro forma fiscal year 2015 represented approximately 70% of our gross sales and shopped with us 1.5 times more per year than new-to-brand customers. Additionally, as customers are retained over time, they tend to migrate from single channel customers to more valuable, omni-channel customers. Overall, our omni-channel customers shop nearly three more times per year and spend nearly three more times per year than our single-channel customers, and are highly loyal, as evidenced by their average annual retention rate of 84%. Omni-channel customers now reflect 21% of our active customer base for the twelve months ended October 29, 2016, which has increased from 19% in fiscal year 2014 and 20% in pro forma fiscal year 2015.

Product

Our Products

Our products are marketed under the J.Jill brand name and sold exclusively through our direct and retail channels. Our diverse assortment of apparel spans knit and woven tops, bottoms and dresses as well as sweaters and outerwear. We also offer a range of complementary footwear and accessories, including scarves, jewelry and hosiery. By presenting our merchandise to her in clear product stories, we strive to uncomplicate fashion across her entire wardrobe, providing comfortable, easy and versatile collections that enable her to dress confidently for a broad range of occasions. Our products are available across the full range of sizes including Misses, Petites, Women’s and Tall, and reflect a modern balance of style, quality, comfort and ease at accessible price points, with an average selling price of $45.

Our apparel assortment represents our brand concept of an easy, relaxed and inspired style that reflects the confidence and comfort of a woman with a rich, full life. The core products of our assortment are designed and merchandised in-house around clear product stories, grounded with essential yet versatile styles and fabrications that are typically represented across a season. Assortments are updated each month with fresh colors, layering options, novelty and fashion. Our foundation is comprised of a full assortment of knits, wovens and
sweaters, and provides easy dressing options for everyday wear. In addition to our core assortment, we have developed two sub-brands as extensions of our brand aesthetic and our customer lifestyle needs:

- **Pure Jill.** Our Pure Jill sub-brand reflects the art of understated ease. It is designed with a clear focus and minimalist approach to style, and reflected in simple shapes, unstructured silhouettes, interesting textures, soft natural fabrics and artful details.

- **Wearever.** Our Wearever sub-brand consists of our refined rayon jersey knit collection that is designed for work, travel and home. It has a foundational collection of versatile shapes and proportions, in solids and prints that mix easily to provide endless options—everything works together. These soft knits are easy care and wrinkle-free, and always look great.

We also offer accessories in unique, versatile and wearable collections, inspired by the raw materials and organic motifs found in nature. Primarily driven by scarves and jewelry, they seamlessly complete our customer’s wardrobe.

**Product Design and Development**

Each year we offer 12 merchandise collections that are introduced approximately every four weeks and designed and delivered to provide a consistent flow of fresh products. All of our merchandise is designed in-house, and we create newness through the use of different fabrics, colors, patterns and silhouettes, with approximately 40% new styles in each monthly collection. We introduce each collection simultaneously on our website, in our retail stores and in our catalogs. We support each collection with continuous web updates, sequenced floor sets and 25 corresponding catalog editions in addition to regular, coordinated marketing activities. Our new product development lifecycle typically takes 48 weeks from design concept through delivery. We leverage feedback and purchasing data from our customer database along with continual collaborative hindsight to guide our product and merchandising decision making. Joann Fielder, our Executive Vice President and Chief Creative and Merchandising Officer, oversees a team responsible for design, product development, sourcing, creative, merchandising and inventory planning. This close coordination between our creative and merchandising teams ensures that our product and brand message is clearly communicated to our customers across all channels.

We believe our merchandising strategy, flow of fresh, new styles and ability to integrate continuous customer feedback and purchasing data allow us to consistently deliver relevant products to our customers. Our disciplined planning and product lifecycle management strategies enable effective in-season inventory management to maximize inventory turn and productivity. Through these effective inventory management practices, we are able to minimize markdowns and promotional activity, allowing us to drive favorable gross margins.

**Omni-Channel**

We are an omni-channel retailer, delivering a seamless brand experience to our customer, wherever and whenever she chooses to shop across our website, retail stores and catalog. Driven by our direct-to-consumer heritage, we have a highly profitable omni-channel platform that is well-diversified across our direct and retail channels. In 1999, we became an omni-channel retailer, with the launch of our website and the opening of our first retail stores in Natick, Massachusetts and Providence, Rhode Island. Our channels reinforce one another and drive traffic to each other, and we deliver a consistent brand message by coordinating the release of our monthly collection across our website, retail stores and catalogs, allowing our customers to experience a uniform brand message. We believe that our customers’ buying decisions are influenced by this consistent messaging and experience across our sales channels. While 64% of new customers first engage with J.Jill through our retail stores, we have a strong track record of migrating customers from a single-channel customer to a more valuable, omni-channel customer over time.
Direct Channel

Our direct channel, which represented 42% of total net sales for the twelve months ended October 29, 2016, consists of our website and catalog orders. Given our recent growth in the direct channel, we expect to grow this business to approximately 50% of total net sales over the next few years.

Industry-Leading E-commerce Platform

Our website, www.jjill.com, is a natural extension of our retail stores and our catalog, and provides customers with a broader range of colors and sizes, including Women’s and Tall sizes, than available in our stores. Our website has been optimized for shopping and purchasing across desktop, mobile phone and tablet devices. The website features updates on new collections, guidance on how to wear and match our products and the ability to chat live with a sales representative, all of which facilitate customer engagement and interaction. Additionally, we leverage our website as an efficient inventory clearance vehicle, which allows us to keep our retail store products fresh and representative of our newest collection. Within our direct channel, E-commerce represented 86% of pro forma fiscal year 2015 net sales, an increase from 85% of fiscal year 2014 net sales. For the twelve months ended October 29, 2016, E-Commerce represented 88% of net sales.

Catalog

Our catalogs are an integral part of our business. As one of our primary marketing vehicles, our catalogs promote and reinforce our brand image and drive customer acquisition and engagement across all of our channels. In fiscal year 2015, we produced and issued 25 catalog editions for a total circulation of 57 million copies distributed to both new and existing customers. As on our website and in our retail stores, our catalogs reflect our product offering in settings that align with our merchandise segments, including our sub-brands, and provide guidance on styling and wardrobing. Our catalogs are designed in-house, providing us with greater creative control as well as effectively managing our catalog production costs. Within our direct channel, catalog orders represented 14% of pro forma fiscal year 2015 net sales, a decrease from 15% of fiscal year 2014 net sales. For the twelve months ended October 29, 2016, catalog represented 12% of net sales.

Retail Channel

Our Stores

Our retail channel represented 58% of net sales for the twelve months ended October 29, 2016. As of October 29, 2016, we operated 271 stores across 43 states with approximately half located in lifestyle centers and the remaining in premium malls; all of our stores are leased. Our stores range in size from approximately 2,350 to 6,550 square feet, and the average store is approximately 3,750 square feet. Our stores are profitable, with 98% of our 261 full-price locations contributing positive 4-wall contribution in pro forma fiscal year 2015. The average unit volume of the store portfolio is $1.3 million with net sales per square foot of $355 in pro forma fiscal year 2015, up from $306 in fiscal year 2012.

We introduced a new store design concept in 2013 that showcases our brand concept and elevates, yet simplifies the J.Jill shopping experience. The new store concept provides a welcoming, easy-to-shop format that guides her through clearly merchandised product stories. With natural materials in soothing neutral colors, comfortable fabrics and elegant seating areas, the atmosphere is aspirational, yet attainable. When she cannot find an item in-stock at her local store, our concierge service leverages our in-store ordering platform and ships products to her home with no shipping charge. Between fiscal year 2013 and 2016, we remodeled or refreshed approximately 20 stores per year. In fiscal year 2017, we anticipate refreshing approximately 30 stores per year as leases come up for renewal. By the end of fiscal year 2016, approximately 70% of our store base will be refreshed.
Site Selection

We believe our store expansion model supports our ability to grow our store footprint in both new and existing markets across the United States with the potential to simultaneously enhance our direct channel sales by migrating single-channel customers to omni-channel customers. New store locations are evaluated on various factors, including customer demographics within a market, concentration of existing customers, location of existing stores and center tenant quality and mix. We also leverage our customer database, including purchasing history and customer demographics, to determine geographic locations that may benefit from a retail store. We target opening new stores in high traffic locations with desirable demographic characteristics and favorable lease economics. We believe we can add up to 100 stores to our store base of 275 over the long term. We plan to open 10-15 new stores in fiscal year 2017 and in each year thereafter. We also plan to selectively close underperforming stores on an annual basis, including one in 2016.

Our store growth is supported by proven new store economics that we believe are compelling. Our new store operating model targets an average store size of 3,600 square feet and net sales per store of approximately $1.0 million in the first full year of operations. The new store operating model targets 4-wall contribution of approximately $270,000 within the first full year of operations. The average payback period of the new store operating model is approximately two years, reflecting a target pre-tax cash-on-cash return of approximately 50%.

The following table shows new store openings since fiscal year 2012. The stores opened in the last three years were primarily in lifestyle centers.

<table>
<thead>
<tr>
<th>Store Open Year</th>
<th>Total Stores Opened</th>
<th>Total Stores at the End of the Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year 2012</td>
<td>7</td>
<td>227</td>
</tr>
<tr>
<td>Fiscal Year 2013</td>
<td>13</td>
<td>234</td>
</tr>
<tr>
<td>Fiscal Year 2014</td>
<td>19</td>
<td>248</td>
</tr>
<tr>
<td>Pro Forma Fiscal Year 2015</td>
<td>15</td>
<td>261</td>
</tr>
<tr>
<td>Fiscal Year 2016</td>
<td>15</td>
<td>275</td>
</tr>
</tbody>
</table>

Data Analytics

Driven by our rich catalog heritage and omni-channel platform, we have significant customer insights and data, which we use to drive the majority of our decision making. We have developed industry-leading data capture capabilities which allow us to match approximately 97% of transactions to an identifiable customer, which we believe is significantly ahead of the industry standard. Our extensive database of customer information contains personal identifiers (e.g., name, address and email), demographic overlay (e.g., age, household income and occupation), contact history (e.g., catalog and email) and transaction history (e.g., orders, returns and order value). As of the end of pro forma fiscal year 2015, our database had over ten million names.

We have significant visibility into our customers’ transaction behavior, including purchases made across our channels. As such, we can identify a single-channel customer who purchases a product through our website, our retail store or our catalog, as well as an omni-channel customer who purchases in more than one channel. We continually leverage this customer database to drive data analysis and insights that we use in managing our business. This analysis, along with continuous testing strategies, has created a foundation of knowledge that underlies our confidence in our strategies and our decision making. We also use the database to acquire, develop and retain customers and then create, build and maintain a relationship with each customer to drive optimum value. We believe our use of customer data and our data insight capabilities distinguish us from our competitors.

Marketing and Advertising

We leverage a variety of marketing and advertising vehicles to increase brand awareness, acquire new customers, drive customer traffic across our channels, and strengthen and reinforce our brand image. These
include our 25 annual catalog editions, promotional mailings, email communications, digital and print advertisements and public relations initiatives. We leverage our customer database to strategically optimize the value of our marketing investments across customer segments and channels. This enables us to productively acquire new customers, effectively market to existing customers, increase customer retention levels and reactivate lapsed customers.

Our catalog, combined with an increased investment in online marketing, drive customer acquisition and engagement across all of our channels. We reinforce a consistent brand message by coordinating the release of our monthly collection across our website, retail stores and catalogs, allowing our customers to experience a uniform brand message wherever and whenever she chooses to shop. We also engage in a wide range of other marketing and advertising strategies to promote our brand, including media coverage in specialty publications and magazines.

In late 2014, we strategically increased our marketing investment to drive growth through the acquisition of new customers, reactivation of lapsed customers and the retention of existing customers. This investment has proven effective as, for example, in pro forma fiscal year 2015 we increased our marketing investment by 16%, resulting in active customer base growth of 12%, from 1.4 million to 1.5 million, including new customer growth of 15%. We have continued to increase our marketing investment in fiscal year 2016, resulting in continued growth of our active customer base to 1.7 million for the twelve months ended October 29, 2016. In pro forma fiscal 2015, we also experienced an increase in spend per customer by 6% as customers purchased more frequently and spent more per transaction. We believe these efforts will drive increased brand awareness, leading to higher sales in our stores and direct business over time. Our active customer base represents unique customers who have made a purchase within the past twelve months.

We offer a private label credit card program through an agreement with Comenity Capital Bank, under which they own the credit card receivables. We recently renewed our agreement with ADS on favorable terms to us. All credit card holders receive invitations to exclusive customer events and promotions including special purchase events three times per year, a special offer for her birthday, and a 5% discount when purchases are made on the card. We promote the benefits of the credit card throughout our website, our retail stores and our catalog through banner ads, signage and customer service and selling associate representatives. Additionally, we leverage regional print advertising to promote the card and its benefits to new and existing customers. We believe that our credit card program encourages customer loyalty, repeat visits and additional spending. In pro forma fiscal year 2015, 52% of our gross sales were generated by our credit card holders and we had nearly one million credit card holders. In addition, spend per customer for a J.Jill credit card holder was over two times higher in pro forma fiscal year 2015 versus a non-card holder.

Sourcing and Supply Strategy

We outsource the manufacturing of our products, which eliminates the need to own or operate manufacturing facilities. In order to efficiently source our products, we work primarily with agents who represent suppliers and factories. In pro forma fiscal year 2015 approximately 81% of our products were sourced through agents and 19% were sourced directly from suppliers and factories. We currently work with three primary agents that help us identify quality suppliers and coordinate our manufacturing requirements. Additionally, the agents manage the development of samples of merchandise produced in the factories, inspect finished merchandise, ensure the timely delivery of goods and carry out other administrative and oversight functions on our behalf. We source the remainder of our products by interacting directly with suppliers and factories both domestically and abroad.

Agents work with 24 suppliers on our behalf and we work directly with five suppliers. We source our merchandise globally from eight countries including China, India, the Philippines, Indonesia, and Vietnam, and no single supplier accounts for more than 20% of merchandise purchased. Approximately 75% of our products were sourced in Asia in pro forma fiscal year 2015.
We have no long-term merchandise supply contracts as we typically transact business on an order-by-order basis to maintain flexibility. We believe our strong relationships with suppliers have provided us with the ability to negotiate favorable pricing terms, further improving our overall cost structure and profitability. Our dedicated sourcing team actively negotiates and manages product costs to deliver initial mark-up objectives. The team further focuses on quality control to ensure that merchandise meets required technical specifications and inspects the merchandise to ensure it meets our strict standards, including regular in-line inspections while goods are in production. Upon receipt, merchandise is further inspected on a test basis for consistency in cut, size and color, as well as for conformity with specifications and overall quality of manufacturing. Our sourcing team ensures that the customer has a consistent product and satisfying brand experience regardless of product size, color or collection.

Omni-Channel Distribution and Customer Contact Center

We lease our 520,000 square foot state-of-the-art distribution and customer contact center in Tilton, New Hampshire. The facility manages the receipt, storage, sorting, packing and distribution of merchandise for our direct and retail channels. Retail stores are replenished at least once a week from this facility and shipped by third-party delivery services, providing our retail stores with a steady flow of new inventory that helps to maintain product freshness. Our distribution system is designed to operate in a highly-efficient and cost-effective manner, including our ability to profitably support individual direct orders which we believe differentiates ourselves from our competitors. In pro forma fiscal year 2015, the distribution center handled 29.2 million units, split between 15.8 million retail (54%) and 13.4 million direct (46%) pieces, and we believe this facility is sufficient to support our future growth.

The customer contact center is an extension of our brand, providing a consistent customer experience at every stage of a purchase across all of our channels. We manage over 3.3 million annual customer interactions through our in-house customer contact center in Tilton, New Hampshire. Our customer contact center is responsible for nearly all live customer interactions, other than in retail stores, including order taking and further serves as an important feedback loop in gathering customer responses to our brand, product and service. We continue to refine and improve our contact center strategy and experience to support the constantly evolving digital landscape.

Information Systems

We use information systems to support business intelligence and processes across our sales channels. We continue to invest in information systems and technology to enhance the customer experience, drive sales and create operating efficiencies. We utilize third-party providers for customer database and customer campaign management, ensuring efficient maintenance of information in a secure, backed-up environment. We also utilize a proprietary E-commerce platform hosted by a third-party provider and a well-developed proprietary data warehouse for business intelligence.

We recently implemented a new core merchandising system in support of a single view of inventory across all channels, increased efficiency in sales support areas and superior product management and reporting tools. This system is foundational to our plans to create a more scalable and seamless omni-channel platform and enhances our capabilities in merchandising and inventory management. We also intend to replace our e-commerce platform in 2017 to drive future growth and further enable digital capabilities.

We also invested in a new central processor and upgraded infrastructure and communication networks to increase system processing speed and uptime, improve security, and increase system back-up and recovery capabilities. We also made strategic investments, including a significant upgrade to our retail inventory allocation system and the implementation of a new, scalable design and sourcing system (PLM) that enables significant benefits by enhancing collaboration and sharing in the creative process, increasing automation and adding analysis tools.
Seasonality

While the retail business is generally seasonal in nature, we have historically not experienced significant seasonal fluctuations in our sales. Our merchandise offering drives consistent sales across seasons with no quarter contributing more than 26% of total annual net sales in pro forma fiscal year 2015.

Competition

The women’s apparel industry is highly competitive. We compete with local, national and international retail chains and department stores, specialty and discount stores, catalogs and internet businesses offering similar categories of merchandise. We compete primarily on the basis of design, service, quality and value. We believe our distinct combination of design, service, quality and value allows us to compete effectively and we believe we differentiate ourselves from competitors based on the strength of our brand, our industry-leading omni-channel platform, our strong data capabilities, our loyal customer base, our customer-focused product assortment and our highly experienced leadership team. Our competitors range from smaller, growing companies to considerably larger players with substantially greater financial, marketing and other resources.

Employees

As of January 28, 2017, we employed 1,406 full-time and 2,395 part-time employees. Of these employees, 342 are employed in our headquarters in Quincy, Massachusetts, 3,009 are employed in our retail stores and 450 work in our distribution and customer contact center and administrative office in Tilton, New Hampshire. The number of employees, particularly part-time employees, fluctuates depending upon seasonal needs.

Our employees are not represented by a labor union and are not party to a collective bargaining agreement. We consider our relations with our employees to be good.

Intellectual Property

Our trademarks are important to our marketing efforts. We own or have the rights to use certain trademarks, service marks and trade names that are registered with the U.S. Patent and Trademark Office or other foreign trademark registration offices or exist under common law in the United States and other jurisdictions. Trademarks that are important in identifying and distinguishing our products and services include, but are not limited to, J.Jill®, The J.Jill Wearever Collection® and Pure Jill®. Our rights to some of these trademarks may be limited to select markets. We also own domain names, including “www.jjill.com.”

Properties

We are headquartered in Quincy, Massachusetts. Our principal executive offices are leased under a lease agreement expiring in December 2021, with options to renew thereafter. Our 520,000 square foot distribution and customer contact center, located in Tilton, New Hampshire, supports both our direct and retail channels and is leased under a lease agreement expiring in September 2030, with options to renew thereafter. We consider these properties to be in good condition and believe that our facilities are adequate for operations and provide sufficient capacity to meet our anticipated future requirements.

As of January 28, 2017, we operated 275 stores in 43 states. Of these stores, 273 are full-price locations with approximately half located in lifestyle centers and half in premium malls. The average size of our stores is approximately 3,750 square feet. All of our retail stores are leased from third parties and new stores historically have had terms of ten years. The average remaining lease term is 4.6 years. A portion of our leases have options to renew for periods up to five years. Generally, store leases contain standard provisions concerning the payment of rent, events of default and the rights and obligations of each party. Rent due under the leases is generally comprised of annual base rent plus a contingent rent payment based on the store’s sales in excess of a specified threshold. Some of the leases also contain early termination options, which can be exercised by us or the landlord under certain conditions. The leases also generally require us to pay real estate taxes, insurance and certain common area costs. We renegotiate with landlords to obtain more favorable terms as opportunities arise.
The current terms of our leases expire as follows:

<table>
<thead>
<tr>
<th>Fiscal Years Lease Terms Expire</th>
<th>Number of Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 – 2018</td>
<td>107</td>
</tr>
<tr>
<td>2019 – 2021</td>
<td>55</td>
</tr>
<tr>
<td>2022 – 2024</td>
<td>63</td>
</tr>
<tr>
<td>2025 and later</td>
<td>50</td>
</tr>
</tbody>
</table>

The table below sets forth the number of retail stores by state that we operated as of January 28, 2017.

<table>
<thead>
<tr>
<th>State</th>
<th>Number of Stores</th>
<th>State</th>
<th>Number of Stores</th>
<th>State</th>
<th>Number of Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>5</td>
<td>Louisiana</td>
<td>3</td>
<td>Ohio</td>
<td>9</td>
</tr>
<tr>
<td>Arizona</td>
<td>6</td>
<td>Maine</td>
<td>2</td>
<td>Oklahoma</td>
<td>2</td>
</tr>
<tr>
<td>Arkansas</td>
<td>3</td>
<td>Maryland</td>
<td>8</td>
<td>Oregon</td>
<td>5</td>
</tr>
<tr>
<td>California</td>
<td>30</td>
<td>Massachusetts</td>
<td>13</td>
<td>Pennsylvania</td>
<td>11</td>
</tr>
<tr>
<td>Colorado</td>
<td>7</td>
<td>Michigan</td>
<td>9</td>
<td>Rhode Island</td>
<td>2</td>
</tr>
<tr>
<td>Connecticut</td>
<td>8</td>
<td>Minnesota</td>
<td>8</td>
<td>South Carolina</td>
<td>4</td>
</tr>
<tr>
<td>Delaware</td>
<td>1</td>
<td>Mississippi</td>
<td>1</td>
<td>Tennessee</td>
<td>6</td>
</tr>
<tr>
<td>Florida</td>
<td>12</td>
<td>Missouri</td>
<td>6</td>
<td>Texas</td>
<td>17</td>
</tr>
<tr>
<td>Georgia</td>
<td>10</td>
<td>Nebraska</td>
<td>2</td>
<td>Utah</td>
<td>1</td>
</tr>
<tr>
<td>Idaho</td>
<td>1</td>
<td>Nevada</td>
<td>2</td>
<td>Vermont</td>
<td>1</td>
</tr>
<tr>
<td>Illinois</td>
<td>16</td>
<td>New Hampshire</td>
<td>1</td>
<td>Virginia</td>
<td>10</td>
</tr>
<tr>
<td>Indiana</td>
<td>2</td>
<td>New Jersey</td>
<td>14</td>
<td>Washington</td>
<td>6</td>
</tr>
<tr>
<td>Iowa</td>
<td>2</td>
<td>New Mexico</td>
<td>1</td>
<td>Wisconsin</td>
<td>4</td>
</tr>
<tr>
<td>Kansas</td>
<td>2</td>
<td>New York</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kentucky</td>
<td>2</td>
<td>North Carolina</td>
<td>9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Legal Proceedings

From time to time, we are subject to certain legal proceedings and claims in the ordinary course of business. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our business, financial condition, operating results or cash flows. We establish reserves for specific legal matters when we determine that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable.

Regulation and Legislation

We are subject to labor and employment, tax, environmental, privacy and anti-bribery laws. We are also subject to regulations, trade laws and customs, truth-in-advertising, consumer protection and zoning and occupancy laws and ordinances that regulate retailers generally and/or govern the importation, promotion and sale of merchandise and the operation of stores and warehouse facilities. We monitor changes in these laws and believe that we are in material compliance with applicable laws.

A substantial portion of our products are manufactured outside the United States. These products are imported and are subject to U.S. customs laws, which impose tariffs as well as import quota restrictions for textiles and apparel. Some of our imported products are eligible for duty-advantaged programs. While importation of goods from foreign countries from which we buy our products may be subject to embargo by U.S. Customs authorities if shipments exceed quota limits, we closely monitor import quotas and believe we have the sourcing network to efficiently shift production to factories located in countries with available quotas. The existence of import quotas has, therefore, not had a material adverse effect on our business. See “Risk Factors—Risks Related to Our Business and Industry—We are subject to laws and regulations in the jurisdictions in which we operate and changes to the regulatory environment in which we operate or failure to comply with applicable laws and regulations could adversely affect our business, financial condition and results of operations.”
The following table sets forth the name, age and position of each of our executive officers and the directors of JJill Holdings, our parent, who will serve as our directors upon our conversion from a Delaware limited liability company to a Delaware corporation prior to the closing of this offering.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paula Bennett</td>
<td>67</td>
<td>President and Chief Executive Officer and Director</td>
</tr>
<tr>
<td>David Biese</td>
<td>52</td>
<td>Senior Vice President and Chief Financial Officer</td>
</tr>
<tr>
<td>Joann Fielder</td>
<td>63</td>
<td>Executive Vice President and Chief Merchandising and Creative Officer</td>
</tr>
<tr>
<td>Michael Rahamim</td>
<td>64</td>
<td>Chairman of the Board of Directors</td>
</tr>
<tr>
<td>Andrew Rolfe</td>
<td>50</td>
<td>Director</td>
</tr>
<tr>
<td>Travis Nelson</td>
<td>46</td>
<td>Director</td>
</tr>
<tr>
<td>Marka Hansen</td>
<td>63</td>
<td>Director</td>
</tr>
<tr>
<td>Michael Recht</td>
<td>36</td>
<td>Director</td>
</tr>
<tr>
<td>Michael Eck</td>
<td>54</td>
<td>Director</td>
</tr>
<tr>
<td>Linda Heasley</td>
<td>61</td>
<td>Director Nominee</td>
</tr>
</tbody>
</table>

**Executive Officers**

**Paula Bennett** was appointed President of J.Jill in January 2008 and was named Chief Executive Officer in July 2009. She has also served on our board of directors since 2009. Ms. Bennett is responsible for the strategic leadership, growth and profitability of the brand and business, while guiding the organization successfully through profitable turnaround and ownership transitions. Ms. Bennett has over 35 years of retail management experience and has extensive expertise in apparel merchandising, buying, marketing and brand building across both direct and retail marketing channels. Prior to joining J.Jill, Ms. Bennett served as President and Chief Executive Officer of a number of portfolio companies of Orchard Brands Corporation, a direct marketing company. From 1998 through 2005, Ms. Bennett was Chief Operating Officer of Eileen Fisher, Inc., where she led the development of the retail portfolio while launching the E-commerce business. Earlier in her career, she also served as Vice President of Retail Sales at Calvin Klein Collection. From 1987 through 1995, Ms. Bennett held significant leadership positions at Tiffany & Co., including Vice President of Sales and Customer Service, Vice President and General Manager of the Fifth Avenue Flagship store, Vice President of Retail Administration and Vice President of the Trade Division. Ms. Bennett began her career in buying and merchandise management at Bloomingdale’s, and later, Federated Merchandising Services. Ms. Bennett is a graduate of The Ohio State University. She was selected to serve on our board of directors because of her experience as an apparel industry executive, including as our Chief Executive Officer, and her extensive knowledge of the omni-channel and women’s apparel industry.

**David Biese** joined J.Jill as Senior Vice President and Chief Financial Officer in August 2009 and is responsible for providing strategic guidance on all financial matters, as well as the Real Estate and Distribution functions. Until the recent hiring of our Chief Information Officer and General Counsel, Mr. Biese was responsible for information services and legal oversight. Before joining J.Jill, he was Senior Vice President of Merchandise Operations for Trans World Entertainment Corporation (“FYE”), a publicly held national specialty retailer. He previously served as Vice President of Finance and Treasurer at FYE. Earlier in his career, Mr. Biese was Vice President and Controller at Carson Pirie Scott & Co., a department store division of publicly held Saks Incorporated. Mr. Biese is a Certified Public Accountant and started his career as a public accountant at KPMG. He is a graduate of the University of Wisconsin at Oshkosh.

**Joann Fielder** has served as J.Jill’s Executive Vice President and Chief Merchandising and Creative Officer since July 2015. Ms. Fielder joined J.Jill in September 2011 as Senior Vice President of Design, Product Development and Sourcing. She was promoted to Senior Vice President, Chief Creative Officer in August 2013. Ms. Fielder has extensive experience in design and product development. Prior to joining J.Jill, Ms. Fielder served as Senior Vice President and Chief Design Officer at Avenue. Prior to her role at Avenue, she served as
Executive Vice President of Design Development at Ann Taylor. Earlier in her career, Ms. Fielder also held roles as Vice President of Merchandising for Brooks Brothers and Vice President of Product Development for Talbots. Ms. Fielder is a graduate of The Tobe Coburn School.

Board of Directors

**Michael Rahamim** has served as Chairman of the board of directors of J.Jill since May 2015. From January 2011 through January 2014, Mr. Rahamim served as the Executive Chairman of Phase Eight (Fashion & Designs) Limited (“Phase Eight”), a portfolio company of TowerBrook, our principal stockholder, and remained Chairman of the Board until January 2015, when Phase Eight was sold. Mr. Rahamim has over 20 years of experience in the fashion retail industry. In 1992, Mr. Rahamim developed the UK franchise of Kookai S.A., a French high fashion business, and introduced the Sandro and Maje French high fashion brands to the UK. Mr. Rahamim has previously worked in soft commodities and financial futures and was one of the founding seat holders on the London International Financial Futures Exchange. He qualified as a Chartered Accountant in 1977. Mr. Rahamim currently serves as a director of Kaporal Jeans and has served as a director of Whistles Limited from March 2009 until April 2016. He is also a member of the Senior Advisory Board of TowerBrook. Mr. Rahamim was selected to serve on our board of directors because of his extensive understanding of the International fashion retail industry through his experience in leadership positions and his investments with other retailers.

**Andrew Rolfe** has served as a director of J.Jill since May 2015. Mr. Rolfe has served as a Managing Director and the Head of Private Equity, USA of TowerBrook, our principal stockholder, since January 2011. Mr. Rolfe is also the Chairman of the Portfolio Committee and a member of the Management Committee at TowerBrook. Prior to joining TowerBrook, Mr. Rolfe served as President of The Gap Inc.’s (“The Gap”) International Division from November 2003 until February 2006, where he also served as a member of the Executive Leadership Team. Mr. Rolfe has also held roles as the Chairman and Chief Executive Officer of Pret A Manger (Europe) Ltd and the Chief Executive Officer of Booker Foodservice. He currently serves as a director of True Religion Apparel, Inc., Wilton Industries, Inc., Kaporal Jeans and Beverages & More, Inc. Mr. Rolfe received his M.B.A. from Harvard Business School and his B.A. from Oxford University. He was selected to serve on our board of directors because of his extensive experience in leadership positions in the retail industry.

**Travis Nelson** has served as a director of J.Jill since May 2015. Mr. Nelson has served as a Managing Director at TowerBrook, our principal stockholder, since January 2011. Prior to joining TowerBrook, Mr. Nelson co-founded Pacific Partners LLC (“Pacific Partners”), a private equity firm specializing in healthcare, media and communications investments and served as a Managing Director from 2000 to 2005. Prior to founding Pacific Partners, Mr. Nelson served as a Principal at Oak Hill Capital Management where he worked on private investments in a wide range of companies. Earlier in his career, Mr. Nelson was an investment professional at Goldman Sachs and Freeman Spogli & Co., and served as a consultant to the CEO of NetJets. He currently serves as a director of Vistage International, Inc., Floworks International, LLC, True Religion Apparel, Inc. and Beverages & More, Inc. Mr. Nelson earned his B.A. from DePauw University and received his M.B.A. from the Stanford Graduate School of Business. He was selected to serve on our board of directors because of his extensive experience in leadership positions in the retail industry.

**Marka Hansen** has served as a director of J.Jill since May 2015. Ms. Hansen previously served as a Retail Consultant at Stitch Fix, Inc. from February 2013 to August 2013. Prior to that, she was the President of Gap North America from February 2007 until February 2011. Ms. Hansen served as the President of Banana Republic, LLC, a division of The Gap, from June 2003 until February 2007, and has served in various leadership positions at The Gap since joining the company in 1987. Ms. Hansen currently serves as a director of Sur la Table, Stitch Fix, Inc., The Orvis Company, Inc. and True Religion Apparel, Inc. She received her B.A. in Liberal Studies from Loyola Marymount University. Ms. Hansen was selected to serve on our board of directors because of her extensive experience in leadership positions in the retail industry.

**Michael Recht** has served as a director of J.Jill since May 2015. Mr. Recht has served as a Senior Principal at TowerBrook, our principal stockholder, since August 2013. From August 2010 to August 2013, Mr.
Recht was a Senior Associate with the Retail & Consumer team at Apax Partners LLP (“Apax”). Prior to joining Apax, Mr. Recht was an Associate at Thoma Cressey Bravo where he focused on investments in the consumer products and services sector. Prior to that, Mr. Recht was a member of the Technology & Defense teams at CIBC World Markets. He currently serves as a director of Wilton Industries, Inc. He received his M.B.A. from the Kellogg School of Management at Northwestern University and his B.A. from Williams College. Mr. Recht was selected to serve on our board of directors because of his broad finance experience, particularly in the retail and consumer products industry.

**Michael Eck** has served as a director of J.Jill since November 2016. Mr. Eck was the Global Head of the Consumer and Retail Investment Banking Group at Morgan Stanley from 2008 until his retirement in 2014. Prior to that, Mr. Eck worked at Citigroup from 1993 to 2008, where he was the Global Head of the Consumer and Retail Banking Group, and at Credit Suisse First Boston from 1987 to 1993. In January 2016, Mr. Eck joined M Klein and Company, a global strategic advisory firm, as a Senior Advisor. He is currently an independent board member of Blue Buffalo Pet Products, Inc., a publicly-held leading natural pet food company, where he serves as Chairman of the Audit Committee. Mr. Eck is also a board member of USA Ultimate and the co-founder and chief executive officer of Steer for Student Athletes. In addition, he previously served as a member of the Senior Advisory Board of Shopkick. Mr. Eck received his Masters in Management from Northwestern University and his B.S. in Business from the McIntire School of Commerce at the University of Virginia. He was selected to serve on our board of directors because of his extensive knowledge of corporate strategy, corporate financing and accounting, capital investment and operations and the consumer sector.

**Linda Heasley** is a nominee to our board of directors. Ms. Heasley has served as the Chief Executive Officer of The Honey Baked Ham Company, LLC since February 2017. From February 2013 to September 2016, she was the President and Chief Executive Officer of Lane Bryant, Inc., a division of Ascena Retail Group, Inc., and from October 2016 to February 2017, she was the President and Chief Executive Officer of Plus Fashion Segment, also a division of Ascena Retail Group, Inc. Prior to that, Ms. Heasley served as the Chairman, President and Chief Executive Officer of Limited Stores LLC from August 2007 until February 2013. She has held senior leadership roles at CVS Health Corporation, Timberland LLC and Limited Brands, Inc. Ms. Heasley received her M.B.A. from the University of California, Los Angeles (UCLA) and her A.B. from Harvard University. She was selected to serve on our board of directors because of her expertise in women’s apparel businesses and her extensive experience in leadership positions in the retail industry.

**Family Relationships**

There are no family relationships among any of our directors or executive officers.

**Controlled Company**

The shares of our common stock offered in this offering have been approved for listing on the NYSE. As TowerBrook will continue to control more than 50% of our combined voting power upon the completion of this offering, we will be considered a “controlled company” for the purposes of that exchange’s rules and corporate governance standards. As a “controlled company,” we may elect not to comply with certain NYSE corporate governance requirements, including those that would otherwise require our board of directors to have a majority of independent directors and require that we either establish a Compensation and Nominating and Corporate Governance Committees, each comprised entirely of independent directors, or otherwise ensure that the compensation of our executive officers and nominees for directors are determined or recommended to our board of directors by the independent members of our board of directors.

**Board Composition**

Our board of directors will consist of eight members upon completion of this offering. Each director is to hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. The authorized number of each class of directors may be increased or decreased by the stockholders.
in accordance with our bylaws. At any meeting of the board of directors, except as otherwise required by law, a majority of the total number of directors then in office will constitute a quorum for all purposes.

Our certificate of incorporation will provide that the board of directors will be divided into three classes of directors, with staggered three-year terms, with the classes to be as nearly equal in number as possible. As a result, approximately one-third of the board of directors will be elected each year. The classification of directors has the effect of making it more difficult for stockholders to change the composition of the board of directors.

In connection with this offering, we will enter into a Stockholders Agreement with TowerBrook. Under the Stockholders Agreement, TowerBrook will have the right, to designate for nomination representatives to our board of directors and committees of our board of directors. TowerBrook will initially be entitled to designate for nomination five of our eight directors. See “Certain Relationships and Related Party Transactions—Stockholders Agreement.”

**Director Independence**

Our board of directors has determined that Michael Rahamim, Marka Hansen, Michael Eck and Linda Heasley are “independent directors,” as defined by the applicable NYSE rules.

**Board Committees**

Our board of directors will establish, upon the completion of this offering, an audit committee, a compensation committee and a nominating and corporate governance committee. Each of these committees will operate under a charter that has been approved by our board of directors.

**Audit Committee**

Our audit committee will assist our board of directors in monitoring the audit of our consolidated financial statements, our independent registered public accounting firm’s qualifications and independence, the performance of our audit function and independent auditors and our compliance with legal and regulatory requirements. The audit committee will have direct responsibility for the appointment, compensation, retention (including termination) and oversight of our independent auditors, and our independent auditors report directly to the audit committee. The audit committee will also review and approve related party transactions as required by the applicable NYSE rules.

Upon completion of this offering, we will have an audit committee consisting of four directors, including at least one member that qualifies as an “audit committee financial expert” as such term is defined in Item 407(d)(5) of Regulation S-K. The audit committee will include directors who are “independent” for purposes of Rule 10A-3 of the Securities Exchange Act of 1934 and under the listing standards of the NYSE.

**Compensation Committee**

Following the completion of this offering, our compensation committee will be responsible for reviewing and recommending policies relating to the compensation and benefits of our directors and employees, including our Chief Executive Officer and other executive officers.

Because we will be a “controlled company” under the rules of the NYSE, our compensation committee is not required to be comprised entirely of “independent” directors, although if such rules change in the future or we no longer meet the definition of a controlled company under the current rules, we will adjust the composition of the compensation committee accordingly in order to comply with such rules.

The compensation committee will have the sole authority to retain and terminate any compensation consultant to assist in the evaluation of employee compensation and to approve the consultant’s fees and the other terms and conditions of the consultant’s retention.
Nominating and Corporate Governance Committee

Following the completion of this offering, our nominating and corporate governance committee will be responsible for selecting or recommending that our board of directors select candidates for election to our board of directors, developing and recommending to the board of directors corporate governance guidelines that are applicable to us and overseeing board of director and management evaluations.

Because we will be a “controlled company” under the NYSE rules, our nominating and corporate governance committee is not required to be comprised entirely of “independent” directors, although if such rules change in the future or we no longer meet the definition of a controlled company under the current rules, we will adjust the composition of our nominating and corporate governance committee accordingly in order to comply with such rules.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves, or in the past has served, as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our board of directors or our compensation committee. None of the members of our compensation committee is, or has ever been, an officer or employee of our company.

Code of Business Conduct and Ethics

Upon consummation of this offering, our board of directors will adopt a code of business conduct and ethics that will apply to all of our directors, officers and employees and is intended to comply with the relevant listing requirements for a code of conduct as well as qualify as a “code of ethics” as defined by the rules of the SEC. The statement will contain general guidelines for conducting our business consistent with the highest standards of business ethics. We intend to disclose future amendments to certain provisions of our code of business conduct and ethics, or waivers of such provisions applicable to any principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions, and our directors, on our website at www.jjill.com. Following the consummation of this offering, the code of business conduct and ethics will be available on our website.

Board Leadership Structure and Board’s Role in Risk Oversight

The board of directors has an oversight role, as a whole and also at the committee level, in overseeing management of its risks. The board of directors regularly reviews information regarding our credit, liquidity and operations, as well as the risks associated with each. The compensation committee of the board of directors is responsible for overseeing the management of risks relating to its employee compensation plans and arrangements and the audit committee of the board of directors oversees the management of financial risks. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board of directors is regularly informed through committee reports about such risks.
**EXECUTIVE COMPENSATION**

**Summary Compensation Table**

The following summary compensation table sets forth information regarding the compensation paid to, awarded to, or earned by our President and Chief Executive Officer and our two other most highly compensated executive officers for services rendered in all capacities during the years ended January 30, 2016 and January 28, 2017.

<table>
<thead>
<tr>
<th>Name and Principal Position</th>
<th>Fiscal Year</th>
<th>Salary (1)</th>
<th>Stock Awards (2)(3)</th>
<th>Non-Equity Incentive Plan Compensation (4)</th>
<th>All Other Compensation (5)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paula Bennett</td>
<td>2016</td>
<td>$729,616</td>
<td>—</td>
<td>$27,415</td>
<td>$757,031</td>
<td></td>
</tr>
<tr>
<td>President and Chief Executive Officer</td>
<td>2015</td>
<td>$700,000</td>
<td>$563,165</td>
<td>$1,657,466</td>
<td>$1,738,471</td>
<td>$4,659,102</td>
</tr>
<tr>
<td>Joann Fielder</td>
<td>2016</td>
<td>$596,154</td>
<td>—</td>
<td>—</td>
<td>$3,998</td>
<td>$600,152</td>
</tr>
<tr>
<td>Executive Vice President, Chief Merchandising and Creative Officer</td>
<td>2015</td>
<td>$546,298</td>
<td>$175,989</td>
<td>$688,127</td>
<td>$1,099,228</td>
<td>$2,509,642</td>
</tr>
<tr>
<td>David Biese</td>
<td>2016</td>
<td>$421,397</td>
<td>—</td>
<td>—</td>
<td>$4,004</td>
<td>$425,401</td>
</tr>
<tr>
<td>Senior Vice President, Chief Financial Officer</td>
<td>2015</td>
<td>$420,421</td>
<td>$140,791</td>
<td>$447,965</td>
<td>$1,156,944</td>
<td>$2,166,121</td>
</tr>
</tbody>
</table>

(1) The base salary reflects the amount actually paid to each named executive for fiscal years 2015 and 2016 and includes the effect of any mid-year adjustments to their base salaries, if applicable. As of the end of fiscal year 2016, the annual base salary rate for Ms. Bennett, Ms. Fielder, and Mr. Biese was $735,000, $600,000, and $443,226, respectively.

(2) All equity awards granted to our named executive officers were in the form of Common Interests of J Jill Topco Holdings, which are profits interests. Each profits interest generally entitles the holder, upon a sale transaction or other similar transactions, to a percentage of the appreciation in the equity value of J Jill Topco Holdings, arising after the date on which the profits interests was granted (the value of J Jill Topco Holdings or of the Common Interests on the date of grant is, in either case, referred to as the “profits interest hurdle”). Therefore, a Common Interest will generally have value only to the extent that the equity value of J Jill Topco Holdings has appreciated above the profits interest hurdle applicable to such interest. If, in connection with a sale or similar transactions, there has been no appreciation in the value of J Jill Topco Holdings above the applicable profits interest hurdle, no payment will be made with respect to such Common Interests.

(3) There was no public market for the Common Interests in fiscal year 2015, and thus the market value reflected in the table above is based on the total fair market value attributable to all Common Interests on the date of grant, taking into account the applicable profits interest hurdle for each unit and computed in accordance with FASB ASC Topic 718. For information about the assumptions used in these calculations, see Note 16 of the Company’s audited consolidated financial statements for fiscal year 2015 included as part of this registration statement.
Amounts set forth in the Non-Equity Incentive Plan Compensation column for fiscal year 2015 represent cash bonuses paid to each of our named executive officers pursuant to the Company’s Annual Incentive Plan for such year, which bonuses are determined based on the Company’s EBITDA (adjusted to reflect the payment of such bonuses, which is referred to herein as the “adjusted EBITDA”). In fiscal year 2015, the Company achieved an adjusted EBITDA of $91.1 million (which exceeded the adjusted EBITDA target by approximately $13.1 million, resulting in a multiplier of approximately 2.3678x) and the cash bonuses to each of our named executive officers were paid in April 2016.

The Company’s Annual Incentive Plan for fiscal year 2016 is also measured based on the Company’s adjusted EBITDA. Threshold and target adjusted EBITDA performance goals were established along with their corresponding payout opportunities. As was the case in fiscal year 2015, no bonus pool cap was established to the extent that actual adjusted EBITDA exceeds the target performance goal. The annual target bonus (as a % of base salary) for each of Mses. Bennett and Fielder and Mr. Biese under the Company’s Annual Incentive Plan for fiscal year 2016 is 100%, 60% and 45%, respectively. The following table outlines the adjusted EBITDA performance objectives and the payout multiplier for fiscal year 2016:

<table>
<thead>
<tr>
<th>Adjusted EBITDA</th>
<th>Below Threshold</th>
<th>Threshold</th>
<th>Above Threshold but Below Target</th>
<th>Target</th>
<th>Above Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>&lt;$91.1 mil</td>
<td>$91.1 million, but &lt; $105.0 mil</td>
<td>$105.0 million</td>
<td>&gt; $105.0 million</td>
</tr>
<tr>
<td>Payout Multiplier</td>
<td>No payout</td>
<td>0.5x</td>
<td>0.1x increase to multiplier for every additional $2.78 million in adjusted EBITDA generated</td>
<td>1.0x</td>
<td>0.1x increase to multiplier for every additional $1.28 million in adjusted EBITDA generated</td>
</tr>
</tbody>
</table>

Because the Company’s adjusted EBITDA for fiscal year 2016 has not yet been certified, the amount payable, if any, to our named executive officers under the Company’s Annual Incentive Plan for fiscal year 2016 is not yet determinable. Certification of adjusted EBITDA is expected in April 2017 and, upon such determination, the Company will disclose in a separate filing any amounts paid to our named executive officers under the Company’s Annual Incentive Plan for fiscal year 2016.

Amounts shown in the All Other Compensation column for fiscal years 2015 and 2016 represent the following:

<table>
<thead>
<tr>
<th></th>
<th>Discretionary Transaction Bonus (a)</th>
<th>Make-Whole Bonus (including tax gross-up) (b)</th>
<th>401(k) Matching Contributions</th>
<th>Other (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paula Bennett</td>
<td>$1,672,350</td>
<td>$3,571</td>
<td>$62,550</td>
<td>$23,400</td>
</tr>
<tr>
<td>Joann Fielder</td>
<td>$1,000,000</td>
<td>$3,773</td>
<td>$3,762</td>
<td>$2,404</td>
</tr>
<tr>
<td>David Biese</td>
<td>$1,115,000</td>
<td>$38,182</td>
<td>$3,762</td>
<td>$4,004</td>
</tr>
</tbody>
</table>

(a) These discretionary transaction bonuses were paid in May 2015 to each named executive officer in connection with the Acquisition.
(b) The so-called “make-whole bonuses” were payable based on the terms of award agreements with Ms. Fielder and Mr. Biese, which provided for payment of a bonus in connection with certain qualifying transactions, including the Acquisition. Pursuant to the terms of the award agreements, the amount of the make-whole bonus was determined based on the value achieved in the qualifying transaction and included a tax gross-up of $25,455 and $10,182 for Ms. Fielder and Mr. Biese, respectively.
Employment Agreements

We have entered into employment agreements with each of our named executive officers. In addition to customary terms and provisions, the employment agreements set forth the annual base salary, target bonus percentage, equity grants, terms of severance and eligibility for employee benefits.

Employment Agreement with Paula Bennett, our President and Chief Executive Officer

In connection with the Acquisition, we entered into an employment agreement, which became effective on May 8, 2015, with Paula Bennett to serve as President and Chief Executive Officer of Jill Acquisition, LLC and, following this offering, the Company, until such time as either Ms. Bennett or we terminate Ms. Bennett’s employment. The agreement contemplates that upon the hiring of a new President, Ms. Bennett shall no longer serve as President of the Company, but will remain its Chief Executive Officer. The employment agreement further provides that Ms. Bennett will serve as the senior-most executive officer of Jill Acquisition, LLC or the Company, as applicable, and that, in connection with this offering, she will be nominated as a member of, and shall report directly to, the Company’s board of directors.

Ms. Bennett’s employment agreement provides for an annual base salary of no less than $700,000 (as may be increased (but not decreased) from time to time), a target bonus of 100% of Ms. Bennett’s annual base salary based on achievement of performance targets, and the grant of 8,045,213 Common Interests (which have been made pursuant to an equity grant agreement). The employment agreement provides that Ms. Bennett is entitled to (i) participate in all of our benefit plans and programs (including four weeks of vacation), (ii) indemnification and director and officer liability insurance protection, and (iii) reimbursement of up to $25,000 in legal fees incurred in connection with the negotiation of her employment agreement. Notwithstanding the foregoing, the Company ultimately agreed to reimburse Ms. Bennett $41,150 in legal fees in 2015.

The employment agreement for Ms. Bennett includes confidentiality and assignment of intellectual property provisions, an 18-month post-employment prohibition on competition, and a 24-month post-employment prohibition on solicitation of employees or contract workers with whom Ms. Bennett had material business contact during the course of her employment.

Ms. Bennett is also entitled to severance upon certain terminations of employment, as described below under “Potential Payments Upon Termination of Employment or Change in Control.”

Employment Agreement with Joann Fielder, our Chief Merchandising and Creative Officer

In connection with the Acquisition, we entered into an employment agreement, which became effective on May 8, 2015, with Joann Fielder to serve as Senior Vice President, Chief Creative Officer for an initial five-year term (i.e., through May 8, 2020), which term extends automatically for consecutive one-year periods unless either we or Ms. Fielder provides at least 90 days’ notice of non-renewal prior to the expiration of the initial or any renewal term. The employment agreement provides that Ms. Fielder will report to the Chief Executive Officer. In connection with her promotion to Executive Vice President, Chief Merchandising and Creative Officer, Ms. Fielder’s employment agreement was amended on July 27, 2015, to reflect an increase in salary and target bonus opportunity, and an additional grant of Common Interests.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement of Legal Fees</td>
<td>$41,150</td>
<td>$2,000</td>
</tr>
<tr>
<td>Car Allowance</td>
<td>$21,400</td>
<td>$21,400</td>
</tr>
</tbody>
</table>
Pursuant to the terms of her employment agreement, as amended, Ms. Fielder is entitled to a base salary of no less than $575,000 per year (as may be increased (but not decreased) from time to time) and a target bonus of 60% of her annual base salary based on achievement of performance targets. In addition, Ms. Fielder received two grants of Common Interests: (i) 2,011,303 units granted on May 22, 2015, and (ii) an additional 502,826 units were granted on July 27, 2015, in connection with her promotion. The employment agreement provides that Ms. Fielder is entitled to participate in all of our benefit plans and programs.

Ms. Fielder’s employment agreement includes customary terms and conditions, including confidentiality and assignment of intellectual property provisions, a 12-month post-employment prohibition on competition, a 12-month post-employment prohibition on solicitation of customers, and a 12-month post-employment prohibition on solicitation of employees, agents, or contract workers with whom Ms. Fielder had material business contact during the course of her employment.

Ms. Fielder is also entitled to severance upon certain terminations of employment, as described below under “Potential Payments Upon Termination of Employment or Change in Control.”

**Employment Agreement with David Biese, our Chief Financial Officer**

In connection with the Acquisition, we entered into an employment agreement, which became effective on May 8, 2015, with David Biese to serve as Senior Vice President, Chief Financial Officer for an initial five-year term (i.e., through May 8, 2020), which term extends automatically for consecutive one-year periods unless either we or Mr. Biese provides at least 90 days’ notice of non-renewal prior to the expiration of the initial or any renewal term. The employment agreement provides that Mr. Biese will report to the Chief Executive Officer.

Pursuant to the terms his employment agreement, Mr. Biese is entitled to a base salary of no less than $423,225, (as may be increased (but not decreased) from time to time) a target bonus of 45% of his annual base salary based on achievement of performance targets, and a grant of 2,011,303 Class A Common Units. The employment agreement provides that Mr. Biese is entitled to participate in all of our benefit plans and programs.

Mr. Biese’s employment agreement includes customary terms and conditions, including confidentiality and assignment of intellectual property provisions, a six-month post-employment prohibition on competition against any businesses of Sycamore Partners or any of its affiliates or portfolio companies or Golden Gate Capital or any of its affiliates or portfolio companies (i.e., predecessor owners), a 12-month post-employment prohibition on solicitation of customers, and a 12-month post-employment prohibition on solicitation of employees, agents, or contract workers with whom Mr. Biese had material business contact during the course of his employment.

Mr. Biese is also entitled to severance upon certain terminations of employment, as described below under “Potential Payments Upon Termination of Employment or Change in Control.”

**Outstanding Equity Awards at Fiscal Year-End**

The following table provides information about the outstanding equity awards held by our named executive officers as of January 28, 2017.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares or Units of Stock that have not Vested (Unvested Common Units)</th>
<th>Market Value of Shares or Units of Stock that have not Vested (Unvested Common Units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paula Bennett</td>
<td>5,363,475(1)</td>
<td>$10,887,855</td>
</tr>
<tr>
<td>Joann Fielder</td>
<td>1,340,869(2)</td>
<td>$2,721,963</td>
</tr>
<tr>
<td></td>
<td>335,217(3)</td>
<td>$680,491</td>
</tr>
<tr>
<td>David Biese</td>
<td>1,340,869(2)</td>
<td>$2,721,963</td>
</tr>
</tbody>
</table>
Table of Contents

(1) Grant scheduled to vest in installments of approximately 134,087 units beginning on June 8, 2015, and on the eighth day of each successive month through May 8, 2020. On October 23, 2015, Ms. Bennett transferred all of her Common Interests to BNY Mellon Trust of Delaware, in its capacity as trustee to the Paula L. Bennett 2015 Family Trust.

(2) Grant scheduled to vest in installments of approximately 33,522 units beginning on May 31, 2015, and on the last day of each successive month through April 30, 2020.

(3) Grant scheduled to vest in installments of approximately 8,380 units beginning on July 31, 2015, and on the last day of each successive month through April 30, 2020.

(4) There was no public market for the Common Interests as of January 28, 2017, and thus the market value reflected in the table above is based on the total fair market value of $2.03 per Common Interest, as determined by the board of directors of J. Jill Topco Holdings in consultation with a third-party valuation firm in January 2017, taking into account the applicable profits interest hurdle for each unit and a marketability discount of 6%.

Retirement Benefits

We sponsor a 401(k) plan, which is a qualified retirement plan offered to all eligible employees, including our named executive officers, and which permits eligible employees to elect to defer a portion of their compensation on a pre-tax basis. Pursuant to the terms of the 401(k) plan, we provide a company match of 50% of a named executive’s contributions to the plan, up to a maximum of 3% of such executive’s eligible annual compensation. We do not maintain any defined benefit pension plans or any nonqualified deferred compensation plans.

Potential Payments Upon Termination of Employment or Change in Control

Paula Bennett

Mandatory Retirement (termination without “cause”) and/or “Good Reason” Resignation: Upon a termination of employment by us without “cause” (referred to in Ms. Bennett’s employment agreement as a “mandatory retirement”) or a resignation by Ms. Bennett for “good reason,” then upon the execution of an irrevocable release of claims and continued material compliance with the terms of the restrictive covenants set forth in her employment agreement, Ms. Bennett shall be entitled to receive the following:

- Payment of any accrued benefits including accrued base salary, benefits, reimbursement of business expenses through the date of termination as well as payment of the unpaid annual bonus for the year preceding the year of termination (except in the event of a termination for “cause”), continued indemnification, and continued right to director & officer liability insurance coverage for a period of six years following such termination of employment, which are collectively referred to herein as “accrued benefits”;

- An annual bonus for the year of termination (without proration) based on actual results (with any personal non-financial performance goals deemed achieved at 100%), payable at the time annual bonuses are paid to active employees;

- If such termination of employment occurs prior to November 8, 2017:
  - Base salary continuation for a period of 18 months following the date of termination; and
  - Medical and dental coverage continuation for 18 months following the date of termination with the costs of the premiums shared in the same proportion as before the termination of Ms. Bennett’s employment (unless such coverage is otherwise obtained through a new employer); and
• Full acceleration of any then-unvested Common Interests if such termination of employment occurs (i) at any time on and after a change in control, (ii) at any time following the execution of a merger, acquisition, sale, or other agreement providing for a change in control (but before the consummation of such change in control), (iii) within six months prior to consummation of a change in control, or (iv) at any time following this offering.

If the severance payments and vesting described above would be a “parachute payment” resulting in a lost tax deduction for the Company under Section 280G of the Code and excise tax to Ms. Bennett under Section 4999 of the Code, the payments and vesting would be reduced to the extent that such reduction would leave Ms. Bennett with a greater after-tax amount.

Voluntary Retirement: If Ms. Bennett voluntarily resigns without “good reason” upon at least six months’ notice or such shorter period as mutually agreed between Ms. Bennett and the board of directors, with any such resignation to become effective on or after November 8, 2017 (defined in Ms. Bennett’s employment agreement as a “voluntary retirement”), then upon the execution of an irrevocable release of claims, Ms. Bennett shall be entitled to receive the following:

• Accrued benefits; and

• An annual bonus for the year of termination (prorated for the number of days of employment through such year) based on actual results (with any personal non-financial performance goals deemed achieved at 100%), payable at the time annual bonuses are paid to active employees.

All other terminations of employment: Upon any other termination of employment, including a resignation without “good reason” that does not qualify as a voluntary retirement, Ms. Bennett shall be entitled only to accrued benefits (except that, if Ms. Bennett is terminated for “cause,” she shall not be entitled to any unpaid annual bonus for the year preceding such termination of employment for “cause”).

Joann Fielder and David Biese

Termination without “Cause” and/or “Good Reason” Resignation: Upon a termination of employment by us without “cause” or a resignation by either Mr. Biese or Ms. Fielder for “good reason,” then upon the execution of an irrevocable release of claims and continued compliance with the terms of the restrictive covenants set forth in his or her respective employment agreement, Mr. Biese or Ms. Fielder, as applicable, shall be entitled to:

• Payment of any accrued benefits including accrued base salary, benefits and reimbursement of business expenses due through the date of termination;

• Base salary continuation for a period of 12 months following the date of termination; and, for Mr. Biese only, an annual bonus for the year of termination based on actual results for the entire year, payable at the time annual bonuses are paid to active employees and prorated for the number of full weeks of employment in the year of termination;

• Medical and dental coverage continuation for 12 months following the date of termination with the costs of the premiums shared in the same proportion as before the termination of such executive’s employment (unless such coverage is otherwise obtained through a new employer); and

• If such termination occurs within 12 months following a change in control, full acceleration of any then-unvested Common Interests.

If the severance payments and vesting described above would be a “parachute payment” resulting in a lost tax deduction for the Company under Section 280G of the Code and excise tax to the executive under Section 4999 of the Code, such payments and vesting would be reduced to the extent necessary to avoid the imposition of any excise tax or loss in tax deduction.
Resignation without “Good Reason” (Mr. Biese only). Provided that Mr. Biese has given at least 90 days’ prior written notice of his intent to resign without “good reason” and that he continues to provide services to us through such period (or such shorter period as mutually agreed to by the board of directors and Mr. Biese), then upon the execution of an irrevocable release of claims and continued compliance with the terms of the restrictive covenants set forth in his employment agreement, Mr. Biese shall be entitled to:

- Payments of any accrued benefits including accrued base salary, benefits and reimbursement of business expenses due through the date of termination; and
- An annual bonus for the year of termination based on actual results for the entire year, payable at the time annual bonuses are paid to active employees and prorated for the number of full weeks of employment in the year of termination.

All other terminations of employment: Upon any other termination of employment, and except as set forth above, Mr. Biese or Ms. Fielder, as applicable, will be entitled only to accrued base salary and benefits through the date of termination.

Definitions of “Cause” and “Good Reason”

For purposes of Ms. Bennett’s employment agreement, the definition of “cause” generally means her (i) willful breach of certain provisions of the restrictive covenants contained in her employment agreement; (ii) willful failure to follow a lawful directive of the board of directors; (iii) willful or gross neglect in the performance or nonperformance of any of her duties or responsibilities; (iv) dishonesty with respect to any material matter arising in the performance of her duties that results in material injury to our financial condition or reputation, or fraud or willful misconduct in connection with her duties; (v) use of alcohol or drugs in a manner that materially interferes with the performance of her duties; or (vi) conviction or plea of no contest to any misdemeanor involving theft, fraud, dishonesty, or act of moral turpitude or to any felony. For purposes of Mr. Biese’s and Ms. Fielder’s employment agreements, “cause” generally means such executive’s (i) breach of any material provisions of his or her employment agreement; (ii) failure to follow a lawful directive of his or her reporting officer; (iii) negligence in the performance or nonperformance of any of his or her duties or responsibilities; (iv) dishonesty, fraud, or willful misconduct with respect to our business or affairs; (v) conviction of or plea of no contest to any misdemeanor involving theft, fraud, dishonesty, or act of moral turpitude or to any felony; or (vi) use of alcohol or drugs in a manner that materially interferes with the performance of his or her duties.

For purposes of Ms. Bennett’s employment agreement, the definition of “good reason” generally means (i) a material reduction in her duties and responsibilities (other than in respect of her removal as President following the hiring of an individual with such title); (ii) her removal as Chief Executive Officer (or President, if applicable) or failure to elect or reelect her as a member of the board of directors; (iii) a reduction in her base salary or target annual bonus; (iv) her ceasing to serve as the senior-most executive officer of the Company (or any entity that directly or indirectly owns 100% of Jill Acquisition, LLC’s securities and/or assets); (v) a change in reporting structure such that Ms. Bennett no longer reports to the board of directors; (vi) the failure of any executive officer (other than the chief legal/compliance officer) to report directly to Ms. Bennett; (vii) a material breach of her Common Interest award agreement; or (viii) the relocation of Ms. Bennett’s work location outside of the Quincy, Massachusetts area. For purposes of Mr. Biese’s and Ms. Fielder’s employment agreements, “good reason” generally means (i) a reduction in such executive’s title below the level of Senior Vice President or Executive Vice President, as applicable; (ii) a material reduction in his or her base salary; or (iii) a relocation of their principal work location outside of the Quincy, Massachusetts area.

Estimated Payments Upon Termination of Employment or Change in Control

The description below shows the severance payments and benefits that each named executive officer would, if applicable, have received had his or her employment been terminated, (1) due to his or her resignation
without “good reason” or (2) by us without “cause” (including, for Ms. Bennett, a “mandatory retirement”) or pursuant to a resignation with “good reason,” whether prior to or following a change in control. The amounts are calculated as if the date of termination and, as applicable, the change in control, occurred on January 28, 2017.

Paula Bennett

- Mandatory Retirement (termination without “cause”) and/or “Good Reason” Resignation: $1,119,625, which represents the sum of (x) $1,102,500 in base salary continuation for a period of 18 months following the date of termination, (y) $17,125 in continued medical and dental coverage for a period of 18 months following the date of termination, and (z) an annual bonus for the year of termination based on actual results. Since adjusted EBITDA for fiscal year 2016 has not yet been determined, the amount that would be payable in respect of Ms. Bennett’s annual bonus is not yet determinable (Ms. Bennett’s target annual bonus is equal to 100% of her annual base salary). In the event that such mandatory retirement or “good reason” resignation were to occur following, or within six months prior to, a change in control, Ms. Bennett would be entitled to an additional $10,887,855 in respect of the acceleration of her then-unvested Common Interests.

Joann Fielder

- Termination without “Cause” and/or “Good Reason” Resignation: $616,694, which represents the sum of (x) $600,000 in base salary continuation for a period of 12 months following the date of termination and (y) $16,694 in continued medical and dental coverage for a period of 12 months following the date of termination. In the event that such termination were to occur within 12 months following a change in control, Ms. Fielder would be entitled to an additional $3,402,454 in respect of the acceleration of her then-unvested Common Interests.

David Biese

- Termination without “Cause” and/or “Good Reason” Resignation: $459,920, which represents the sum of (x) $443,226 in base salary continuation for a period of 12 months following the date of termination, (y) $16,694 in continued medical and dental coverage for a period of 12 months following the date of termination, and (z) an annual bonus for the year of termination based on actual results and prorated for the number of full weeks of employment through January 28, 2017. Since adjusted EBITDA for fiscal year 2016 has not yet been determined, the amount that would be payable in respect of Mr. Biese’s annual bonus is not yet determinable (Mr. Biese’s target annual bonus is equal to 45% of his annual base salary). In the event that such termination were to occur within 12 months following a change in control, Mr. Biese would be entitled to an additional $2,721,963 in respect of the acceleration of his then-unvested Common Interests.

- Resignation without “Good Reason”: An annual bonus for the year of termination based on actual results and prorated for the number of full weeks of employment through January 28, 2017. Since adjusted EBITDA for fiscal year 2016 has not yet been determined, the amount that would be payable in respect of Mr. Biese’s annual bonus is not yet determinable (Mr. Biese’s target annual bonus is equal to 45% of his annual base salary).

A change in control, as defined in the J Jill Topco Holdings partnership agreement, includes (i) the sale of all or substantially all of the assets of J Jill Topco Holdings on a consolidated basis, (ii) a sale of all or substantially all of the equity interests of J Jill Topco Holdings (in either case, whether by merger, recapitalization, consolidation, reorganization, combination or otherwise), or (iii) any other transaction having the same effect as any of the foregoing. This offering will not constitute a change in control for purposes of determining acceleration of outstanding equity.
Compensation of Directors

In fiscal years 2015 and 2016, as a member-managed limited liability company, the Company did not have a board of directors. Upon our conversion from a Delaware limited liability company to a Delaware corporation prior to the closing of this offering, we shall appoint certain directors of J.Jill Holdings, our parent, to serve as members of our newly formed board of directors, as described above under “Management.” We anticipate that each of our non-employee directors will receive an annual director fee, fees for attending meetings of the board of directors as well as committee meetings and equity awards in connection with their services. In addition, each director will be reimbursed for out-of-pocket expenses in connection with their services. As of the time of this offering, we are evaluating the specific terms of our director compensation program.

Looking Ahead: Post-IPO Compensation Program Features

Tax Considerations

For U.S. federal income tax purposes, public companies may generally not deduct any portion of compensation that is in excess of $1 million paid in a taxable year to a named executive officer unless that compensation qualifies as “performance-based compensation” under Section 162(m) of the Code. Nevertheless, we expect to be eligible for transition relief from the deduction limitations until our first stockholder meeting at which directors are elected that occurs in 2021. In addition, our board of directors believes that it should not be constrained by the requirements of Section 162(m) of the Code where those requirements would impair flexibility in compensating our named executive officers in a manner that can best promote our corporate objectives. We intend to continue to compensate our executive officers in a manner consistent with the best interests of our stockholders and reserve the right to award compensation that may not be deductible under Section 162(m) of the Code where the Company believes it is appropriate to do so.

Section 409A of the Code requires that “nonqualified deferred compensation” be deferred and paid under plans or arrangements that satisfy the requirements of the statute and regulates with respect to the timing of deferral elections, timing of payments, and certain other matters. Failure to satisfy these requirements can expose employees and other service providers to accelerated income tax liabilities, penalty taxes, and interest on their vested compensation under such plans. Accordingly, as a general matter, it is our intention to design and administer our compensation and benefits plans and arrangements for all of our employees and other service providers, including our named executive officers, so that they are either exempt from, or satisfy the requirements of, Section 409A of the Code.

Clawback Policy

In connection with or following this offering, we intend to seek approval of our board of directors to voluntarily adopt a policy that would require an executive to repay to us any excess incentive compensation paid to such individual should the misconduct of that individual result in the restatement of our financials. In addition, we reserve the right to adopt any additional clawback policies as may be necessary to protect our compensation policies and objectives and as may be required by law, including mandates under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Anti-Hedging or Pledging Policy

In connection with or following this offering, we intend to seek approval of our board of directors to adopt a policy prohibiting directors and named executive officers from engaging in any hedging or similar transaction involving common stock, holding common stock in a margin account, or pledging common stock as collateral for loan.
Our board of directors plans to adopt and our current stockholders plan to approve, the 2017 Omnibus Equity Incentive Plan (the “Equity Incentive Plan”) to become effective upon the consummation of this offering. The following is a summary of certain terms and conditions of the Equity Incentive Plan. This summary is qualified in its entirety by reference to the Equity Incentive Plan, which is attached as an exhibit to this registration statement. You are encouraged to read the full Equity Incentive Plan.

Administration. The compensation committee of our board of directors (or subcommittee thereof, if necessary for Section 162(m) of the Code) (the “Compensation Committee”) will administer the Equity Incentive Plan. The Compensation Committee will have the authority to determine the terms and conditions of any agreements evidencing any awards granted under the Equity Incentive Plan and to adopt, alter and repeal rules, guidelines and practices relating to the Equity Incentive Plan. The Compensation Committee will have full discretion to administer and interpret the Equity Incentive Plan and to adopt such rules, regulations and procedures as it deems necessary or advisable and to determine, among other things, the time or times at which the awards may be exercised and whether and under what circumstances an award may be exercised.

Eligibility. Any current or prospective employees, directors, officers, consultants or advisors of the Company or its affiliates who are selected by the Compensation Committee will be eligible for awards under the Equity Incentive Plan. The Compensation Committee will have the sole and complete authority to determine who will be granted an award under the Equity Incentive Plan.

Number of Shares Authorized. The Equity Incentive Plan provides for an aggregate of 2,237,303 shares of our common stock. No more than 2,237,303 shares of our common stock may be issued with respect to incentive stock options under the Equity Incentive Plan. No participant may be granted awards of options and stock appreciation rights with respect to more than 570,000 shares of our common stock in any 12-month period. No more than 570,000 shares of our common stock may be granted under the Equity Incentive Plan with respect to any performance compensation awards to any participant during a performance period (or with respect to each single year in the event a performance period extends beyond a single year) for a cash denominated award that is intended to qualify as performance-based compensation under Section 162(m) of the Code is $5,000,000. The maximum grant date fair value of cash and equity awards that may be awarded to a non-employee director under the Equity Incentive Plan during any one fiscal year will be $300,000. If any award granted under the Equity Incentive Plan expires, terminates, or is canceled or forfeited without being settled or exercised, or if a stock appreciation right is settled in cash or otherwise without the issuance of shares, shares of our common stock subject to such award will again be made available for future grants. In addition, if any shares are surrendered or tendered to pay the exercise price of an award or to satisfy withholding taxes owed, such shares will again be available for grants under the Equity Incentive Plan.

Change in Capitalization. If there is a change in our capitalization in the event of a stock or extraordinary cash dividend, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of shares of our common stock or other relevant change in capitalization or applicable law or circumstances, such that the Compensation Committee determines that an adjustment to the terms of the Equity Incentive Plan (or awards thereunder) is necessary or appropriate, then the Compensation Committee shall make adjustments in a manner that it deems equitable. Such adjustments may be to the number of shares reserved for issuance under the Equity Incentive Plan, the number of shares covered by awards then outstanding under the Equity Incentive Plan, the limitations on awards under the Equity Incentive Plan, or the exercise price of outstanding options, or such other equitable substitution or adjustments as it may determine appropriate.

Awards Available for Grant. The Compensation Committee may grant awards of non-qualified stock options, incentive (qualified) stock options, stock appreciation rights (“SARs”), restricted stock awards, restricted
stock units, other stock-based awards, performance compensation awards (including cash bonus awards), other cash-based awards or any combination of the foregoing. Awards may be granted under the Equity Incentive Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Company or with which the Company combines, which are referred to herein as “Substitute Awards.”

Stock Options. The Compensation Committee will be authorized to grant options to purchase shares of our common stock that are either “qualified,” meaning they are intended to satisfy the requirements of Section 422 of the Code for incentive stock options, or “non-qualified,” meaning they are not intended to satisfy the requirements of Section 422 of the Code. All options granted under the Equity Incentive Plan shall be non-qualified unless the applicable award agreement expressly states that the option is intended to be an “incentive stock option.” Options granted under the Equity Incentive Plan will be subject to the terms and conditions established by the Compensation Committee. Under the terms of the Equity Incentive Plan, the exercise price of the options will not be less than the fair market value of our common stock at the time of grant (except with respect to Substitute Awards). Options granted under the Equity Incentive Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the Compensation Committee and specified in the applicable award agreement. The maximum term of an option granted under the Equity Incentive Plan will be ten years from the date of grant (or five years in the case of a qualified option granted to a 10% stockholder), provided that if the term of a non-qualified option would expire at a time when trading in the shares of our common stock is prohibited by the Company’s insider trading policy, the option’s term shall be extended automatically until the 30th day following the expiration of such prohibition (as long as such extension shall not violate Section 409A of the Code). Payment in respect of the exercise of an option may be made in cash, by check, by cash equivalent and/or by delivery of shares of our common stock valued at the fair market value at the time the option is exercised, provided that such shares are not subject to any pledge or other security interest, or by such other method as the Compensation Committee may permit in its sole discretion, including (i) by delivery of other property having a fair market value equal to the exercise price and all applicable required withholding taxes, (ii) if there is a public market for the shares of our common stock at such time, by means of a broker-assisted cashless exercise mechanism or (iii) by means of a “net exercise” procedure effected by withholding the minimum number of shares otherwise deliverable in respect of an option that are needed to pay the exercise price and all applicable required withholding taxes. Any fractional shares of common stock will be settled in cash.

Stock Appreciation Rights. The Compensation Committee will be authorized to award SARs under the Equity Incentive Plan. SARs will be subject to the terms and conditions established by the Compensation Committee. A SAR is a contractual right that allows a participant to receive, in the form of either cash, shares or any combination of cash and shares, the appreciation, if any, in the value of a share over a certain period of time. An option granted under the Equity Incentive Plan may include SARs, and SARs may also be awarded to a participant independent of the grant of an option. SARs granted in connection with an option shall be subject to terms similar to the option corresponding to such SARs, including with respect to vesting and expiration. Except as otherwise provided by the Compensation Committee (in the case of Substitute Awards or SARs granted in tandem with previously granted options), the strike price per share of our common stock underlying each SAR shall not be less than 100% of the fair market value of such share, determined as of the date of grant and the maximum term of a SAR granted under the Equity Incentive Plan will be ten years from the date of grant. The remaining terms of each grant of SARs shall be established by the Compensation Committee and reflected in the award agreement.

Restricted Stock. The Compensation Committee will be authorized to grant restricted stock under the Equity Incentive Plan, which will be subject to the terms and conditions established by the Compensation Committee. Restricted stock is common stock that is generally non-transferable and is subject to other restrictions determined by the Compensation Committee for a specified period. Any accumulated dividends will be payable at the same time that the underlying restricted stock vests.

Restricted Stock Unit Awards. The Compensation Committee will be authorized to grant restricted stock unit awards, which will be subject to the terms and conditions established by the Compensation Committee.
restricted stock unit award, once vested, may be settled in a number of shares of our common stock equal to the number of units earned, or in cash equal to the fair market value of the number of shares of our common stock, earned in respect of such restricted stock unit award of units earned, at the election of the Compensation Committee. Restricted stock units may be settled at the expiration of the period over which the units are to be earned or at a later date selected by the Compensation Committee. To the extent provided in an award agreement, the holder of outstanding restricted stock units shall be entitled to be credited with dividend equivalent payments upon the payment by us of dividends on shares of our common stock, either in cash or, at the sole discretion of the Compensation Committee, in shares of our common stock having a fair market value equal to the amount of such dividends, and interest may, at the sole discretion of the Compensation Committee, be credited on the amount of cash dividend equivalents at a rate and subject to such terms as determined by the Compensation Committee, which accumulated dividend equivalents (and interest thereon, if applicable) shall be payable at the same time that the underlying restricted stock units are settled.

Other Stock-Based Awards. The Compensation Committee will be authorized to grant awards of unrestricted shares of our common stock, rights to receive grants of awards at a future date or other awards denominated in shares of our common stock under such terms and conditions as the Compensation Committee may determine and as set forth in the applicable award agreement.

Performance Compensation Awards. The Compensation Committee may grant any award under the Equity Incentive Plan in the form of a “Performance Compensation Award” (including cash bonuses) intended to qualify as performance-based compensation for purposes of Section 162(m) of the Code by conditioning the number of shares earned or vested, or any payout, under the award on the satisfaction of certain “Performance Goals.” The Compensation Committee may establish these Performance Goals with reference to one or more of the following:

- net earnings or net income (before or after taxes);
- basic or diluted earnings per share (before or after taxes);
- net revenue or net revenue growth;
- gross revenue or gross revenue growth, gross profit or gross profit growth;
- net operating profit (before or after taxes);
- return measures (including, but not limited to, return on investment, assets, net assets, capital, gross revenue or gross revenue growth, invested capital, equity or sales);
- cash flow measures (including, but not limited to, operating cash flow, free cash flow and cash flow return on capital), which may but are not required to be measured on a per-share basis;
- earnings before or after taxes, interest, depreciation, and amortization (including EBIT and EBITDA);
- gross or net operating margins;
- productivity ratios;
- share price (including, but not limited to, growth measures and total shareholder return);
- expense targets or cost reduction goals, general and administrative expense savings;
Table of Contents

- operating efficiency;
- objective measures of customer satisfaction;
- working capital targets;
- measures of economic value added or other “value creation” metrics;
- enterprise value;
- stockholder return;
- customer retention;
- competitive market metrics;
- employee retention;
- total company comparable sales;
- objective measures of personal targets, goals or completion of projects (including but not limited to succession and hiring projects, completion of specific acquisitions, reorganizations or other corporate transactions or capital-raising transactions, expansions of specific business operations and meeting divisional or project budgets);
- system-wide revenues;
- cost of capital, debt leverage year-end cash position or book value;
- strategic objectives, development of new product lines and related revenue, sales and margin targets, or international operations; or
- any combination of the foregoing.

Any Performance Goal elements can be stated as a percentage of another Performance Goal or used on an absolute, relative or adjusted basis to measure the performance of the Company and/or its affiliates or any divisions, operations or business units, product lines, asset classes, brands, or administrative departments or any combination thereof, as the Compensation Committee deems appropriate. Performance Goals may be compared to the performance of a group of comparator companies or a published or special index that the Compensation Committee deems appropriate or stock market indices. The Compensation Committee may provide for accelerated vesting of any award based on the achievement of Performance Goals. Any award that is intended to qualify as “performance-based compensation” under Section 162(m) of the Code will be granted, and Performance Goals for such an award will be established, by the Compensation Committee in writing not later than 90 days after the commencement of the performance period to which the Performance Goals relate, or such other period required under Section 162(m) of the Code. Before any payment is made in connection with any award intended to qualify as performance-based compensation under Section 162(m) of the Code, the Compensation Committee must certify in writing that the Performance Goals established with respect to such award have been achieved. In determining the actual amount of an individual participant’s Performance Compensation Award for a performance period, the Compensation Committee may reduce or eliminate the amount of the Performance Compensation Award earned consistent with Section 162(m) of the Code.
The Compensation Committee may also specify adjustments or modifications (to the extent that it would not result in adverse consequences under Section 162(m) of the Code) to be made to the calculation of a Performance Goal for such performance period, based on and in order to appropriately reflect any of the following events: (i) asset write-downs; (ii) litigation or claim judgments or settlements; (iii) the effect of changes in tax laws, accounting principles, or other laws or regulatory rules affecting reported results; (iv) any reorganization and restructuring programs; (v) extraordinary nonrecurring items and/or in management’s discussion and analysis of financial condition and results of operations appearing in the Company’s annual report to stockholders for the applicable year; (vi) acquisitions or divestitures; (vii) any other specific, unusual or nonrecurring events; (viii) foreign exchange gains and losses; (ix) discontinued operations and nonrecurring charges; and (x) a change in our fiscal year.

Unless otherwise provided in the applicable award agreement, a participant shall be eligible to receive payment in respect of a Performance Compensation Award only to the extent that (i) the Performance Goals for such period are achieved and certified by the Compensation Committee; and (ii) all or some of the portion of such participant’s Performance Compensation Award has been earned for the performance period based on the application of the “Performance Formula” (as defined in the Equity Incentive Plan) to such Performance Goals.

Effect of a Change in Control. Unless otherwise provided in an award agreement, or any applicable employment, consulting, change in control, severance or other agreement between a participant and us, in the event of a change in control, if (A) the buyer or successor company has agreed to provide for the substitution, assumption, exchange or other continuation of equity awards granted pursuant to the Equity Incentive Plan, then in the event that a participant’s employment or service is involuntarily terminated other than for cause (and other than due to death or disability) within the 12-month period following a change in control or (B) if the buyer or successor company has not agreed to a provision for the substitution, assumption, exchange or other continuation of equity awards granted pursuant to the Equity Incentive Plan, then, in either case, (i) all then-outstanding options and SARs will become immediately exercisable as of such participant’s date of termination with respect to all of the shares subject to such option or SAR; and/or (ii) the restricted period shall expire as of such participant’s date of termination with respect to all of the then-outstanding shares of restricted stock or restricted stock units (including without limitation a waiver of any applicable Performance Goals); provided that any award whose vesting or exercisability is otherwise subject to the achievement of performance conditions, the portion of such award that shall become fully vested and immediately exercisable shall be based on the assumed achievement of target performance as determined by the Compensation Committee and prorated for the number of days elapsed from the grant date of such award through the date of termination. In addition, the Compensation Committee may in its discretion and upon at least ten days’ notice to the affected persons, cancel any outstanding award and pay the holders, in cash, securities or other property (including of the acquiring or successor company), or any combination thereof, the value of such awards based upon the price per share of our common stock received or to be received by other stockholders of the Company in the event. Notwithstanding the above, the Compensation Committee shall exercise such discretion over the timing or settlement of any award subject to Section 409A of the Code at the time such award is granted.

Nontransferability. Each award may be exercised during the participant’s lifetime by the participant or, if permissible under applicable law, by the participant’s guardian or legal representative. No award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a participant other than by will or by the laws of descent and distribution unless the Compensation Committee permits the award to be transferred to a permitted transferee (as defined in the Equity Incentive Plan).

Amendment. The Equity Incentive Plan will have a term of ten years. The board of directors may amend, suspend or terminate the Equity Incentive Plan at any time, subject to stockholder approval if necessary to comply with any tax, NYSE or other applicable regulatory requirement. No amendment, suspension or termination will materially and adversely affect the rights of any participant or recipient of any award without the consent of the participant or recipient.
The Compensation Committee may, to the extent consistent with the terms of any applicable award agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any award theretofore granted or the associated award agreement, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any participant or any holder or beneficiary of any option theretofore granted will not to that extent be effective without the consent of the affected participant, holder or beneficiary; and provided further that, without stockholder approval, (i) no amendment or modification may reduce the option price of any option or the strike price of any SAR, (ii) the Compensation Committee may not cancel any outstanding option and replace it with a new option (with a lower exercise price) or cancel any SAR and replace it with a new SAR (with a lower strike price) or other award or cash in a manner that would be treated as a repricing (for compensation disclosure or accounting purposes) and (iii) the Compensation Committee may not take any other action considered a repricing for purposes of the stockholder approval rules of the applicable securities exchange on which our common shares are listed. However, stockholder approval is not required with respect to clauses (i), (ii), and (iii) above with respect to certain adjustments on changes in capitalization. In addition, none of the requirements described in the preceding clauses (i), (ii), and (iii) can be amended without the approval of our stockholders.

U.S. Federal Income Tax Consequences

The following is a general summary of the material U.S. federal income tax consequences of the grant, exercise and vesting of awards under the Equity Incentive Plan and the disposition of shares acquired pursuant to the exercise or settlement of such awards and is intended to reflect the current provisions of the Code and the regulations thereunder. This summary is not intended to be a complete statement of applicable law, nor does it address foreign, state, local or payroll tax considerations. This summary assumes that all awards described in the summary are exempt from, or comply with, the requirement of Section 409A of the Code. Moreover, the U.S. federal income tax consequences to any particular participant may differ from those described herein by reason of, among other things, the particular circumstances of such participant.

Stock Options. Holders of incentive stock options will generally incur no federal income tax liability at the time of grant or upon vesting or exercise of those options. However, the spread at exercise will be an “item of tax preference,” which may give rise to “alternative minimum tax” liability for the taxable year in which the exercise occurs. If the holder does not dispose of the shares before the later of two years following the date of grant and one year following the date of exercise, the difference between the exercise price and the amount realized upon disposition of the shares will constitute long-term capital gain or loss, as the case may be. Assuming the holding period is satisfied, no deduction will be allowed to us for federal income tax purposes in connection with the grant or exercise of the incentive stock option. If, within two years following the date of grant or within one year following the date of exercise, the holder of shares acquired through the exercise of an incentive stock option disposes of those shares, the participant will generally realize taxable compensation at the time of such disposition equal to the difference between the exercise price and the lesser of the fair market value of the share on the date of exercise or the amount realized on the subsequent disposition of the shares, and that amount will generally be deductible by us for federal income tax purposes, subject to the possible limitations on deductibility under Sections 280G and 162(m) of the Code for compensation paid to executives designated in those Sections. Finally, if an incentive stock option becomes first exercisable in any one year for shares having an aggregate value in excess of $100,000 (based on the grant date value), the portion of the incentive stock option in respect of those excess shares will be treated as a non-qualified stock option for federal income tax purposes.

No income will be realized by a participant upon grant or vesting of an option that does not qualify as an incentive stock option (“a non-qualified stock option”). Upon the exercise of a non-qualified stock option, the participant will recognize ordinary compensation income in an amount equal to the excess, if any, of the fair market value of the underlying exercised shares over the option exercise price paid at the time of exercise, and the participant’s tax basis will equal the sum of the compensation income recognized and the exercise price. We
Table of Contents

will be able to deduct this same excess amount for U.S. federal income tax purposes, but such deduction may be limited under Sections 280G and 162(m) of the Code for compensation paid to certain executives designated in those Sections. In the event of a sale of shares received upon the exercise of a non-qualified stock option, any appreciation or depreciation after the exercise date generally will be taxed as capital gain or loss and will be long-term gain or loss if the holding period for such shares is more than one year.

SARs. No income will be realized by a participant upon grant or vesting of a SAR. Upon the exercise of a SAR, the participant will recognize ordinary compensation income in an amount equal to the fair market value of the payment received in respect of the SAR. We will be able to deduct this same amount for U.S. federal income tax purposes, but such deduction may be limited under Sections 280G and 162(m) of the Code for compensation paid to certain executives designated in those Sections.

Restricted Stock. A participant will not be subject to tax upon the grant of an award of restricted stock unless the participant otherwise elects to be taxed at the time of grant pursuant to Section 83(b) of the Code. On the date an award of restricted stock becomes transferable or is no longer subject to a substantial risk of forfeiture (i.e., the vesting date), the participant will have taxable compensation equal to the difference between the fair market value of the shares on that date over the amount the participant paid for such shares, if any, unless the participant made an election under Section 83(b) of the Code to be taxed at the time of grant. If the participant made an election under Section 83(b), the participant will have taxable compensation at the time of grant equal to the difference between the fair market value of the shares on the date of grant over the amount the participant paid for such shares, if any. If the election is made, the participant will not be allowed a deduction for amounts subsequently required to be returned to us. (Special rules apply to the receipt and disposition of restricted shares received by officers and directors who are subject to Section 16(b) of the Exchange Act). We will be able to deduct, at the same time as it is recognized by the participant, the amount of taxable compensation to the participant for U.S. federal income tax purposes, but such deduction may be limited under Sections 280G and 162(m) of the Code for compensation paid to certain executives designated in those Sections.

Restricted Stock Units. A participant will not be subject to tax upon the grant or vesting of a restricted stock unit award. Rather, upon the delivery of shares or cash pursuant to a restricted stock unit award, the participant will have taxable compensation equal to the fair market value of the number of shares (or the amount of cash) the participant actually receives with respect to the award. We will be able to deduct the amount of taxable compensation to the participant for U.S. federal income tax purposes, but the deduction may be limited under Sections 280G and 162(m) of the Code for compensation paid to certain executives designated in those Sections.

Section 162(m). In general, Section 162(m) of the Code denies a publicly held corporation a deduction for U.S. federal income tax purposes for compensation in excess of $1,000,000 per year per person to its chief executive officer and the three other officers whose compensation is required to be disclosed in its proxy statement (excluding the chief financial officer), subject to certain exceptions. The Equity Incentive Plan is intended to satisfy an exception with respect to grants of options and SARs to covered employees. In addition, the Equity Incentive Plan is designed to permit certain awards of restricted stock, restricted stock units and other awards (including cash bonus awards) to be awarded as Performance Compensation Awards intended to qualify under the “performance-based compensation” exception to Section 162(m) of the Code. As discussed above, we do not believe that Section 162(m) would apply to our executives’ compensation, but if it were to apply, as a new public company, we expect to be eligible for transition relief from the deduction limitations imposed under Section 162(m) of the Code until our first stockholder meeting at which directors are elected that occurs in 2021. In addition, we reserve the right to award compensation as to which a deduction may be limited under Section 162(m) where we believe it is appropriate to do so.
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements for our named executive officers and directors, we describe below each transaction or series of similar transactions, since February 3, 2013, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

Compensation and indemnification arrangements for our named executive officers and directors are described below under “—Indemnification Agreements.”

Subordinated Debt Facility

On September 27, 2012, we entered into a six-year subordinated debt facility agreement (the “Subordinated Debt Agreement”). The lender under the Subordinated Debt Agreement was an affiliate of Golden Gate Capital, which was a minority equity holder of ours prior to the Acquisition. The Subordinated Debt Agreement was an unsecured mezzanine term loan and provided for borrowings of $30.0 million. Borrowings under the Subordinated Debt Agreement accrued interest at a rate of 24.0%. This facility was provided through JJ Mezz Funding Corp., which was a variable interest entity established to facilitate such financing. On May 8, 2015, contemporaneously with the Acquisition, the subordinated debt facility was repaid in full in an amount of $40.9 million and the Subordinated Debt Agreement was terminated by us.

Related Party Receivable

In connection with the Acquisition, two of our directors, Michael Rahamim and Marka Hansen, and a director of an indirect parent company of ours, invested new money in JJill Topco Holdings and entered into subscription agreements with JJill Topco Holdings. Following the Acquisition, JJill Topco Holdings held $1.9 million of cash consideration from these investments and did not contribute the cash to us and our subsidiaries. As a result, we recorded a related party receivable in the amount of $1.9 million.

Stockholders Agreement

In connection with this offering, we will enter into a Stockholders Agreement with TowerBrook, which, as further described below, will contain certain rights for TowerBrook.

Consent Rights

For so long as TowerBrook beneficially owns at least 50% of our common stock, TowerBrook will have prior approval rights over the following transactions:

- any increase or decrease in the size of our board of directors;
- any incurrence of indebtedness (other than (i) debt existing as of the date of the Stockholders Agreement or refinancing thereof, (ii) capital leases approved by the board of directors and (iii) intercompany debt) in excess of $10.0 million;
- any authorization, creation (by way of reclassification, merger, consolidation or otherwise) or issuance of equity securities (including preferred stock) other than issuances (i) pursuant to an equity compensation plan, (ii) by a subsidiary to us or another wholly owned subsidiary or (iii) upon conversion of convertible securities or exercise of options or warrants outstanding as of the date of the Stockholders Agreement or issued in compliance with the Stockholders Agreement;
any redemption or repurchase of our equity securities, other than (i) from any director, officer, independent contractor or employee in connection with the termination of the employment or services of such director, officer or employee as contemplated by the applicable equity compensation plan or award agreement or (ii) pursuant to an offer made pro rata to all stockholders party to the Stockholders’ Agreement;

- any material acquisition of the assets or equity interests of any other entity in any single transaction or series of related transactions;
- any fundamental changes to the nature of our business that involve the entry into any new line of business;
- the adoption, approval or issuance of any “poison pill,” stockholder or similar rights plan by us or our subsidiaries or any amendment of such plan;
- any amendment, restatement or modification of our certificate of incorporation or bylaws;
- any payment or declaration of any dividend or other distribution on any of our equity securities or entering into a recapitalization transaction the primary purpose of which is to pay a dividend, other than dividends required to be made pursuant to the terms of any outstanding preferred stock;
- appointment or removal of the chairperson of our board of directors;
- the consummation of a change of control or entry into any contract or agreement the effect of which would be a change of control; and
- our or any of our subsidiaries’ entry into any voluntary liquidation, dissolution or commencement of bankruptcy or insolvency proceedings, the adoption of a plan with respect to any of the foregoing or the decision not to oppose any similar proceeding commenced by a third party.

The effect of the Stockholders Agreement will be that TowerBrook may maintain control over our significant corporate transactions even if it holds less than a majority of our common stock.

**Composition of the Board of Directors**

The Stockholders Agreement will also provide TowerBrook with certain rights with respect to the designation of directors to serve on our board of directors. As set forth in the Stockholder’s Agreement, for so long as TowerBrook beneficially owns at least 50% of our common stock, it will be entitled to designate for nomination a majority of our board of directors. When TowerBrook beneficially owns less than 50% of our common stock but owns at least 10% of our common stock, TowerBrook will be entitled to designate for nomination a number of directors in proportion to its ownership of our common stock, rounded up to the nearest whole person. When TowerBrook owns less than 10% of our common stock but owns at least 5% of our common stock, TowerBrook will be entitled to designate for nomination the greater of (i) a number of directors in proportion to its ownership of our common stock, rounded up to the nearest whole person, and (ii) one director.

**Registration Rights Agreement**

In connection with this offering, we intend to enter into a registration rights agreement that will provide TowerBrook an unlimited number of “demand” registrations and customary “piggyback” registration rights, and will provide certain members of our management with customary “piggyback” registration rights. The registration rights agreement will also provide that we will pay certain expenses relating to such registrations and indemnify the registration rights holders against certain liabilities which may arise under the Securities Act.

**Services Agreement**

We are party to a services agreement with TowerBrook, pursuant to which TowerBrook has performed and will perform management support advisory services, planning and finance services for us. Under the terms of the services agreement, effective May 8, 2015, we paid an upfront lump sum advisory fee of $4.0 million. Under the
services agreement, we also agreed to pay and reimburse reasonable out of pocket expenses to TowerBrook for conducting these advisory services. In the 2015 Successor Period, we reimbursed TowerBrook $0.3 million in relation to these services. We also distributed $8.6 million to J Jill Topco Holdings in the 2015 Successor Period to reimburse expenses associated with the Acquisition.

Prior to the Acquisition, our previous equity holders performed certain management support and finance services for us. In the 2015 Predecessor Period, we paid management fees of $0.3 million and in fiscal year 2014, we paid management fees of $1.0 million for these services.

Indemnification Agreements

We expect to enter into customary indemnification agreements with our executive officers and directors that provide, in general, that we will provide them with customary indemnification in connection with their service to us or on our behalf.

These indemnification agreements will require us, among other things, to indemnify our directors and officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements also will require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified and to obtain directors’ and officers’ insurance, if available on reasonable terms.

Policies and Procedures for Related Party Transactions

Upon the consummation of this offering, we will adopt a written Related Person Transaction Policy (the “policy”), which will set forth our policy with respect to the review, approval, ratification and disclosure of all related person transactions by our Audit Committee. In accordance with the policy, our Audit Committee will have overall responsibility for implementation of and compliance with the policy.

For purposes of the policy, a “related person transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we were, are or will be a participant and the amount involved exceeded, exceeds or will exceed $120,000 and in which any related person (as defined in the policy) had, has or will have a direct or indirect material interest. A “related person transaction” does not include any employment relationship or transaction involving an executive officer and any related compensation resulting solely from that employment relationship that has been reviewed and approved by our board of directors or Compensation Committee.

The policy will require that notice of a proposed related person transaction be provided to our legal department prior to entry into such transaction. If our legal department determines that such transaction is a related person transaction, the proposed transaction will be submitted to our Audit Committee for consideration. Under the policy, our Audit Committee may approve only those related person transactions that are in, or not inconsistent with, our best interests and the best interests of our stockholders. In the event that we become aware of a related person transaction that has not been previously reviewed, approved or ratified under the policy and that is ongoing or is completed, the transaction will be submitted to the Audit Committee so that it may determine whether to ratify, rescind or terminate the related person transaction.

The policy will also provide that the Audit Committee review certain previously approved or ratified related person transactions that are ongoing to determine whether the related person transaction remains in our best interests and the best interests of our stockholders. Additionally, we will make periodic inquiries of directors and executive officers with respect to any potential related person transaction of which they may be a party or of which they may be aware.
### Table of Contents

**PRINCIPAL AND SELLING STOCKHOLDERS**

The following table sets forth the beneficial ownership of our common stock by:

- each person, or group of affiliated persons, who we know to beneficially own more than 5% of our common stock;
- each of our named executive officers;
- each of our directors;
- all of our executive officers and directors as a group; and
- the selling stockholder.

Following our conversion to a Delaware corporation and the merger of J Jill Holdings with and into us, as described under “Corporate Conversion,” J Jill Topco Holdings will hold all of our issued and outstanding common stock. Following the completion of this offering, J Jill Topco Holdings plans to distribute all of the shares of our common stock held by it, other than the shares it sells in this offering, to its partners in accordance with the terms of its limited partnership agreement. If the underwriters’ option to purchase additional shares is not exercised in full, J Jill Topco Holdings will distribute its remaining shares of our common stock to its limited partners. All shares of our common stock distributed by J Jill Topco Holdings will be subject to restrictions on transfer as described under “Shares Eligible for Future Sale—Lock-up Agreements.” Cash proceeds received by J Jill Topco Holdings from the sale of shares of our common stock in this offering, net of underwriting discounts, will be distributed to the partners of J Jill Topco Holdings in accordance with its limited partnership agreement.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to such securities. Except as otherwise indicated, all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. Unless otherwise indicated, the address of each person or entity named in the table below is c/o J.Jill, Inc., 4 Battemarch Park, Quincy, Massachusetts 02169.

<table>
<thead>
<tr>
<th>Shares Beneficially Owned Before the Offering</th>
<th>Shares to be Sold in the Offering</th>
<th>Shares Beneficially Owned After the Offering</th>
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</thead>
<tbody>
<tr>
<td>Number</td>
<td>Percent</td>
<td>Excluding Exercise of Option to Purchase Additional Shares</td>
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</tbody>
</table>

**5% Stockholders**

- Entities affiliated with TowerBrook (1) 43,747,944 100.0% 11,666,667 13,416,667 26,420,350 60.4% 24,876,752 56.9%

**Named Executive Officers and Directors**

<table>
<thead>
<tr>
<th>Name</th>
<th>Number</th>
<th>Percent</th>
<th>Excluding Exercise of Option to Purchase Additional Shares</th>
<th>Including Exercise of Option to Purchase Additional Shares</th>
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<tbody>
<tr>
<td>Paula Bennett (2)</td>
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<td>David Biese (3)</td>
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<td>Joann Fielder (4)</td>
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<td>Michael Rahamim (5)</td>
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<td>Marka Hansen (6)</td>
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<tr>
<td>Travis Nelson</td>
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<td>Michael Recht</td>
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<td>Andrew Rolfe</td>
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<td>Michael Eck (7)</td>
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<tr>
<td>Linda Heasley</td>
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</table>

All current directors and executive officers as a group 3,919,675 9.0% 3,789,644 8.7%
* Represents beneficial ownership of less than one percent of shares outstanding.

(1) Prior to the distribution of shares of our common stock described above, the shares are held directly by J Jill Topco Holdings, L.P., the selling stockholder in this offering. The general partner of J Jill Topco Holdings, L.P. is J Jill Holdings GP, LLC. The sole member of J Jill Holdings GP, LLC is TI IV J Jill Holdings, L.P. Following the distribution of shares described above, the shares are held directly by J Jill Holdings, GP, LLC and TI IV J Jill Holdings, L.P. The general partner of TI IV J Jill Holdings, L.P. is TI IV J J GP, LLC. The sole member of TI IV J J GP, LLC is TowerBrook Investors IV (Onshore), L.P. The general partner of TowerBrook Investors IV (Onshore), L.P. is TowerBrook Investors GP IV, L.P., and its ultimate general partner is TowerBrook Investors, Ltd. The natural persons that have voting or investment power over shares of common stock beneficially owned by TowerBrook Investors GP IV, L.P. and TowerBrook Investors, Ltd. are Neal Moszkowski and Ramez Sousou. The address of each of the entities and natural persons identified in this footnote is c/o TowerBrook Capital Partners L.P., 65 East 55th Street, 27th Floor, New York, New York 10022.

(2) Consists of 10,647 shares of common stock held directly by Ms. Bennett (or 10,025 shares if the underwriters exercise their option to purchase additional shares in full), 890,253 shares of common stock held by the Paula L. Bennett Grantor Retained Annuity Trust (or 838,241 shares if the underwriters exercise their option to purchase additional shares in full) and 1,434,969 shares of common stock held by the Paula L. Bennett 2015 Family Trust (or 1,429,870 shares if the underwriters exercise their option to purchase additional shares in full). BNY Mellon Trust of Delaware is the trustee of both the Paula L. Bennett Grantor Retained Annuity Trust and the Paula L. Bennett 2015 Family Trust. Of the shares held by the Paula L. Bennett 2015 Family Trust, 908,814 shares (or 905,584 shares if the underwriters exercise their option to purchase additional shares in full) are subject to vesting in equal monthly installments through May 8, 2020.

(3) Of the shares shown, 230,384 shares (or 229,576 shares if the underwriters exercise their option to purchase additional shares in full) are subject to vesting in equal monthly installments through April 30, 2020.

(4) Of the shares shown, 287,980 shares (or 286,971 shares if the underwriters exercise their option to purchase additional shares in full) are subject to vesting in equal monthly installments through April 30, 2020.

(5) Of the shares shown, 215,245 shares (or 214,480 shares if the underwriters exercise their option to purchase additional shares in full) are subject to vesting in equal annual installments through May 8, 2020.

(6) Of the shares shown, 72,609 shares (or 72,354 shares if the underwriters exercise their option to purchase additional shares in full) are subject to vesting in equal annual installments through May 8, 2020.

(7) All of the shares shown are subject to vesting until November 15, 2017.
DESCRIPTION OF CAPITAL STOCK

The following is a summary of all material characteristics of our capital stock as set forth in our certificate of incorporation and bylaws, which will be in effect upon our conversion from a Delaware limited liability company to a Delaware corporation. The summary does not purport to be complete and is qualified in its entirety by reference to our certificate of incorporation and bylaws, all of which are incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and the applicable provisions of Delaware law.

Capital Stock

Our certificate of incorporation will provide that our authorized capital stock will consist of 250,000,000 shares of common stock, par value $0.01 per share, and 50,000,000 shares of preferred stock, par value $0.01 per share. After the consummation of this offering, we expect to have 43,747,944 shares of common stock and zero shares of preferred stock outstanding.

Common Stock

Voting Rights

The holders of our common stock are entitled to one vote per share of common stock on each matter properly submitted to the stockholders on which the holders of shares of common stock are entitled to vote, including the election of directors, and will not have cumulative voting rights.

Dividend Rights

The holders of our common stock will be entitled to receive dividends when, as, and if declared by our board of directors out of legally available funds.

All shares of our common stock will be entitled to share equally in any dividends our board of directors may declare from legally available sources, subject to the terms of any outstanding preferred stock. See “—Preferred Stock.” Provisions of our debt agreements and other contracts, including requirements under our certificate of incorporation described elsewhere in this prospectus, may impose restrictions on our ability to declare dividends with respect to our common stock.

Liquidation Rights

Upon a liquidation or dissolution of the Company, whether voluntary or involuntary and subject to the rights of the holders of any preferred stock, all shares of our common stock will be entitled to share equally in the assets available for distribution to holders of common stock after payment of all of our prior obligations, including any then-outstanding preferred stock.

Other Matters

The holders of our common stock will have no preemptive rights. All of the outstanding shares of common stock are, and the shares of common stock to be sold in this offering when issued and paid for will be, fully paid and nonassessable. There will be no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of holders of common stock will be subject to the rights of the holders of shares of any series of preferred stock that may be issued in the future.
After the consummation of this offering, our board of directors may, by a majority vote, issue, from time to time, up to an aggregate of 50,000,000 shares of preferred stock in one or more series and to fix or alter the designations, preferences, rights and any qualifications, limitations or restrictions of the shares of each such series thereof, including the dividend rights, dividend rates, conversion rights, voting rights, terms of redemption (including sinking fund provisions), redemption prices, liquidation preferences and the number of shares constituting any series or designations of such series. See “—Certain Anti-Takeover, Limited Liability and Indemnification Provisions.” Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of common stock. The issuance of preferred stock, while providing flexibility in connection with possible future financings and acquisitions and other corporate purposes could, under certain circumstances, have the effect of delaying, deferring or preventing a change in control of us and might affect the market price of our common stock. See “—Certain Anti-Takeover, Limited Liability and Indemnification Provisions.” We have no current plan to issue any shares of preferred stock following the consummation of this offering.

Certain Anti-Takeover, Limited Liability and Indemnification Provisions

Certain provisions in our certificate of incorporation and bylaws summarized below may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the shares held by stockholders.

“Blank Check” Preferred Stock

Our certificate of incorporation will provide that our board of directors may, by a majority vote, issue shares of preferred stock. Preferred stock could be issued by our board of directors to increase the number of outstanding shares making a takeover more difficult and expensive. See “—Preferred Stock.”

No Cumulative Voting

Our certificate of incorporation will provide that stockholders do not have the right to cumulative votes in the election of directors.

Stockholder Action by Written Consent

Our certificate of incorporation will provide that, prior to the date on which TowerBrook ceases to beneficially own more than 50% of the outstanding shares of our common stock (the “Triggering Event”), any action required to be or that may be taken at any meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if and only if a consent in writing, setting forth the action so taken, shall be signed by the stockholders having not less than the minimum number of votes necessary to take such action.

Classified Board

Our certificate of incorporation and bylaws will provide that following this offering, our board of directors will have three classes of directors:

- Class I shall consist of directors whom shall serve an initial one-year term;
- Class II shall consist of directors whom shall serve an initial two-year term; and
- Class III shall consist of directors whom shall serve an initial three-year term.
The number of directors on our board of directors may be fixed by at least two-thirds of the members of our board of directors then in office; provided, however, that prior to the Triggering Event, the number of directors on our board of directors may not be increased or decreased without the approval of a majority of the directors that have been appointed by TowerBrook then in office.

**Advance Notice Requirements for Stockholder Proposals and Director Nominations**

Our bylaws will provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice thereof in writing. To be timely, a stockholder’s notice generally must be delivered to and received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year’s annual meeting; provided, that, in the event that the date of such meeting is advanced more than 30 days prior to, or delayed by more than 60 days after, the anniversary of the preceding year’s annual meeting of our stockholders, a stockholder’s notice to be timely must be so delivered not earlier than the close of business on the 120th day prior to such meeting and not later than the close of business on the later of the 90th day prior to such meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made. Our bylaws will also specify certain requirements as to the form and content of a stockholder’s notice. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

**Special Meetings of Stockholders**

Subject to the rights of the preferred stock, special meetings of our stockholders may be called only by the chairman of our board of directors or by a resolution adopted by a majority of our board of directors. Stockholders are not permitted to call a special meeting of stockholders, to require that the chairman call such a special meeting, or to require that our board of directors request the calling of a special meeting of stockholders.

**Removal of Directors**

Until the Triggering Event, any director may be removed from office at any time, with or without cause, by holders of a majority of the voting power of our outstanding common stock. Our certificate of incorporation will provide that, after the Triggering Event, our directors may be removed only for cause by the affirmative vote of at least $\frac{66}{3}$% of the voting power of our outstanding common stock. This requirement of a supermajority vote to remove directors could enable a minority of our stockholders to prevent a change in the composition of our board.

**Super-Majority Approval Requirements**

The Delaware General Corporation Law generally provides that the affirmative vote of the holders of a majority of the outstanding shares entitled to vote on any matter is required to amend a corporation’s certificate of incorporation or bylaws, unless either a corporation’s certificate of incorporation or bylaws require a greater percentage. Our certificate of incorporation and bylaws will provide that, at any time after the Triggering Event, the affirmative vote of holders of $\frac{66}{3}$% of our outstanding common stock will be required to amend, alter, change or repeal our certificate of incorporation or bylaws. Our bylaws may also be amended or repealed by a majority vote of our board of directors. Prior to the Triggering Event, the requirement of a super-majority vote to approve amendments to our certificate of incorporation and bylaws could enable a minority of our stockholders to exercise veto power over any such amendments.

**Limitation of Officer and Director Liability and Indemnification Agreements**

Our certificate of incorporation will limit the liability of our directors to the fullest extent permitted by the Delaware General Corporation Law and provides that we will provide them with customary indemnification.
We expect to enter into indemnification agreements with each of our executive officers and directors that provide them, in general, with customary indemnification in connection with their service to us or on our behalf.

**Forum Selection**

Our certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a breach of fiduciary duty, (iii) any action asserting a claim against us arising pursuant to any provision of the DGCL or (iv) any action asserting a claim against us that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. However, it is possible that a court could find our forum selection provision to be inapplicable or unenforceable.

**Delaware Anti-Takeover Law**

We have elected to be exempt from the restrictions imposed under Section 203 of the DGCL. However, our certificate of incorporation will contain similar provisions providing that we may not engage in certain “business combinations” with any “interested stockholder” for a three-year period following the time that such stockholder becomes an interested stockholder unless:

- prior to such time, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an “interested stockholder,” the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced (excluding certain shares); or
- on or subsequent to such time, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Generally, a “business combination” includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an “interested stockholder” is a person who, together with that person’s affiliates and associates, owns, or within the previous three years owned, 15% or more of our voting stock.

Under some circumstances, this provision will make it more difficult for a person who is an interested stockholder to effect various business combinations with us for a three-year period.

Our certificate of incorporation will provide that TowerBrook and its various affiliates, successors and transferees will not be deemed to be “interested stockholders” regardless of the percentage of our voting stock owned by them, and accordingly will not be subject to this provision.

**Corporate Opportunity**

Our certificate of incorporation will provide that, to the fullest extent permitted by law, the doctrine of “corporate opportunity” will not apply against TowerBrook, any of our non-employee directors who are employees, affiliates or consultants of TowerBrook or its affiliates (other than us or our subsidiaries) or any of their respective affiliates in a manner that would prohibit them from investing in competing businesses or doing business with our customers. See “Risk Factors—Risks Related to this Offering and Ownership of Our Common Stock—Our certificate of incorporation will contain a provision renouncing our interest and expectancy in certain corporate opportunities.”

126
Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be American Stock Transfer & Trust Company, LLC.

Securities Exchange

The shares of our common stock have been approved for listing on the NYSE under the symbol “JILL.”
SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect the market price of our common stock prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of a substantial number of shares of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity-related capital at a time and price we deem appropriate.

Upon completion of this offering, we will have outstanding an aggregate of 43,747,944 shares of common stock. Of these shares, all of the 11,666,667 shares of common stock to be sold in this offering (or 13,416,667 shares assuming the underwriters exercise the option to purchase additional shares in full) will be freely tradable without restriction unless the shares are held by any of our “affiliates” as such term is defined in Rule 144 under the Securities Act, and without further registration under the Securities Act. All remaining shares of common stock will be deemed “restricted securities” as such term is defined under Rule 144.

The restricted securities were, or will be, issued and sold by us in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below.

As a result of the lock-up agreements described below and the provisions of Rule 144 and Rule 701 under the Securities Act, the shares of our common stock (excluding the shares to be sold in this offering) that will be available for sale in the public market are as follows:

- no shares will be eligible for sale on the date of this prospectus or prior to 180 days after the date of this prospectus; and
- 32,081,277 shares will be eligible for sale upon the expiration of the lock-up agreements beginning 180 days after the date of this prospectus and when permitted under Rule 144 or Rule 701.

Lock-up Agreements

We, affiliates of TowerBrook, certain of our other existing stockholders and all of our directors and executive officers have agreed not to sell any common stock or securities convertible into or exercisable or exchangeable for shares of common stock for a period of 180 days from the date of this prospectus, subject to certain exceptions. Please see “Underwriting” for a description of these lock-up provisions. The representatives of the underwriters, in their sole discretion, may at any time release all or any portion of the shares from the restrictions in such agreements.

Rule 144

In general, under Rule 144 under the Securities Act as currently in effect, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the six months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled
to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our common stock or the average weekly trading volume of our common stock reported by the NYSE during the four calendar weeks preceding the filing of notice of the sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701 under the Securities Act, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirement of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, volume limitation or notice filing provisions of Rule 144. The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus.

Stock Issued Under Employee Plans

We intend to file a registration statement on Form S-8 under the Securities Act to register stock issuable under the Equity Incentive Plan. This registration statement on Form S-8 is expected to be filed following the effective date of the registration statement of which this prospectus is a part and will be effective upon filing. Accordingly, shares registered under such registration statement will be available for sale in the open market following the effective date, unless such shares are subject to vesting restrictions with us, Rule 144 restrictions applicable to our affiliates or the lock-up restrictions described above.

Registration Rights

After this offering, and subject to the lock-up agreements, members of our management and affiliates of TowerBrook will be entitled to certain rights with respect to the registration of their shares of our common stock under the Securities Act after the completion of this offering. For more information, see “Certain Relationships and Related Party Transactions—Registration Rights Agreement.” After such registration, these shares of our common stock will become freely tradable without restriction under the Securities Act.
MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of material U.S. federal income tax considerations applicable to Non-U.S. Holders (as defined below) with respect to the ownership and disposition of our common stock issued pursuant to this offering. The following discussion is based upon current provisions of the Internal Revenue Code of 1986, as amended (the “Code”), U.S. judicial decisions, administrative pronouncements and existing and proposed Treasury regulations, all as in effect as of the date hereof. All of the preceding authorities are subject to change at any time, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those discussed below. We have not requested, and will not request, a ruling from the U.S. Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal income tax consequences described below, and as a result there can be no assurance that the IRS will not disagree with or challenge any of the conclusions we have reached and describe herein.

This discussion only addresses beneficial owners of our common stock that hold such common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of U.S. federal income taxation that may be important to a Non-U.S. Holder in light of such Non-U.S. Holder’s particular circumstances or that may be applicable to Non-U.S. Holders subject to special treatment under U.S. federal income tax law (including, for example, financial institutions, regulated investment companies, real estate investment trusts, dealers in securities, traders in securities that elect mark-to-market treatment, insurance companies, tax-exempt entities, Non-U.S. Holders who acquire our common stock pursuant to the exercise of employee stock options or otherwise as compensation for their services, Non-U.S. Holders liable for the alternative minimum tax, controlled foreign corporations, passive foreign investment companies, former citizens or former long-term residents of the United States, and Non-U.S. Holders that hold our common stock as part of a hedge, straddle, constructive sale or conversion transaction). In addition, this discussion does not address U.S. federal tax laws other than those pertaining to the U.S. federal income tax (such as U.S. federal estate or gift tax or the Medicare contribution tax on certain net investment income), nor does it address any aspects of U.S. state, local or non-U.S. taxes. Non-U.S. Holders are urged to consult with their own tax advisors regarding the possible application of these taxes.

For the purposes of this discussion, the term “Non-U.S. Holder” means a beneficial owner of our common stock that is an individual, corporation, estate or trust, other than:

- an individual who is a citizen or resident of the United States, as determined for U.S. federal income tax purposes;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if: (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust; or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a domestic trust.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds shares of our common stock, the tax treatment of a person treated as a partner generally will depend on the status of the partner and the activities of the partnership. Persons that, for U.S. federal income tax purposes, are treated as partners in a partnership holding shares of our common stock are urged to consult their own tax advisors.
Table of Contents

Prospective purchasers are urged to consult their tax advisors as to the particular consequences to them under U.S. federal, state and local, and applicable foreign tax laws of the acquisition, ownership and disposition of our common stock.

Distributions

Although we do not anticipate that we will make any distributions on our common stock in the foreseeable future, distributions of cash or property that we pay in respect of our common stock will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Subject to the discussions below under “—U.S. Trade or Business Income,” “—Information Reporting and Backup Withholding” and “—FATCA,” you generally will be subject to U.S. federal withholding tax at a 30% rate, or at a reduced rate prescribed by an applicable income tax treaty, on any dividends received in respect of our common stock. If the amount of the distribution exceeds our current and accumulated earnings and profits, such excess first will be treated as a return of capital to the extent of your tax basis in our common stock, and thereafter will be treated as capital gain. However, except to the extent that we elect (or the paying agent or other intermediary through which you hold your common stock elects) otherwise, we (or the intermediary) must generally withhold on the entire distribution, in which case you would be entitled to a refund from the IRS for the withholding tax on the portion of the distribution that exceeded our current and accumulated earnings and profits.

In order to obtain a reduced rate of U.S. federal withholding tax under an applicable income tax treaty, you will be required to provide a properly executed IRS Form W-8BEN or Form W-8BEN-E (or, in each case, a successor form) certifying your entitlement to benefits under the treaty. If you are eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty, you may obtain a refund of any excess amounts withheld by filing an appropriate claim for a refund with the IRS. You are urged to consult your own tax advisor regarding your possible entitlement to benefits under an income tax treaty.

Sale, Exchange or Other Taxable Disposition of Common Stock

Subject to the discussions below under “—U.S. Trade or Business Income,” “—Information Reporting and Backup Withholding” and “—FATCA,” you generally will not be subject to U.S. federal income or withholding tax in respect of any gain on a sale, exchange or other taxable disposition of our common stock unless:

- the gain is U.S. trade or business income, in which case, such gain will be taxed as described in “—U.S. Trade or Business Income” below;

- you are an individual who is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met, in which case you will be subject to U.S. federal income tax at a rate of 30% (or a reduced rate under an applicable income tax treaty) on the amount by which certain capital gains allocable to U.S. sources exceed certain capital losses allocable to U.S. sources; or

- we are or have been a “United States real property holding corporation” (a “USRPHC”) under Section 897 of the Code at any time during the shorter of the five-year period ending on the date of the disposition and your holding period for the common stock, in which case, subject to the exception set forth in the second sentence of the next paragraph, such gain will be subject to U.S. federal income tax in the same manner as U.S. trade or business income discussed below.

In general, a corporation is a USRPHC if the fair market value of its “United States real property interests” equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. If we are a USRPHC, gain will not be subject to tax as
U.S. trade or business income if your holdings (direct and indirect) at all times during the applicable period described in the third bullet point above constituted 5% or less of our common stock, provided that our common stock was regularly traded on an established securities market during such period. We believe that we are not currently, and we do not anticipate becoming in the future, a USRPHC for U.S. federal income tax purposes.

U.S. Trade or Business Income

For purposes of this discussion, dividend income and gain on the sale, exchange or other taxable disposition of our common stock will be considered to be “U.S. trade or business income” if (A) such income or gain is (i) effectively connected with your conduct of a trade or business within the United States and (ii) if you are eligible for the benefits of an income tax treaty with the United States and such treaty requires, attributable to a permanent establishment (or, if you are an individual, a fixed base) that you maintain in the United States or (B) with respect to gain, we are or have been a USRPHC at any time during the shorter of the five-year period ending on the date of the disposition of our common stock and your holding period for our common stock (subject to the 5% ownership exception set forth above in the second paragraph of “—Sale, Exchange or Other Taxable Disposition of Common Stock”). Generally, U.S. trade or business income is not subject to U.S. federal withholding tax (provided that you comply with applicable certification and disclosure requirements, including providing a properly executed IRS Form W-8ECI (or successor form)); instead, you are subject to U.S. federal income tax on a net basis at regular U.S. federal income tax rates (generally in the same manner as a U.S. person) on your U.S. trade or business income. If you are a corporation, any U.S. trade or business income that you receive may also be subject to a “branch profits tax” at a 30% rate, or at a lower rate prescribed by an applicable income tax treaty.

Information Reporting and Backup Withholding

We must annually report to the IRS and to each Non-U.S. Holder any dividend income that is subject to U.S. federal withholding tax or that is exempt from such withholding. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which a Non-U.S. Holder resides. Under certain circumstances, the Code imposes a backup withholding obligation on certain reportable payments. Dividends paid to you will generally be exempt from backup withholding if you provide a properly executed IRS Form W-8BEN or Form W-8BEN-E (or, in each case, a successor form) or otherwise establish an exemption and we do not have actual knowledge or reason to know that you are a U.S. person or that the conditions of such other exemption are not, in fact, satisfied.

The payment of the proceeds from the disposition of our common stock to or through the U.S. office of any broker (U.S. or non-U.S.) will be subject to information reporting and possible backup withholding unless you certify as to your non-U.S. status under penalties of perjury or otherwise establish an exemption and the broker does not have actual knowledge or reason to know that you are a U.S. person or that the conditions of any other exemption are not, in fact, satisfied. The payment of proceeds from the disposition of our common stock to or through a non-U.S. office of a U.S. broker will not be subject to information reporting or backup withholding unless the non-U.S. broker has certain types of relationships with the United States (a “U.S. related financial intermediary”). In the case of the payment of proceeds from the disposition of our common stock to or through a non-U.S. office of a broker that is either a U.S. person or a U.S. related financial intermediary, the Treasury regulations require information reporting (but not backup withholding) on the payment unless the broker has documentary evidence in its files that the owner is not a U.S. person and the broker has no knowledge to the contrary. You are urged to consult your tax advisor on the application of information reporting and backup withholding in light of your particular circumstances.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to you will be refunded or credited against your U.S. federal income tax liability, if any, provided that the required information is timely furnished to the IRS.
Pursuant to Section 1471 through 1474 of the Code, commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions (which include most foreign hedge funds, private equity funds, mutual funds, securitization vehicles and other investment vehicles) and certain other foreign entities must comply with information reporting rules with respect to their U.S. account holders and investors or be subject to a withholding tax on U.S. source payments made to them (whether received as a beneficial owner or as an intermediary for another party).

More specifically, a foreign financial institution or other foreign entity that does not comply with the FATCA reporting requirements will generally be subject to a 30% withholding tax with respect to any “withholdable payments.” For this purpose, withholdable payments generally include U.S.-source payments otherwise subject to nonresident withholding tax (e.g., U.S.-source dividends) and also include the entire gross proceeds from the sale of any equity instruments of U.S. issuers (such as our common stock). The FATCA withholding tax will apply even if the payment would otherwise not be subject to U.S. nonresident withholding tax (e.g., because it is capital gain). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

FATCA currently applies to dividends made in respect of our common stock. Final Treasury regulations defer this withholding obligation for gross proceeds from dispositions of U.S. common stock until January 1, 2019. To avoid withholding on dividends and gross proceeds, as applicable, Non-U.S. Holders may be required to provide the Company (or its withholding agents) with applicable tax forms or other information. Non-U.S. Holders are urged to consult with their own tax advisors regarding the effect, if any, of the FATCA provisions to them based on their particular circumstances.
UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and Jefferies LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us, the selling stockholder and the underwriters, the selling stockholder has agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from the selling stockholder, the number of shares of common stock set forth opposite its name below.

<table>
<thead>
<tr>
<th>Underwriter</th>
<th>Number of Shares</th>
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<tbody>
<tr>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith</td>
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<tr>
<td>Incorporated</td>
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<tr>
<td>Morgan Stanley &amp; Co. LLC</td>
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<td>Jefferies LLC</td>
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<td>Deutsche Bank Securities Inc.</td>
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<td>RBC Capital Markets, LLC</td>
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<td>UBS Securities LLC</td>
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<td>Wells Fargo Securities, LLC</td>
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<tr>
<td>Cowen and Company, LLC</td>
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<tr>
<td>Macquarie Capital (USA) Inc.</td>
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<td>SunTrust Robinson Humphrey, Inc.</td>
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Total 11,666,667

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We and the selling stockholder have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer’s certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us and the selling stockholder that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to the selling stockholder. The information assumes either no exercise or full exercise of the underwriters of their option to purchase additional shares.

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<th>Per Share</th>
<th>Without Option</th>
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<tr>
<td>Public offering price</td>
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<tr>
<td>Underwriting discount</td>
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<tr>
<td>Proceeds to the selling stockholder</td>
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</table>
The expenses of the offering, not including the underwriting discount, are estimated at $6.1 million and are payable by us. We have also agreed to reimburse the underwriters for certain of their expenses in an amount up to $25,000.

Option to Purchase Additional Shares

The selling stockholder has granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to 1,750,000 additional shares at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter’s initial amount reflected in the above table.

No Sales of Similar Securities

We and the selling stockholder, our executive officers and directors and our other existing security holders have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and Jefferies LLC. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly

- offer, pledge, sell or contract to sell any common stock,
- sell any option or contract to purchase any common stock,
- purchase any option or contract to sell any common stock,
- grant any option, right or warrant for the sale of any common stock,
- lend or otherwise dispose of or transfer any common stock,
- request or demand that we file a registration statement related to the common stock or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now, and in some cases acquired later, by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition with certain limited exceptions, including transfers of shares made among our indirect parent JiII Topco Holdings and its limited partners on or after the completion of this offering as described under “Principal and Selling Stockholders.” Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and Jefferies LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

Listing

The shares have been approved for listing on the NYSE under the symbol “JILL.”
Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations among us, the selling stockholder and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us,
- our financial information,
- the history of, and the prospects for, our company and the industry in which we compete,
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues,
- the present state of our development and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option granted to them. “Naked” short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.
Similar to other purchase transactions, the underwriters’ purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

European Economic Area

In relation to each member state of the European Economic Area, no offer of ordinary shares which are the subject of the offering has been, or will be made to the public in that Member State, other than under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of ordinary shares referred to in (a) to (c) above shall result in a requirement for the Company or any of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person located in a Member State to whom any offer of ordinary shares is made or who receives any communication in respect of an offer of ordinary shares, or who initially acquires any ordinary shares will be deemed to have represented, warranted, acknowledged and agreed to and with each representative and the Company that (1) it is a “qualified investor” within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive; and (2) in the case of any ordinary shares acquired by it as a financial 137
intermediary as that term is used in Article 3(2) of the Prospectus Directive, the ordinary shares acquired by it in the offer have not been acquired on behalf of, nor
have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus
Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or where ordinary shares have been acquired by
it on behalf of persons in any Member State other than qualified investors, the offer of those ordinary shares to it is not treated under the Prospectus Directive as
having been made to such persons.

The Company, the representatives and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments
and agreements.

This prospectus has been prepared on the basis that any offer of shares in any Member State will be made pursuant to an exemption under the Prospectus
Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Member State of
shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any
of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the representatives
have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the representatives to
publish a prospectus for such offer.

For the purposes of this provision, the expression an “offer of ordinary shares to the public” in relation to any ordinary shares in any Member State
means the communication in any form and by any means of sufficient information on the terms of the offer and the ordinary shares to be offered so as to enable an
investor to decide to purchase or subscribe the ordinary shares, as the same may be varied in that Member State by any measure implementing the Prospectus
Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended) and includes any relevant implementing measure
in each Member State.

The above selling restriction is in addition to any other selling restrictions set out below.

**Notice to Prospective Investors in the United Kingdom**

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be
directed at persons who are “qualified investors” (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments
falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) and/or (ii) who are high
net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together
being referred to as “relevant persons”). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the
United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

**Notice to Prospective Investors in Switzerland**

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or
regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or
art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any
other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the
offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or
approved by any Swiss regulatory authority. In particular, this
document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“DFSA”). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the “Corporations Act”), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the “Exempt Investors”) who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person.
Notice to Prospective Investors in Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, “Japanese Person” shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

140
Notice to Prospective Investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

141
LEGAL MATTERS

The validity of the shares offered hereby will be passed upon for us by Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York. Latham & Watkins LLP, New York, New York has acted as counsel for the underwriters in connection with certain legal matters related to this offering.

EXPERTS

The consolidated financial statements as of January 31, 2015 (Predecessor) and January 30, 2016 (Successor) and for the fiscal year ended February 1, 2014 (Predecessor), the fiscal year ended January 31, 2015 (Predecessor), the period from February 1, 2015 through May 7, 2015 (Predecessor) and the period from May 8, 2015 through January 30, 2016 (Successor) included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 with respect to the common stock being sold in this offering. This prospectus constitutes a part of that registration statement. This prospectus does not contain all the information set forth in the registration statement and the exhibits and schedules to the registration statement, because some parts have been omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and our common stock being sold in this offering, you should refer to the registration statement and the exhibits and schedules filed as part of the registration statement. Statements contained in this prospectus regarding the contents of any agreement, contract or other document referred to are not necessarily complete; reference is made in each instance to the copy of the contract or document filed as an exhibit to the registration statement. Each statement is qualified by reference to the exhibit. You may inspect a copy of the registration statement without charge at the SEC’s principal office in Washington, D.C. Copies of all or any part of the registration statement may be obtained after payment of fees prescribed by the SEC from the SEC’s Public Reference Room at the SEC’s principal office, at 100 F Street, N.E., Washington, D.C. 20549.

You may obtain information regarding the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The SEC’s website address is www.sec.gov.

After we have completed this offering, we will file annual, quarterly and current reports, proxy statements and other information with the SEC. We intend to make these filings available on our website once this offering is completed. You may read and copy any reports, statements or other information on file at the public reference rooms. You can also request copies of these documents, for a copying fee, by writing to the SEC, or you can review these documents on the SEC’s website, as described above. In addition, we will provide electronic or paper copies of our filings free of charge upon request.

142
# Table of Contents

## J. Jill, Inc.

### INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

#### Reports of Independent Registered Public Accounting Firm

- **F-2**

#### Audited Consolidated Financial Statements

- **F-4**
  - Consolidated Balance Sheets as of January 31, 2015 (Predecessor) and January 30, 2016 (Successor)
  - Consolidated Statements of Operations and Comprehensive Income (Loss) for the Fiscal Year Ended February 1, 2014 (Predecessor), the Fiscal Year Ended January 31, 2015 (Predecessor), the Period from February 1, 2015 through May 7, 2015 (Predecessor) and the Period from May 8, 2015 through January 30, 2016 (Successor)
  - Consolidated Statements of Members' Equity for the Fiscal Year Ended February 1, 2014 (Predecessor), for the Fiscal Year Ended January 31, 2015 (Predecessor) and for the Period from February 1, 2015 through May 7, 2015 (Predecessor)
  - Consolidated Statement of Members' Equity for the Period from May 8, 2015 through January 30, 2016 (Successor)
  - Consolidated Statements of Cash Flows for the Fiscal Year Ended February 1, 2014 (Predecessor), the Fiscal Year Ended January 31, 2015 (Predecessor) and the Period from May 8, 2015 through January 30, 2016 (Successor)

- **F-5**
  - Notes to Consolidated Financial Statements

#### Unaudited Consolidated Financial Statements

- **F-46**
  - Consolidated Balance Sheets at January 30, 2016 (Successor) and October 29, 2016 (Successor)
  - Consolidated Statements of Operations and Comprehensive Income (Loss) for the Period from February 1, 2015 through May 7, 2015 (Predecessor), the Period from May 8, 2015 through October 31, 2015 (Successor) and the Thirty-Nine weeks ended October 29, 2016 (Successor)
  - Consolidated Statement of Members' Equity for the period from January 30, 2016 through October 29, 2016 (Successor)
  - Consolidated Statements of Cash Flows for the Period from February 1, 2015 through May 7, 2015 (Predecessor), the Period from May 8, 2015 through October 31, 2015 (Successor) and the Thirty-Nine weeks ended October 29, 2016 (Successor)

- **F-47**
  - Notes to Unaudited Consolidated Financial Statements

F-1
Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of J.Jill, Inc.

In our opinion, the accompanying consolidated balance sheet as of January 31, 2015 and the related consolidated statements of operations and comprehensive income (loss), of members’ equity and of cash flows for the period from February 1, 2015 to May 7, 2015 and for each of the two years in the period ended January 31, 2015 present fairly, in all material respects, the financial position of J.Jill, Inc. and its subsidiaries (Predecessor) as of January 31, 2015 and the results of their operations and their cash flows for the period from February 1, 2015 to May 7, 2015 and for each of the two years in the period ended January 31, 2015 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 3 to the consolidated financial statements, the Company changed the manner in which it classifies deferred taxes and the manner in which it classifies debt issuance costs in fiscal year 2015.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts

October 21, 2016, except for the effects of the corporate conversion as discussed in Note 1, Note 15 and Note 18 and the parent merger as discussed in Note 18, as to which the date is February 25, 2017

F-2
Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of J.Jill, Inc.

In our opinion, the accompanying consolidated balance sheet as of January 30, 2016 and the related consolidated statements of operations and comprehensive income (loss), of members’ equity and of cash flows for the period from May 8, 2015 to January 30, 2016 present fairly, in all material respects, the financial position of J.Jill, Inc. and its subsidiaries (Successor) as of January 30, 2016 and the results of their operations and their cash flows for the period from May 8, 2015 to January 30, 2016 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
October 21, 2016, except for the effects of the corporate conversion as discussed in Note 1, Note 15 and Note 18 and the parent merger as discussed in Note 18, as to which the date is February 25, 2017

F-3
# J. Jill, Inc.
## CONSOLIDATED BALANCE SHEETS
### (in thousands, except unit data)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$604</td>
<td>$27,505</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>3,677</td>
<td>3,164</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>55,317</td>
<td>64,406</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>11,710</td>
<td>20,539</td>
</tr>
<tr>
<td>Total current assets</td>
<td>71,308</td>
<td>115,614</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>62,035</td>
<td>86,810</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>76,836</td>
<td>179,965</td>
</tr>
<tr>
<td>Goodwill</td>
<td>67,413</td>
<td>196,572</td>
</tr>
<tr>
<td>Receivable from related party</td>
<td>—</td>
<td>1,850</td>
</tr>
<tr>
<td>Other assets</td>
<td>640</td>
<td>1,221</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$278,232</td>
<td>$582,032</td>
</tr>
<tr>
<td><strong>Liabilities, Preferred Capital and Members’ Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$42,752</td>
<td>$41,041</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>36,007</td>
<td>43,591</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>2,168</td>
<td>2,500</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>80,927</td>
<td>87,132</td>
</tr>
<tr>
<td>Long-term debt, net of discount and current portion</td>
<td>80,201</td>
<td>237,478</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>27,466</td>
<td>78,837</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>18,131</td>
<td>12,014</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>206,725</td>
<td>415,461</td>
</tr>
<tr>
<td>Commitments and contingencies (see Note 11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Preferred capital</strong></td>
<td>72,824</td>
<td>—</td>
</tr>
<tr>
<td><strong>Members’ Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A units, zero par value, 100 units authorized, issued and outstanding at January 31, 2015 (Predecessor) and zero units authorized, issued and outstanding at January 30, 2016 (Successor)</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td>Class B units, zero par value, 3,927,601.3 units authorized, issued and outstanding at January 31, 2015 (Predecessor) and zero units authorized, issued and outstanding at January 30, 2016 (Successor)</td>
<td>39,276</td>
<td>—</td>
</tr>
<tr>
<td>Common units, zero par value, 1,000,000 units authorized, issued and outstanding at January 31, 2015 (Predecessor) and January 30, 2016 (Successor)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Contributed capital</td>
<td>7,292</td>
<td>162,265</td>
</tr>
<tr>
<td>Accumulated (deficit) earnings</td>
<td>(47,886)</td>
<td>4,306</td>
</tr>
<tr>
<td><strong>Total members’ (deficit) equity</strong></td>
<td>(1,317)</td>
<td>166,571</td>
</tr>
<tr>
<td><strong>Total liabilities, preferred capital and members’ equity</strong></td>
<td>$278,232</td>
<td>$582,032</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.

F-4
J. Jill, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(in thousands, except share and per share data)

<table>
<thead>
<tr>
<th></th>
<th>Predecessor</th>
<th></th>
<th>Successor</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the Fiscal Year Ended February 1, 2014</td>
<td>For the Fiscal Year Ended January 31, 2015</td>
<td>For the Period from February 1, 2015 to May 7, 2015</td>
<td>For the Period from May 8, 2015 to January 30, 2016</td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>$456,026</td>
<td>$483,400</td>
<td>$141,921</td>
<td>$420,094</td>
<td></td>
</tr>
<tr>
<td>Costs of goods sold</td>
<td>161,261</td>
<td>164,792</td>
<td>44,232</td>
<td>155,091</td>
<td></td>
</tr>
<tr>
<td>Gross profit</td>
<td>294,765</td>
<td>318,608</td>
<td>97,689</td>
<td>265,003</td>
<td></td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>267,319</td>
<td>279,557</td>
<td>80,151</td>
<td>246,482</td>
<td></td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>—</td>
<td>—</td>
<td>13,341</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>27,446</td>
<td>39,051</td>
<td>4,197</td>
<td>18,521</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>19,064</td>
<td>17,895</td>
<td>4,599</td>
<td>11,893</td>
<td></td>
</tr>
<tr>
<td>Income (loss) before provision for income taxes</td>
<td>8,382</td>
<td>21,156</td>
<td>(402)</td>
<td>6,628</td>
<td></td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>3,884</td>
<td>10,860</td>
<td>1,499</td>
<td>2,322</td>
<td></td>
</tr>
<tr>
<td>Net income (loss) and total comprehensive income (loss)</td>
<td>$4,498</td>
<td>$10,296</td>
<td>$(1,901)</td>
<td>$4,306</td>
<td></td>
</tr>
<tr>
<td>Net income (loss) per common share attributable to common stockholders:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic and diluted</td>
<td>$0.10</td>
<td>$0.24</td>
<td>$(0.04)</td>
<td>$0.10</td>
<td></td>
</tr>
<tr>
<td>Weighted average number of common shares outstanding:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic and diluted</td>
<td>43,747,944</td>
<td>43,747,944</td>
<td>43,747,944</td>
<td>43,747,944</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.

F-5
J. Jill, Inc.
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
(PREDECESSOR)
(in thousands, except unit data)

<table>
<thead>
<tr>
<th>Preferred Capital</th>
<th>Class A Units</th>
<th>Class B Units</th>
<th>Common Units</th>
<th>Contributed Capital</th>
<th>Accumulated (Deficit)</th>
<th>Total Members' Equity (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 72,824</td>
<td>100 $ 1</td>
<td>3,927,601</td>
<td>1,000,000 $ 417</td>
<td>$ (62,680)</td>
<td>(22,986)</td>
<td></td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Repurchase of common equity interests</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(207)</td>
<td>(207)</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4,498</td>
<td>4,498</td>
</tr>
<tr>
<td><strong>Balance, February 1, 2014</strong></td>
<td>72,824</td>
<td>100</td>
<td>3,927,601</td>
<td>39,276</td>
<td>1,000,000</td>
<td>2,140</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5,152</td>
<td>5,152</td>
</tr>
<tr>
<td>Repurchase of common equity interests</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(207)</td>
<td>(207)</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>10,296</td>
<td>10,296</td>
</tr>
<tr>
<td><strong>Balance, January 31, 2015</strong></td>
<td>72,824</td>
<td>100</td>
<td>3,927,601</td>
<td>39,276</td>
<td>1,000,000</td>
<td>7,292</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>441</td>
<td>441</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(1,901)</td>
<td>(1,901)</td>
</tr>
<tr>
<td><strong>Balance, May 7, 2015</strong></td>
<td>72,824</td>
<td>100</td>
<td>3,927,601</td>
<td>39,276</td>
<td>1,000,000</td>
<td>7,733</td>
</tr>
<tr>
<td>Elimination of equity in connection with Acquisition (see Note 4)</td>
<td>(72,824)</td>
<td>(100)</td>
<td>(3,927,601)</td>
<td>(39,276)</td>
<td>(1,000,000)</td>
<td>(7,733)</td>
</tr>
<tr>
<td><strong>Balance, May 8, 2015</strong></td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
</tbody>
</table>

J. Jill, Inc.
CONSOLIDATED STATEMENT OF MEMBERS' EQUITY
(SUCCESSOR)
(in thousands, except unit data)

<table>
<thead>
<tr>
<th>Common Units</th>
<th>Contributed Capital</th>
<th>Accumulated Earnings</th>
<th>Total Members' Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>Amount</td>
<td>—</td>
<td>170,657</td>
</tr>
<tr>
<td>Distribution to member</td>
<td>—</td>
<td>—</td>
<td>(8,560)</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>—</td>
<td>—</td>
<td>168</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Balance, January 30, 2016</strong></td>
<td>1,000,000</td>
<td>$ —</td>
<td>$ 162,265</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.

F-6
## J.Jill, Inc.
### CONSOLIDATED STATEMENTS OF CASH FLOWS
#### (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Predecessor For the Fiscal Year Ended February 1, 2014</th>
<th>Predecessor For the Period from February 1, 2015 to May 7, 2015</th>
<th>Successor For the Period from May 8, 2015 to January 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>$4,498</td>
<td>$10,296</td>
<td>$0,4,306</td>
</tr>
</tbody>
</table>

### Operating activities:
Adjustments to reconcile net income (loss) to net cash provided by operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Predecessor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortization</td>
<td>22,910</td>
<td>19,051</td>
<td>5,147</td>
<td>28,702</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Amortization of inventory fair value adjustment</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>386</td>
<td>58</td>
<td>112</td>
<td>237</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Noncash amortization of deferred financing and debt discount costs</td>
<td>2,256</td>
<td>1,680</td>
<td>657</td>
<td>983</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Payment-in-kind interest on debt</td>
<td>3,982</td>
<td>4,476</td>
<td>1,192</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>1,930</td>
<td>5,152</td>
<td>441</td>
<td>168</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Deferred rent liability</td>
<td>904</td>
<td>309</td>
<td>84</td>
<td>3,071</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(5,233)</td>
<td>(1,903)</td>
<td>(961)</td>
<td>(7,261)</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

### Changes in operating assets and liabilities, net of Acquisition

<table>
<thead>
<tr>
<th>Description</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Predecessor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>226</td>
<td>2,058</td>
<td>3,504</td>
<td>4,017</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Inventories</td>
<td>(2,888)</td>
<td>(10,273)</td>
<td>(6,955)</td>
<td>(1,112)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>(1,398)</td>
<td>349</td>
<td>(1,716)</td>
<td>(7,112)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>15,728</td>
<td>3,066</td>
<td>(7,608)</td>
<td>3,931</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Accrued taxes payable</td>
<td>(1,136)</td>
<td>--</td>
<td>1,542</td>
<td>(1,966)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>522</td>
<td>6,531</td>
<td>17,285</td>
<td>8,356</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>--</td>
<td>(12)</td>
<td>12</td>
<td>(1,133)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Other noncurrent liabilities</td>
<td>2,606</td>
<td>4,652</td>
<td>1,906</td>
<td>5,349</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

**Net cash provided by operating activities**

<table>
<thead>
<tr>
<th>Predecessor</th>
<th>Successor</th>
<th>Predecessor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>45,293</td>
<td>41,374</td>
<td>5,733</td>
<td>50,562</td>
</tr>
</tbody>
</table>

### Investing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Predecessor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition, net of cash acquired</td>
<td>--</td>
<td>--</td>
<td>(385,744)</td>
<td>--</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(27,419)</td>
<td>(24,143)</td>
<td>(7,406)</td>
<td>(26,559)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(27,419)</td>
<td>(24,143)</td>
<td>(7,406)</td>
<td>(412,303)</td>
</tr>
</tbody>
</table>

### Financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Predecessor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase of common interests units</td>
<td>(207)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Repayments on long-term debt</td>
<td>(17,822)</td>
<td>(17,145)</td>
<td>(5,646)</td>
<td>(1,250)</td>
</tr>
<tr>
<td>Proceeds from revolving credit facility</td>
<td>21,000</td>
<td>87,750</td>
<td>58,750</td>
<td>--</td>
</tr>
<tr>
<td>Repayments of revolving credit facility</td>
<td>(21,000)</td>
<td>(87,750)</td>
<td>(51,500)</td>
<td>--</td>
</tr>
<tr>
<td>Net cash (used in) provided by financing activities</td>
<td>(18,029)</td>
<td>(17,145)</td>
<td>1,604</td>
<td>389,246</td>
</tr>
</tbody>
</table>

**Net change in cash**

<table>
<thead>
<tr>
<th>Predecessor</th>
<th>Successor</th>
<th>Predecessor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>(155)</td>
<td>86</td>
<td>60</td>
<td>27,505</td>
</tr>
</tbody>
</table>

### Cash:

<table>
<thead>
<tr>
<th>Description</th>
<th>Predecessor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of Period</td>
<td>673</td>
<td>518</td>
</tr>
<tr>
<td>End of Period</td>
<td>$518</td>
<td>$604</td>
</tr>
</tbody>
</table>

**Supplemental cash flow information:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Predecessor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for interest</td>
<td>12,747</td>
<td>12,531</td>
</tr>
<tr>
<td>Cash paid for taxes</td>
<td>10,244</td>
<td>12,599</td>
</tr>
<tr>
<td>Noncash investing and financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncash purchase consideration</td>
<td>10,111</td>
<td></td>
</tr>
<tr>
<td>Capital expenditures financed with accounts payable and accrued expenses</td>
<td>805</td>
<td>3,605</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.

F-7
1. General

J.Jill, Inc. ("J.Jill" or the “Company”) is a nationally recognized women’s apparel brand, headquartered in Quincy, Massachusetts, focused on affluent customers in the 40-65 age segment in 43 states. J.Jill operates an integrated omni-channel platform that is well diversified across its retail stores, website and catalogs.

The Company was originally formed as a Delaware Limited Liability Company named Jill Intermediate LLC on February 17, 2011 and holds the ownership interests of Jill Acquisition LLC and its subsidiaries. On May 8, 2015, a 94% controlling interest in the Company was acquired (the “Acquisition”) by Jill Holdings, Inc. (“Holdings”) and the remaining 6% was acquired by JJill Topco Holdings, LP (“Topco”), a Delaware limited partnership formed by TowerBrook Capital Partners L.P. (“TowerBrook”). The purchase price was $396.4 million, which consisted of $386.3 million of cash consideration and $10.1 million of noncash consideration in the form of an equity rollover by management. Holdings, a Delaware corporation, was formed for the purpose of effecting the Acquisition and has no operations of its own, except for costs incurred related to the Acquisition. Holdings is a wholly-owned subsidiary of Topco. Holdings accounted for the Acquisition as a business combination under the acquisition method of accounting. Accordingly, the assets acquired and liabilities assumed were recorded at fair value with the remaining purchase price recorded as goodwill (see Note 4). The Company elected to pushdown the effects of the Acquisition to its consolidated financial statements.

On February 24, 2017, Jill Intermediate LLC completed a conversion from a Delaware limited liability company into a Delaware corporation and changed its name to J.Jill, Inc. (the “Corporate Conversion”). In conjunction with the conversion, all of the outstanding equity of Jill Intermediate LLC converted into shares of common stock of J.Jill, Inc. Accordingly, all historical earnings per share amounts presented in the accompanying consolidated statements of operations and comprehensive income (loss) and the notes to the consolidated financial statements (see Note 15) have been adjusted retroactively to reflect the Corporate Conversion.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements prior to and including May 7, 2015 represent the financial information of the Company and its subsidiaries prior to the Acquisition, as well as consolidated variable interest entities (“VIEs”) (see Note 10), and are labeled as Predecessor (“Predecessor”). The consolidated financial statements for the periods beginning and subsequent to May 8, 2015 represent the financial information of the Company and its subsidiaries subsequent to the Acquisition and are labeled as Successor (“Successor”). Due to the change in the basis of accounting resulting from the Acquisition, the Company’s consolidated financial statements for these reporting periods are not comparable.

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

The Company uses a 52 to 53 week fiscal year ending on the Saturday closest to January 31. Each fiscal year generally is comprised of four 13 week fiscal quarters, although in the years with 53 weeks the fourth quarter represents a 14 week period. The period from February 1, 2015 to May 7, 2015 (Predecessor period) included approximately 14 weeks of operations. The Predecessor fiscal years of 2013 and 2014 each had 52 weeks of operations. The period from May 8, 2015 to January 30, 2016 (Successor period) included approximately 38 weeks of operations.
Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and judgments that affect reported amounts of assets, liabilities, members’ equity, net sales and expenses, and the disclosure of contingent assets and liabilities. Significant estimates relied upon in preparing these consolidated financial statements include, but are not limited to, revenue recognition, including merchandise returns and accounting for gift card breakage; accounting for business combinations; estimating the fair value of inventory and inventory reserves; impairment assessments of goodwill, intangible assets, and other long-lived assets; and equity-based compensation. Actual results could differ from those estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the assets, liabilities and results of operations of the Company and its subsidiaries. For periods prior to the Acquisition, the consolidated financial statements include the assets, liabilities and results of operations of the Predecessor and its subsidiaries, as well as consolidated VIEs, for which the Predecessor had determined that it was the primary beneficiary (see Note 10). All intercompany balances and transactions have been eliminated in the consolidated financial statements.

Segment Reporting

The Company determined its operating segments on the same basis that it assesses performance and makes operating decisions. The Company’s operating segments consist of its retail and direct channels, which have been aggregated into one reportable segment.

All of the Company’s identifiable assets are located in the United States, which is where the Company is domiciled. The Company does not have sales outside the United States, nor does any customer represent more than 10% of total revenues for any period presented.

Variable Interest Entities

The Company regularly evaluates its relationships with other entities to identify whether they are variable interest entities and to assess whether it is the primary beneficiary of such entities. Under GAAP, a reporting entity shall consolidate a VIE when that reporting entity has a variable interest that provides the reporting entity with a controlling financial interest. The entity that ultimately consolidates the VIE shall be the reporting entity that a) has the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance, and b) has the obligation to absorb losses or the right to receive benefits from the VIE that could be significant to the VIE. If the determination is made that a company is the primary beneficiary of a variable interest entity, then that entity is included in its consolidated financial statements.

As of January 31, 2015 (Predecessor), the Company determined that it had a variable interest in three unrelated entities for which it determined it was the primary beneficiary (see Note 10). These VIEs were consolidated during the 2013, 2014 and 2015 Predecessor periods and all intercompany transactions were eliminated in consolidation.

Concurrent with the May 8, 2015 Acquisition (see Note 4), the obligations held by each of the three VIEs were repaid in full and no further obligations remained. Accordingly, these entities were not consolidated in the 2015 Successor period and they were dissolved.
Business Combinations

The Company accounts for business combinations under the acquisition method of accounting. Under this method, acquired assets, including separately identifiable intangible assets, and any assumed liabilities are recorded at their acquisition date estimated fair value. The excess of purchase price over the fair value amounts assigned to the assets acquired and liabilities assumed represents the goodwill amount resulting from the acquisition. Determining the fair value of assets acquired and liabilities assumed involves the use of significant estimates and assumptions.

Concurrent with the Acquisition, the Company elected to apply pushdown accounting. Pushdown accounting refers to the use of the acquirer’s basis in the preparation of the acquiree’s separate financial statements as the new basis of accounting for the acquiree. See Note 4 for a discussion of the Acquisition and the related impact of pushdown accounting on the Company’s consolidated financial statements.

Accounts Receivable

The Company’s accounts receivable relate primarily to payments due from banks for credit and debit transactions for approximately 2 to 5 days of sales. These receivables do not bear interest.

Inventories

Inventory consists of finished goods held for sale. Inventory is stated at the lower of cost or market, net of reserves. Cost is calculated using the weighted average method of accounting, and includes the cost to purchase merchandise from the Company’s manufacturers plus duties and inbound freight. The net realizable value of the Company’s inventory is estimated based on historical experience, current and forecasted demand, and market conditions. The allowance for excess and obsolete inventory requires management to make assumptions and to apply judgment regarding a number of factors, including past and projected sales performance and current inventory levels. As of January 31, 2015 (Predecessor) and January 30, 2016 (Successor), an inventory reserve of $1.5 million and $1.5 million has been recorded, respectively. The Company sells excess inventory in its stores and on-line at www.jjill.com. In limited cases, discount marketers and inventory liquidators are utilized.

Inventory from domestic suppliers is recorded when it is received at the distribution center. Inventory from foreign suppliers is recorded when goods are cleared for export on board the ship at the port of shipment.

Property and Equipment

Property and equipment purchases are recorded at cost. Property and equipment is presented net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the shorter of the term of the related lease or the estimated useful lives of the improvements. Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures for betterments and major improvements that significantly enhance the value and increase the estimated useful life of the asset are capitalized and depreciated over the new estimated useful life. The carrying amounts of assets sold or retired and the related accumulated depreciation are eliminated in the year of disposal, and any resulting gains or losses are included in the accompanying consolidated statements of operations and comprehensive income (loss).

Estimated useful lives of property and equipment asset categories are as follows:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>5-7 years</td>
</tr>
<tr>
<td>Computer software and hardware</td>
<td>3-5 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Shorter of estimated useful life or lease term</td>
</tr>
</tbody>
</table>

F-10
Capitalized Interest

The cost of interest that is incurred in connection with ongoing construction projects is capitalized using a weighted average interest rate. These costs are included in property and equipment and amortized over the useful life of the related property or equipment.

Long-lived Assets

The carrying value of long-lived assets, including amortizable identifiable intangible assets, and asset groups are evaluated whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Conditions that may indicate impairment include, but are not limited to, a significant decrease in the market price of an asset, a significant adverse change in the extent or manner in which an asset is being used or a significant decrease in its physical condition, and operating or cash flow performance that demonstrates continuing losses associated with an asset or asset group. A potential impairment has occurred if the projected future undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group are less than the carrying value of the asset or asset group. The estimate of cash flows includes management’s assumptions of cash inflows and outflows directly resulting from the use of the asset in operation. If the carrying value exceeds the sum of the undiscounted cash flows, an impairment charge is recorded equal to the excess of the asset or asset group’s carrying value over its fair value. Fair value is measured based on a projected discounted cash flow model using a discount rate the Company believes is commensurate with the risk inherent in its business. Any impairment charge would be recognized within operating expenses as a selling, general and administrative expense.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill and indefinite-lived intangible assets are not amortized, but are reviewed for impairment at least annually, or more frequently when events or changes in circumstances indicate that the carrying value may not be recoverable. Judgments regarding indicators of potential impairment are based on market conditions and operational performance of the business.

At each fiscal year-end, the Company performs an impairment analysis of goodwill. The Company may assess its goodwill for impairment initially using a qualitative approach (“step zero”) to determine whether conditions exist to indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying value. If management concludes, based on its assessment of relevant events, facts and circumstances that it is more likely than not that a reporting unit’s carrying value is greater than its fair value, then a quantitative analysis will be performed to determine if there is any impairment. The Company may also elect to initially perform a quantitative analysis instead of starting with step zero. The quantitative assessment for goodwill is a two-step assessment. “Step one” requires comparing the carrying value of a reporting unit, including goodwill, to its fair value using the income approach. The income approach uses a discounted cash flow model, which involves significant estimates and assumptions, including preparation of revenue and profitability growth forecasts, selection of a discount rate, and selection of a terminal year multiple. If the fair value of the respective reporting unit exceeds its carrying amount, goodwill is not considered to be impaired and no further testing is required. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is to measure the amount of impairment loss, if any. “Step two” compares the implied fair value of goodwill to the carrying amount of goodwill. The implied fair value of goodwill is determined by a hypothetical purchase price allocation using the reporting unit’s fair value as the purchase price. If the carrying amount of goodwill exceeds the implied fair value, an impairment charge is recorded to write down goodwill to its implied fair value and is recorded as a selling, general and administrative expense within the Company’s consolidated statement of operations and comprehensive income (loss).
At each year end, the Company also performs an impairment analysis of its indefinite-lived intangible assets. Impairment losses are recorded to the extent that the carrying value of the indefinite-lived intangible asset exceeds its fair value. The Company measures the fair value of its trade name using the income approach, which uses a discounted cash flow model. The most significant estimates and assumptions inherent in this approach are the preparation of revenue and profitability growth forecasts, selection of a discount rate and a terminal year multiple.

Revenue Recognition

Revenue is primarily derived from the sale of apparel and accessory merchandise through our retail channel and direct channel, which includes website and catalog phone orders and is recognized when all of the following criteria are satisfied: (i) persuasive evidence of an arrangement exists; (ii) the price is fixed or determinable; (iii) collectability is reasonably assured; and (iv) delivery of products has occurred. Revenue also includes shipping and handling fees collected from customers. Revenue from our retail channel is recognized at the time of sale and revenue from our direct channel is recognized upon receipt of merchandise by the customer.

The Company has a return policy where merchandise returns will be accepted within 90 days of the original purchase date. At the sole discretion of the Company, returns may also be accepted after 90 days as a customer accommodation. At the time of sale, the Company records an estimated sales reserve for merchandise returns based on historical prior returns experience and expected future returns. The Company collects and remits sales and use taxes in all states in which retail and direct sales occur and taxes are applicable. These taxes are reported on a net basis and are thereby excluded from revenue.

Shipping and handling costs of $8.6 million, $9.0 million, $2.3 million and $7.9 million were recorded in selling, general and administrative expenses, for the 2013, 2014, 2015 Predecessor and 2015 Successor periods, respectively. Customer payments made in advance of the customer receiving merchandise are recorded as deferred revenue within accrued expenses and other liabilities in the Company’s consolidated balance sheets.

The Company sells gift cards without expiration dates to customers. The Company does not charge administrative fees on unused gift cards. Proceeds from the sale of gift cards are recorded as deferred revenue until the customer redeems the gift card or when the likelihood of redemption is remote. Based upon historical experience, the Company estimates the value of outstanding gift cards that will ultimately not be redeemed (“gift card breakage”) and will not be escheated under statutory unclaimed property laws. This gift card breakage amount is recognized as revenue over the time period established by the Company’s historical gift card redemption pattern.

The Company recognized gift card breakage revenue of $0.5 million, $0.5 million, $0.3 million and $0.4 million during the 2013, 2014, 2015 Predecessor and 2015 Successor periods, respectively.

The Company also receives royalty payments through its private label credit card agreement. The royalty payments are recognized as revenue as they are received over the term of the agreement. Royalty payments recognized were $1.2 million, $1.5 million, $0.5 million and $1.3 million for the 2013, 2014, and 2015 Predecessor and 2015 Successor periods, respectively.

Cost of Goods Sold

The Company’s cost of goods sold includes the direct costs of sold merchandise, which include customs, taxes, duties, and inbound shipping costs, inventory shrinkage, and adjustments and reserves for excess, aged and obsolete inventory. Cost of goods sold does not include distribution center costs and allocations of indirect costs, such as occupancy, depreciation, amortization, or labor and benefits.

F-12
Advertising Costs

The Company incurs costs to produce, print, and distribute its catalogs. Catalog costs are considered direct response advertising, are capitalized as incurred, and are amortized over the expected sales life of each catalog for a period generally not exceeding six months. The expected sales life of each catalog is determined based on a detailed marketing forecast, which considers historical experience for similar catalogs, coupled with current sales trends. Amortized catalog advertising expenses were approximately $24.9 million, $25.5 million, $7.8 million and $21.6 million for the 2013, 2014, 2015 Predecessor and 2015 Successor periods, respectively, and are included in selling, general and administrative expenses in the accompanying consolidated statements of operations and comprehensive income (loss).

Other advertising costs are recorded as incurred. Other advertising expenses recorded were $11.8 million, $10.9 million, $3.2 million and $10.9 million for the 2013, 2014, 2015 Predecessor and 2015 Successor periods, respectively, and are included in selling, general and administrative expenses in the accompanying consolidated statements of operations and comprehensive income (loss).

Operating Leases and Deferred Rent

Certain operating leases contain predetermined escalations of the minimum rental payments to be made over the lease term. The Company recognizes the related rent expense on a straight-line basis over the life of the lease, taking into account fixed escalations as well as reasonably assured renewal periods.

Certain retail store leases include allowances from landlords in the form of cash. These allowances are part of the negotiated terms of the lease. The Company records the full amount of the allowance when specific performance criteria are met as a deferred liability. The deferred liability is amortized into income as a reduction of rent expense over the term of the applicable lease, including reasonably assured renewal periods. The Company recognizes those liabilities to be amortized within a year as a current liability and those greater than a year as a long-term liability. For purposes of recognizing these allowances and minimum rental expenses on a straight-line basis, the Company uses the date it obtains the legal right to use and control the leased space to begin amortization, which is generally when the Company takes possession of the space and begins to make improvements in preparation for its intended use.

Certain retail store leases also provide for contingent rent in addition to fixed rent. The contingent rent is determined as a percentage of gross sales in excess of predefined levels. The Company records a rent liability in accrued liabilities and the corresponding rent expense when it becomes probable that the Company will achieve a specified gross sales amount.

Certain store operating leases contain cancellation clauses allowing the leases to be terminated at the Company’s discretion, provided certain minimum sales levels are not achieved within a defined period of time after opening. The Company has not historically exercised these cancellation clauses and has therefore disclosed commitments for the full terms of such leases in the accompanying disclosures.

Debt Issuance Costs

The Company defers costs directly associated with acquiring third-party financing. Debt issuance costs are deferred and amortized using the effective interest rate method over the term of the related long-term debt agreement and the straight-line method for the revolving credit agreement. Debt issuances costs related to long-term debt are reflected as a direct deduction from the carrying amount of the debt in accordance with the Company’s adoption of ASU 2015-03 (see Note 3).
Income Taxes

The Company accounts for income taxes using the asset and liability method and elected to be taxed as a C corporation. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial statement carrying values and their respective tax bases, using enacted tax rates expected to be applicable in the years in which the temporary differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes. The Company evaluates the realizability of its deferred tax assets and establishes a valuation allowance when it is more likely than not that all or a portion of the deferred tax assets will not be realized. Potential for recovery of deferred tax assets is evaluated by estimating the future taxable profits expected, scheduling of anticipated reversals of taxable temporary differences, and considering prudent and feasible tax planning strategies.

The Company records liabilities for uncertain income tax positions based on a two-step process. The first step is recognition, where an individual tax position is evaluated as to whether it has a likelihood of greater than 50% of being sustained upon examination based on the technical merits of the position, including resolution of any related appeals or litigation processes. For tax positions that are currently estimated to have less than a 50% likelihood of being sustained, no tax benefit is recorded. For tax positions that have met the recognition threshold in the first step, the Company performs the second step of measuring the benefit to be recorded. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized on ultimate settlement. The actual benefits ultimately realized may differ from the estimates. In future periods, changes in facts, circumstances and new information may require the Company to change the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recorded in income tax expense and liability in the period in which such changes occur.

Any interest or penalties incurred related to unrecognized tax benefits are recorded as tax expense in the provision for income tax expense line item of the accompanying consolidated statements of operations and comprehensive income (loss). The Company has not incurred interest expense or penalties related to income taxes during any period presented in the consolidated financial statements.

Fair Value of Financial Instruments

Certain assets and liabilities are carried at fair value in accordance with GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Valuation techniques used to measure fair value requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- **Level 1**: Quoted prices in active markets for identical assets or liabilities.
- **Level 2**: Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets; quoted prices for similar assets or liabilities in markets that are not active; or other inputs other than quoted prices that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities, including interest rates and yield curves, and market corroborated inputs.
Level 3: Unobservable inputs for the asset or liability that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These are valued based on management’s estimates and assumptions that market participants would use in pricing the asset or liability.

As of January 30, 2016 (Successor) the Company had no assets or liabilities that were measured at fair value for reporting purposes on a recurring basis. The fair value of the Company’s debt was approximately $103.0 million and $250.4 million at January 31, 2015 (Predecessor) and January 30, 2016 (Successor), respectively. The fair value of the Predecessor debt was determined using a discounted cash flow model, which represents a level 3 measurement.

The Company believes that the carrying amounts of its other financial instruments, including cash, accounts receivable, accounts payable and any amounts drawn on its revolving credit facilities, consisting primarily of instruments without extended maturities, the fair value of which, based on management’s estimates, approximates their carrying value due to the short-term maturities of these instruments.

Comprehensive Income (Loss)

Comprehensive income (loss) is a measure of net income (loss) and all other changes in equity that result from transactions other than with equity holders, and would normally be recorded in the consolidated statements of members’ equity and the consolidated statements of comprehensive income (loss). The Company’s management has determined that net income (loss) is the only component of the Company’s comprehensive income (loss). Accordingly, there is no difference between net income (loss) and comprehensive income (loss).

Equity-based Compensation

Predecessor

The Predecessor accounted for liability-classified equity-based compensation for employees and a director of the Company by recognizing the value of equity-based compensation as an expense in the calculation of net income (loss), based on the intrinsic value of the award, in accordance with ASC 718. The awards were revalued at each reporting period and the Predecessor recognized the related equity-based compensation expense.

The Predecessor recognized equity-based compensation generated at JJIP LLC (“JJIP”) (see Note 16) and recognized the related expense in the Predecessor’s consolidated financial statements. These equity-based compensation costs were incurred by JJIP and deemed to be for the benefit of J.Jill, and were therefore recognized as an equity contribution by the Company.

Successor

The Company accounts for equity-based compensation for employees and directors by recognizing the fair value of equity-based compensation as an expense in the calculation of net income (loss), based on the grant-date fair value. The Company recognizes equity-based compensation expense in the periods in which the employee or director is required to provide service, which is generally over the vesting period of the individual equity instruments. The fair value of the equity-based awards is determined using the Black-Scholes option pricing model.

All of the equity-based awards granted by the Company during the 2015 Successor period were considered equity-classified awards and compensation expense for these awards was recognized based on the portion of awards that are expected to vest. In developing a forfeiture rate estimate, the Company has considered its...
historical experience to estimate pre-vesting forfeitures for service-based awards. The impact of a forfeiture rate adjustment is recognized in full in the period of adjustment, and if the actual forfeiture rate is materially different from the Company’s estimate, the Company may be required to record adjustments to equity-based compensation expense in future periods.

The Company recognizes equity-based compensation generated at Topco and records the related expense in its consolidated financial statements as the costs are deemed to be for the benefit of the Company (see Note 16). The expenses were allocated from the parent level to the Company and recognized as an equity contribution.

**Earnings Per Share**

Basic net income (loss) per share attributable to common stockholders is calculated by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted net income (loss) per share attributable to common stockholders is calculated by dividing net income (loss) available to common stockholders by the diluted weighted average number of common shares outstanding for the period. There were no potentially dilutive securities outstanding during the 2013, 2014, 2015 Predecessor or 2015 Successor periods.

**Credit Card Agreement**

The Company has an arrangement with a third party to provide a private label credit card to its customers through February 2018 with two, two-year extension periods. The Company does not bear the credit risk associated with the private label credit card at any point prior to the termination of the agreement, at which point the Company is obligated to purchase the receivables. If the arrangement is terminated prior to September 7, 2021 and other criteria are met, the Company is obligated to pay a purchase price premium. The potential impact of the purchase obligation cannot be reasonably estimated as of the issuance date.

The Company also receives reimbursements for costs of marketing programs related to the credit card, which are recorded as a reduction in operating expenses in the accompanying consolidated statements of operations and comprehensive income (loss). Reimbursements amounted to $0.7 million, $0.5 million, $0.2 million, and $0.6 million for the 2013, 2014, 2015 Predecessor and 2015 Successor periods, respectively.

The Company also receives royalty payments from the credit card agreement, as discussed in Revenue Recognition, above.

**Employee Benefit Plan**

The Company has a 401(k) retirement plan under third-party administration covering all eligible employees who meet certain age and employment requirements pursuant to Section 401(k) of the Internal Revenue Code. Subject to certain dollar limits, eligible employees may contribute a portion of their pretax annual compensation to the plan, on a tax-deferred basis. The plan operates on a calendar year basis. The Company may, at its discretion, make elective contributions of up to 50% of the first 3% of the gross salary of the employee, which vests over a five year period. Discretionary contributions made by the Company for the 2013, 2014, 2015 Predecessor and 2015 Successor periods, were $0.5 million, $0.6 million, $0.2 million and $0.4 million, respectively.

**Concentration of Credit Risks**

Financial instruments that potentially subject the Company to concentrations of credit risk principally consist of cash held in financial institutions and accounts receivable. The Company considers the credit risk
associated with these financial instruments to be minimal. Cash is held by financial institutions with high credit ratings and the Company has not historically sustained any credit losses associated with its cash balances. The Company evaluates the credit risk associated with accounts receivable to determine if an allowance for doubtful accounts is necessary. As of January 31, 2015 (Predecessor) and January 30, 2016 (Successor), the Company determined that no allowance for doubtful accounts was necessary.

3. Accounting Standards

Recently Adopted Accounting Standards

In April 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs. The amendments in this update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The amendments in this update are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption of the amendments in this update was permitted for financial statements that have not been previously issued. The Company has adopted this standard for its fiscal year ended January 30, 2016 on a retrospective basis, which resulted in the reclassification of $0.4 million of debt issuance costs from other assets to long-term debt as of January 31, 2015 in the consolidated balance sheet.

In August 2015, the FASB issued ASU 2015-15, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements, stating that the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. The amendments in this update are effective concurrent with adoption of ASU 2015-03. The Company has adopted this standard for its fiscal year ended January 30, 2016 (Successor). The adoption had no impact on the Company’s results of operations or balance sheet as debt issuance costs related to line-of-credit arrangements continue to be presented as an asset on the Company’s consolidated balance sheets.

In November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes. The amendments in this update require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The amendments in this update may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. For public business entities, the amendments in this update are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early application is permitted for all entities as of the beginning of interim or annual reporting periods. The Company has adopted this standard for its fiscal year ended January 30, 2016 (Successor) and retrospectively reclassified $1.0 million of deferred taxes from “Current Deferred Taxes” to “Deferred Taxes” as of January 31, 2015 in the consolidated balance sheets.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers—Topic 606, which supersedes the revenue recognition requirements in FASB ASC 605. The new guidance established principles for reporting revenue and cash flows arising from an entity’s contracts with customers. This new revenue recognition standard will replace most of the recognition guidance within GAAP. This guidance was deferred by ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, issued by the FASB in August 2015, which deferred the effective date of ASU 2014-09 from annual and interim periods beginning after December 15, 2016 to annual and interim periods beginning after December 15, 2017. In March 2016, the FASB issued ASU 2016-08, Revenue from Contracts with Customers: Principal versus Agent Considerations, which

F-17
further clarifies the implementation guidance in ASU 2014-09. In April 2016, the FASB issued ASU 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, to expand the guidance on identifying performance obligations and licensing within ASU 2014-09. In May 2016, the FASB issued ASU 2016-12, Revenues from Contracts with Customers: Narrow-Scope Improvements and Practical Expedients, which amends the guidance in the new revenue standard on collectability, noncash consideration, presentation of sales tax, and transition. The amendments are intended to address implementation issues that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). The amendments in this update are effective for the annual reporting period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company does not expect adoption of ASU 2014-15 to have a material impact on its consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern. This amendment states that in connection with preparing financial statements for each annual and interim reporting period, an entity’s management should evaluate whether there are conditions or events that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). The amendments in this update are effective for the annual reporting period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company does not expect adoption of ASU 2014-15 to have a material impact on its consolidated financial statements.

In January 2015, the FASB issued ASU 2015-01, Income Statement—Extraordinary and Unusual Items. The amendments in this update eliminate the concept of extraordinary items in Subtopic 225-20, which required entities to consider whether an underlying event or transaction is extraordinary. However, the amendments retain the presentation and disclosure guidance for items that are unusual in nature or occur infrequently. The amendments in this update are effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. The Company does not expect adoption of ASU 2015-01 to have a material impact on its consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, Amendments to the Consolidation Analysis. Update 2015-02 amended the process that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. The amendments in this update are effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. The Company does not expect adoption of ASU 2015-02 to have a material impact on its consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11, Simplifying the Measurement of Inventory. The amendments in this update more closely align the measurement of inventory in GAAP with the measurement of inventory in International Financial Reporting Standards, under which an entity should measure inventory at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. For public business entities, the amendments are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years and must apply the amendments of this update prospectively. The Company is evaluating the impact of adopting ASU 2015-11 will have on its consolidated financial statements.

In September 2015, the FASB issued ASU 2015-16, Simplifying the Accounting for Measurement-Period Adjustments. The amendments in this update require that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. To simplify the accounting for adjustments made to provisional amounts recognized in
a business combination, the amendments in this update eliminate the requirement to retrospectively account for those adjustments. For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The Company does not expect adoption of ASU 2015-16 to have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases. The amendments in this update include a new FASB ASC Topic 842, which supersedes Topic 840. The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases. For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted for all entities as of the beginning of interim or annual reporting periods. The Company is evaluating the impact of adopting ASU 2016-02 will have on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting. The amendments in this update involve several aspects of accounting for equity-based payment transactions, including income tax consequences, classification of awards, and classification on the statement of cash flows. For public business entities, the amendments in this update are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted for any entity in any interim or annual period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. The Company is evaluating the impact of adopting ASU 2016-09 will have on its consolidated financial statements.

4. Acquisition

On May 8, 2015, Holdings, a wholly owned subsidiary of Topco, acquired approximately 94% of the outstanding interests of the Company, with Topco acquiring the remaining 6% of the outstanding membership interests of the Company. The purchase price was $396.4 million, which consisted of $386.3 million of cash consideration and $10.1 million of noncash consideration in the form of an equity rollover by management owners of the Predecessor entity. The Acquisition was funded through an equity contribution by Holdings and Topco and borrowings under the Company’s term loan agreement (see Note 9).
The Acquisition resulted in a new basis of accounting for Holdings, and in accordance with the Company’s election to apply pushdown accounting, the impact of the Acquisition has been recognized in the Successor periods of the Company’s consolidated financial statements. The following table summarizes the final allocation of the $396.4 million purchase price to the assets acquired and liabilities assumed (in thousands):  

<table>
<thead>
<tr>
<th>Assets acquired:</th>
<th>As of May 8, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 535</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>7,181</td>
</tr>
<tr>
<td>Inventories</td>
<td>73,300</td>
</tr>
<tr>
<td>Prepaid expenses and other</td>
<td>13,427</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>78,684</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>192,300</td>
</tr>
<tr>
<td>Goodwill</td>
<td>196,572</td>
</tr>
<tr>
<td>Other assets</td>
<td>256</td>
</tr>
<tr>
<td><strong>Total assets acquired</strong></td>
<td><strong>562,255</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities assumed:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>75,583</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>86,098</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>4,184</td>
</tr>
<tr>
<td><strong>Total liabilities assumed</strong></td>
<td><strong>165,865</strong></td>
</tr>
</tbody>
</table>

**Net assets acquired** $ 396,390

As a result of the Company pushing down the effects of the Acquisition recorded by Holdings, certain accounting adjustments are reflected in Intermediate’s consolidated financial statements, as discussed below.

The Company recorded goodwill of $196.6 million in the Successor consolidated balance sheet. Goodwill recognized is primarily attributable to the acquisition of an assembled workforce and other intangible assets that do not qualify for separate recognition.

The fair value of the acquired intangible assets was estimated using the relief from royalty method for our trade name and the excess earnings method for customer relationships. Under the relief-from-royalty method, the fair value estimate of the acquired trade name was determined based on the present value of the economic royalty savings associated with the ownership or possession of the trade name based on an estimated royalty rate applied to the cash flows to be generated by the business. The fair value of the trade name acquired as a result of the Acquisition was $58.1 million.

The fair value of customer relationships acquired in the Acquisition was estimated using the excess earnings method. Under the excess earnings method, the value of the intangible asset is equal to the present value of the after-tax cash flows attributable solely to the subject intangible asset. The fair value of customer relationships acquired as a result of the Acquisition was $134.2 million.

The Company also recorded certain favorable and unfavorable leasehold interests as a result of the Acquisition. Favorable leasehold interests are included in other assets and unfavorable leasehold interests are included in other liabilities. The fair value of favorable leasehold interests is determined using the income approach, whereby the difference between contractual rent and market rent is calculated for each remaining term for each lease, and then discounted to present value. All leasehold interests are amortized based upon patterns in which the economic benefits or obligations are expected to be realized. Accordingly, the favorable and unfavorable leasehold interests are being amortized over the respective lease terms of the properties.
The following are the favorable and unfavorable leasehold interests and their respective weighted average useful lives (in thousands):

<table>
<thead>
<tr>
<th>Leasehold Interests</th>
<th>Fair Value at Acquisition</th>
<th>Weighted Averaged Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favorable</td>
<td>$161</td>
<td>8.8 years</td>
</tr>
<tr>
<td>Unfavorable</td>
<td>(3,727)</td>
<td>6.4 years</td>
</tr>
<tr>
<td>Total</td>
<td>$145</td>
<td>7.6 years</td>
</tr>
</tbody>
</table>

The following unaudited pro forma financial information summarizes the combined results of operations for the Company as though the Acquisition occurred on February 2, 2014 (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended January 30, 2016</th>
<th>For the Year Ended January 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$562,015</td>
<td>$483,400</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$20,751</td>
<td>$(18,138)</td>
</tr>
</tbody>
</table>

Net income for the year ended January 31, 2015 includes $13.3 million of acquisition-related expenses incurred during the 2015 Predecessor period. Pro forma net income for the year ended January 31, 2015 also includes $10.5 million cost of goods sold incurred during the 2015 Successor period resulting from the increase in fair value of merchandise inventory reflected in the purchase price allocation at the date of acquisition, as though the Acquisition occurred on February 2, 2014. These amounts are excluded from pro forma net income for the year ended January 30, 2016. The unaudited pro forma financial information is presented for informational purposes only and may not be indicative of results that would have been achieved if the Acquisition had taken place on February 2, 2014.

5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets include the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>January 31, 2015 (Predecessor)</th>
<th>January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax receivable</td>
<td>$—</td>
<td>$4,407</td>
</tr>
<tr>
<td>Prepaid rent</td>
<td>4,712</td>
<td>5,207</td>
</tr>
<tr>
<td>Prepaid catalog costs</td>
<td>2,708</td>
<td>3,326</td>
</tr>
<tr>
<td>Prepaid store supplies</td>
<td>1,409</td>
<td>2,607</td>
</tr>
<tr>
<td>Other prepaid expenses</td>
<td>2,194</td>
<td>4,281</td>
</tr>
<tr>
<td>Other current assets</td>
<td>687</td>
<td>711</td>
</tr>
<tr>
<td>Total prepaid expenses and other current assets</td>
<td>$11,710</td>
<td>$20,539</td>
</tr>
</tbody>
</table>
6. Goodwill and Other Intangible Assets

Goodwill

The following table shows changes in the carrying amount of goodwill for the 2015 Predecessor and 2015 Successor periods (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>January 31, 2014 (Predecessor)</th>
<th>January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of February 1, 2014 (Predecessor)</td>
<td>$67,413</td>
<td>$196,572</td>
</tr>
<tr>
<td>Balance as of January 31, 2015 (Predecessor)</td>
<td>$67,413</td>
<td>$196,572</td>
</tr>
<tr>
<td>Elimination of Predecessor goodwill</td>
<td>(67,413)</td>
<td></td>
</tr>
<tr>
<td>Goodwill recognized as part of the Acquisition</td>
<td>196,572</td>
<td></td>
</tr>
<tr>
<td>Balance at January 30, 2016 (Successor)</td>
<td>$196,572</td>
<td></td>
</tr>
</tbody>
</table>

As a result of the Acquisition (see Note 4), the carrying value of the Company’s goodwill in the Predecessor period was eliminated and goodwill related to the Acquisition was recorded in the Successor period.

At the end of the 2015 Successor period, the Company elected to perform a step one analysis to assess goodwill for any potential impairment. The Company did not recognize impairment charges related to goodwill during the 2013, 2014 and 2015 Predecessor periods or the 2015 Successor period.

Intangible Assets

A summary of intangible assets as of January 31, 2015 (Predecessor) and January 30, 2016 (Successor) is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Weighted Average Useful Life (Years)</th>
<th>January 31, 2015 (Predecessor)</th>
<th>January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Gross</td>
<td>Accumulated Amortization</td>
</tr>
<tr>
<td>Indefinite-lived:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade name</td>
<td>N/A</td>
<td>$30,900</td>
<td>$—</td>
</tr>
<tr>
<td>Definite-lived:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Relationships</td>
<td>13.2</td>
<td>75,000</td>
<td>(29,064)</td>
</tr>
<tr>
<td>Other</td>
<td>1.5</td>
<td>900</td>
<td>(900)</td>
</tr>
<tr>
<td>Total Intangible Assets</td>
<td></td>
<td>$106,800</td>
<td>$29,964</td>
</tr>
</tbody>
</table>

F-22
The definite-lived intangible assets are amortized over the period the Company expects to receive the related economic benefit, which for customer lists is based upon estimated future net cash inflows. The estimated useful lives of intangible assets are as follows:

### For intangible assets prior to the Acquisition
**(Predecessor)**

<table>
<thead>
<tr>
<th>Asset</th>
<th>Amortization Method</th>
<th>Estimated Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer lists</td>
<td>Pattern of economic benefit</td>
<td>9 – 14 years</td>
</tr>
<tr>
<td>Non-compete agreements</td>
<td>Straight-line basis</td>
<td>1.5 years</td>
</tr>
</tbody>
</table>

### For intangible assets subsequent to the Acquisition
**(Successor)**

<table>
<thead>
<tr>
<th>Asset</th>
<th>Amortization Method</th>
<th>Estimated Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer lists</td>
<td>Pattern of economic benefit</td>
<td>9 – 16 years</td>
</tr>
</tbody>
</table>

Total amortization expense for these amortizable intangible assets was $7.6 million, $7.2 million, $1.8 million and $12.3 million for the 2013, 2014, and 2015 Predecessor and 2015 Successor periods, respectively. The Company did not recognize any impairment charges related to definite and indefinite-lived intangible assets for the 2013, 2014, and 2015 Predecessor and 2015 Successor periods, respectively.

The estimated amortization expense for each of the next five years and thereafter is as follows (in thousands):

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Estimated Amortization Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$ 16,482</td>
</tr>
<tr>
<td>2017</td>
<td>14,522</td>
</tr>
<tr>
<td>2018</td>
<td>12,784</td>
</tr>
<tr>
<td>2019</td>
<td>11,263</td>
</tr>
<tr>
<td>2020</td>
<td>10,015</td>
</tr>
<tr>
<td>Thereafter</td>
<td>56,799</td>
</tr>
<tr>
<td>Total</td>
<td>$ 121,865</td>
</tr>
</tbody>
</table>

### 7. Property and Equipment

Property and equipment at January 31, 2015 (Predecessor) and January 30, 2016 (Successor) consist of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>January 31, 2015 (Predecessor)</th>
<th>January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>$ 61,768</td>
<td>$ 51,896</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>29,800</td>
<td>27,973</td>
</tr>
<tr>
<td>Computer hardware and software</td>
<td>19,466</td>
<td>10,665</td>
</tr>
<tr>
<td>Total property and equipment, gross</td>
<td>111,034</td>
<td>90,534</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(58,273)</td>
<td>(16,924)</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>52,761</td>
<td>73,610</td>
</tr>
<tr>
<td>Total property and equipment, net</td>
<td>$ 62,035</td>
<td>$ 86,810</td>
</tr>
</tbody>
</table>

F-23
Construction in progress is primarily comprised of leasehold improvements, furniture, fixtures and equipment related to unopened retail stores and costs incurred related to the implementation of certain computer software. Capitalized software, subject to amortization, included in property and equipment at January 31, 2015 (Predecessor) and January 30, 2016 (Successor) had a cost basis of approximately $11.6 million and $6.7 million, respectively, and accumulated amortization of $6.6 million, $2.4 million, respectively.

Total depreciation expense was $15.8 million, $12.1 million, $3.5 million and $17.0 million for the 2013, 2014, and 2015 Predecessor and 2015 Successor periods, respectively.

During the 2013, 2014, and 2015 Predecessor and 2015 Successor periods, the Company did not recognize any impairment charges associated with property and equipment.

The Company capitalized interest in connection with construction in progress of $0.5 million, $0.4 million, $0.1 million and $0.4 million for the 2013, 2014, and 2015 Predecessor and 2015 Successor periods, respectively.

8. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities include the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>January 31, 2015 (Predecessor)</th>
<th>January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued payroll and benefits</td>
<td>$8,792</td>
<td>$14,066</td>
</tr>
<tr>
<td>Accrued returns reserve</td>
<td>4,929</td>
<td>6,432</td>
</tr>
<tr>
<td>Gift certificates redeemable</td>
<td>5,081</td>
<td>5,431</td>
</tr>
<tr>
<td>Taxes, other than income taxes</td>
<td>2,716</td>
<td>3,437</td>
</tr>
<tr>
<td>Accrued occupancy</td>
<td>2,421</td>
<td>1,862</td>
</tr>
<tr>
<td>Accrued construction</td>
<td>1,598</td>
<td>1,274</td>
</tr>
<tr>
<td>Other</td>
<td>10,470</td>
<td>11,089</td>
</tr>
<tr>
<td><strong>Total accrued expenses and other current liabilities</strong></td>
<td><strong>$36,007</strong></td>
<td><strong>$43,591</strong></td>
</tr>
</tbody>
</table>

The following table reflects the changes in the accrued returns reserve for the 2013 and 2014 fiscal years, 2015 Predecessor period and the 2015 Successor period (in thousands):

<table>
<thead>
<tr>
<th>Accrued returns reserve</th>
<th>Beginning of Period</th>
<th>Charged to Expenses</th>
<th>Deductions</th>
<th>End of Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year Ended February 1, 2014 (Predecessor)</td>
<td>$4,469</td>
<td>$248</td>
<td>—</td>
<td>$4,221</td>
</tr>
<tr>
<td>Fiscal Year Ended January 31, 2015 (Predecessor)</td>
<td>4,221</td>
<td>708</td>
<td>—</td>
<td>4,929</td>
</tr>
<tr>
<td>Period from February 1, 2015 to May 7, 2015 (Predecessor)</td>
<td>4,929</td>
<td>1,231</td>
<td>—</td>
<td>6,160</td>
</tr>
<tr>
<td>Period from May 8, 2015 to January 30, 2016 (Successor)</td>
<td>6,160</td>
<td>272</td>
<td>—</td>
<td>6,432</td>
</tr>
</tbody>
</table>
9. Debt

The components of the Company’s outstanding debt were as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>January 31, 2015 (Predecessor)</th>
<th>January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term loan</td>
<td>$46,836</td>
<td>$248,750</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>39,728</td>
<td>—</td>
</tr>
<tr>
<td>Total debt</td>
<td>86,564</td>
<td>248,750</td>
</tr>
<tr>
<td>Discount on debt and debt issuance costs</td>
<td>(4,195)</td>
<td>(8,772)</td>
</tr>
<tr>
<td>Less: Current portion</td>
<td>(2,168)</td>
<td>(2,500)</td>
</tr>
<tr>
<td>Net long-term debt</td>
<td>$80,201</td>
<td>$237,478</td>
</tr>
</tbody>
</table>

The Company recorded interest expense of $19.1 million, $17.9 million, $4.6 million and $11.9 million in the 2013, 2014, and 2015 Predecessor and 2015 Successor periods, respectively.

Predecessor Debt

Prior to the Acquisition on May 8, 2015, the Company had a term loan facility, a revolving credit facility and a subordinated debt facility. In conjunction with the Acquisition (see Note 4), these facilities were settled and the agreements were terminated. Certain prepayment penalties and fees of $2.9 million related to the settlement of these facilities are not reflected in either the Predecessor or Successor consolidated statements of operations and comprehensive income (loss) periods, but instead are presented “on the black line.” These terminated facility agreements are discussed below.

Term Loan Facility

On April 29, 2011, the Company entered into a term loan facility agreement and an asset-based revolving credit facility agreement. Both the term loan facility and the asset-based revolving credit facility were subsequently amended on September 27, 2012. These facilities were provided through JJ Lease Funding Corp. and JJ AB Funding Corp., respectively, both of which were variable interest entities established to facilitate such financings (see Note 10).

The amended six-year term loan facility agreement provided for borrowings of $120.0 million. Borrowings under the amended term loan facility were maintained as either Eurodollar or Base Rate loans, each of which had a variable interest rate plus an applicable margin. Eurodollar loans under the amended term loan facility accrued interest at a rate equal to adjusted LIBOR plus 8.50%, with a minimum adjusted LIBOR per annum of 1.50%. Base Rate loans under the amended term loan facility accrued interest at a rate equal to (i) the greatest of (a) the financial institution’s prime rate, (b) the Federal Funds Effective Rate plus 0.50% and (c) adjusted LIBOR, with a minimum adjusted LIBOR of 1.50%, plus 1.00%, plus (ii) 7.50%. The rate per annum was 10.00% as of January 31, 2015 (Predecessor). Borrowings under the amended term loan facility were collateralized by all of the assets of the Company and the agreement contained a provision requiring scheduled quarterly interest and principal payments.

Revolving Credit Facility

The five-year amended secured asset-based revolving credit facility agreement provided for borrowings up to $40.0 million. Under the terms of the agreement, the asset-based revolving credit facility agreement provided
for borrowings up to (i) 90% of eligible credit card receivables, plus (ii) 85% of the net orderly liquidation value of eligible inventory, plus (iii) the lesser of (a) the in-transit maximum amount or (b) 85% of the net orderly liquidation value of eligible in-transit inventory, less (iv) certain reserves established by the lender, as defined in the agreement. Borrowings under the asset-based revolving credit facility agreements were collateralized by a first lien on accounts receivable and inventory.

The asset-based revolving credit facility consisted of revolving loans and swingline loans. Borrowings classified as revolving loans under the asset-based revolving credit facility were able to be maintained as either Eurodollar or Base Rate loans, each of which had a variable interest rate plus an applicable margin. Borrowings classified as swingline loans under the asset-based revolving credit facility were Base Rate loans. Eurodollar loans accrued interest at a rate equal to LIBOR plus a spread ranging from 2.25% to 2.75%, depending on borrowing amounts. Base Rate loans accrued interest at a rate equal to (i) the greatest of (a) the financial institution’s prime rate, (b) the Federal Funds Effective Rate plus 0.50% and (c) LIBOR plus 1.00%, plus (ii) a spread ranging from 1.25% to 1.75%, depending on borrowing amounts.

Interest on each Eurodollar loan was payable on the last day of each interest period, and interest on each Base Rate loan was payable on the last business day of April, July, October and January. For both Eurodollar and Base Rate loans, interest was payable upon repayment maturity, with durations ranging between 30 to 90 days.

The asset-based revolving credit facility agreement also required the quarterly payment, in arrears, of a commitment fee of 0.5% per annum of the average daily unused portion of the facility as well as a fee on the balance of the outstanding letters of credit. As of January 31, 2015 (Predecessor), there were no amounts outstanding under the asset-based revolving credit facility agreement. Based on the terms of the agreement, the Predecessor’s available borrowing capacity under the asset-based revolving credit facility agreement as of January 31, 2015 (Predecessor) was $36.7 million.

**Subordinated Debt Facility**

On September 27, 2012, the Company entered into a six-year subordinated debt facility agreement with an affiliate of the Company in conjunction with the amendment to the term loan facility agreement and asset-based revolving credit facility agreement. The subordinated debt facility was an unsecured mezzanine term loan and provided for borrowings of $30.0 million. This facility was provided through JJ Mezz Funding Corp., which was a variable interest entity established to facilitate such financing (see Note 10).

Borrowings under the mezzanine term loan accrued interest at a rate of 24.0%. The 24.0% interest rate on the mezzanine term loan included a Payment in Kind (“PIK”) interest factor whereby one half of the 24.0% interest due was payable in cash and one half was added to the outstanding principal amount of the mezzanine term loan. The outstanding principal balance was to be payable upon maturity of the mezzanine term loans on September 27, 2018. As a result of the PIK interest factor, additional long-term debt of $4.5 million was incurred as of January 31, 2015 (Predecessor). As of January 31, 2015 (Predecessor), the Company had $39.7 million of outstanding borrowings under the mezzanine term loan.

In connection with the amended term loan facility agreement, amended asset-based revolving loan agreement and the subordinated debt facility agreement, the Company was subject to various financial reporting, financial and other covenants, including maintaining specific liquidity measures. In addition, there were negative covenants including certain restrictions on the ability to: incur additional indebtedness, create liens, enter into transactions with affiliates, transfer assets, pay dividends, consolidate or merge with other entities, or undergo a change in control. Each loan also contained provisions in the event of default.
Successor Debt

Term Loan Credit Agreement

On May 8, 2015, the Company entered into a term loan credit agreement (the “Term Loan Agreement”) in conjunction with the Acquisition (see Note 4). The seven-year Term Loan Agreement provides for borrowings of $250.0 million. The Company can elect, at its option, the applicable interest rate for borrowings under the Term Loan Agreement using a LIBOR or Base Rate variable interest rate plus an applicable margin. LIBOR loans under the Term Loan Agreement accrue interest at a rate equal to LIBOR plus 5.00%, with a minimum LIBOR per annum of 1.00%. Base Rate loans under the Term Loan Agreement accrue interest at a rate equal to (i) the greatest of (a) the financial institution’s prime rate, (b) the Federal Funds Effective Rate plus 0.50%, or (c) LIBOR, with a minimum LIBOR of 1.00% plus 1.00%, and (d) 2.00%, plus (ii) 4.00%.

Current borrowings under the Term Loan Agreement accrue interest at a rate equal to LIBOR plus 5.00%, with a minimum LIBOR per annum of 1.00%, and are payable on a quarterly basis. The rate per annum was 6.00% throughout the 2015 Successor period. Repayments of $0.6 million are payable quarterly, beginning on October 31, 2015 and continuing until maturity on May 8, 2022, when the remaining outstanding principal balance of $233.1 million is due.

The Company incurred $9.6 million of debt issuance costs in connection with the Term Loan Agreement. These fees are presented as a direct deduction from the carrying amount of the long-term debt on the consolidated balance sheet.

As of January 30, 2016 (Successor), the Company had $248.8 million of outstanding borrowings under the Term Loan Agreement. During the 2015 Successor period, the Company recorded interest expense of $11.0 million on the Term Loan Agreement. In addition, during the 2015 Successor period, $0.9 million of the debt issuance cost was amortized to interest expense.

Borrowings under the Term Loan Agreement are collateralized by all of the assets of the Company. In connection with the Term Loan Agreement, the Company is subject to various financial reporting, financial and other covenants, including maintaining specific liquidity measurements. In addition, there are negative covenants, including certain restrictions on the Company’s ability to: incur additional indebtedness, create liens, enter into transactions with affiliates, transfer assets, pay dividends, consolidate or merge with other entities, undergo a change in control, make advances, investments and loans, or modify its organizational documents. As of January 30, 2016 (Successor), the Company was in compliance with all financial covenants.

Asset-Based Revolving Credit Agreement

On May 8, 2015, the Company entered into a five-year secured $40.0 million asset-based revolving credit facility agreement (the “ABL Facility”). The ABL Facility matures on May 8, 2020.

Under the terms of this agreement, the ABL Facility provides for borrowings up to (i) 90% of eligible credit card receivables, plus (ii) 85% of eligible accounts receivable, plus (iii) the lesser of (a) 100% of the value of eligible inventory at such time and (b) 90% of the net orderly liquidation value of eligible inventory at such time, plus (iv) the lesser of (a) 100% of the value of eligible in-transit inventory at such time, (b) 90% of the net orderly liquidation value of eligible in-transit inventory at such time and (c) the in-transit maximum amount (the in-transit maximum amount is not to exceed $12.5 million during the 1st and 3rd calendar quarters and $10.0 million during the 2nd and 4th calendar quarters), less (v) certain reserves established by the lender, as defined in the ABL Facility.
The ABL Facility consists of revolving loans and swingline loans. Borrowings classified as revolving loans under the ABL Facility may be maintained as either LIBOR or Base Rate loans, each of which has a variable interest rate plus an applicable margin. Borrowings classified as swingline loans under the ABL Facility are Base Rate loans. LIBOR loans under the ABL Facility accrete interest at a rate equal to LIBOR plus a spread of 2.00% from May 8, 2015 to August 31, 2015, and thereafter ranging from 1.50% to 1.75%, depending on borrowing amounts. Base Rate loans under the ABL Facility accrete interest at a rate equal to (i) the greatest of (a) the financial institution’s prime rate, (b) the overnight Federal Funds Effective Rate plus 0.50%, (c) LIBOR plus 1.00%, and (d) 2.00%, plus (ii) a spread of 1.00% from May 8, 2015 to August 31, 2015, and thereafter ranging from 0.50% to 0.75%, depending on borrowing amounts.

Interest on each LIBOR loan is payable on the last day of each interest period and no more than quarterly, and interest on each Base Rate loan is payable in arrears on the last business day of April, July, October and January. For both LIBOR and Base Rate loans, interest is payable periodically upon repayment, conversion or maturity, with interest periods ranging between 30 to 180 days at the election of the Company, or 12 months with the consent of all lenders.

The ABL Facility also requires the quarterly payment, in arrears, of a commitment fee. The commitment fee is payable in an amount equal to 0.375% from May 8, 2015 to July 1, 2016, and thereafter at an amount equal to (i) 0.375% for each calendar quarter during which historical excess availability is greater than 50% of availability, and (ii) 0.25% for each calendar quarter during which historical excess availability is less than or equal to 50% of availability.

During the fiscal year ended January 30, 2016 (Successor), there were no amounts drawn or outstanding under the ABL Facility. Based on the terms of the agreement and the reduction for the letters of credit, the Company’s available borrowing capacity under the ABL Facility as of January 30, 2016 (Successor) was $38.5 million.

The Company incurred $1.1 million of debt issuance costs in connection with the related ABL Facility, which were capitalized and are included in other assets on the consolidated balance sheet. During the 2015 Successor period, $0.1 million of the debt issuance cost was amortized to interest expense.

Borrowings under the ABL Facility are collateralized by a first lien on accounts receivable and inventory. In connection with the ABL Facility, the Company is subject to various financial reporting, financial and other covenants, including maintaining specific liquidity measurements. In addition, there are negative covenants, including certain restrictions on the Company’s ability to: incur additional indebtedness, create liens, enter into with affiliates, transfer assets, pay dividends, consolidate or merge with other entities, undergo a change in control, make advances, investments and loans or modify its organizational documents. As of January 30, 2016 (Successor), the Company was in compliance with all financial covenants.

The Term Loan Agreement and the ABL Facility contain provisions on the occurrence of a default event. In the event of a payment default that is not cured within five business days or is not waived, or a covenant default that is not cured within 30 business days or is not waived, the Company’s obligations under these credit facilities may be accelerated. In addition, a 2% interest surcharge will be imposed during events of default.

Letters of Credit

As of January 31, 2015 (Predecessor) and January 30, 2016 (Successor), there were outstanding letters of credit of $1.3 million and $1.6 million, respectively, which reduced the availability under the ABL Facility. As of January 30, 2016 (Successor), the maximum commitment for letters of credit was $10.0 million. Letters of credit
accrue interest at a rate equal to revolving loans maintained as Base Rate loans under the ABL facility. In addition, a 2% interest surcharge will be imposed during events of default. The Company primarily used letters of credit to secure payment of workers’ compensation claims. Letters of credit are generally obtained for a one year term and automatically renew annually, and would only be drawn upon if the Company fails to comply with its contractual obligations.

**Payments of Debt Obligations Due by Period**

As of January 30, 2016 (Successor), minimum future principal amounts payable under the Company’s Term Loan Agreement are as follows (in thousands):

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$2,500</td>
</tr>
<tr>
<td>2017</td>
<td>2,500</td>
</tr>
<tr>
<td>2018</td>
<td>2,500</td>
</tr>
<tr>
<td>2019</td>
<td>2,500</td>
</tr>
<tr>
<td>2020</td>
<td>2,500</td>
</tr>
<tr>
<td>Thereafter</td>
<td>236,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$248,750</strong></td>
</tr>
</tbody>
</table>

**10. Variable Interest Entities**

During the Predecessor periods the Company maintained several financing facilities with third-party financing companies, including JJ Lease Funding Corp., JJ AB Funding Corp. and JJ Mezz Funding Corp. The financing facilities were independent special purpose entities established for the sole purpose of obtaining financing for the benefit and at the direction of the Company. Each of these facilities were deemed VIEs, for which the Company was determined to be the primary beneficiary. Each of these VIEs were consolidated within the Company’s financial statements for the 2013, 2014 and 2015 Predecessor periods.

Contemporaneously with the Acquisition, on May 8, 2015 (see Note 4), these financing facilities were repaid and terminated by the Company. These three financing facilities ceased being VIEs to the Company and were no longer consolidated in the 2015 Successor period.

**JJ Lease Funding Corp.**

The Company entered into a sale leaseback arrangement with JJ Lease Funding Corp., whereby the Company sold and immediately leased back from JJ Lease Funding Corp. certain tangible and intangible assets of the Company in exchange for cash consideration to the Company of $120.0 million. The Company did not recognize any gain or loss on the sale of its assets.

The Company’s lease financing arrangement with JJ Lease Funding Corp. was funded through a term loan agreement between JJ Lease Funding Corp. and a commercial lender. The terms of the term loan agreement were structured such that the aggregated payments due under the lease financing arrangement would equal the principal and interest due under the term loan. When the term loan is repaid in full, the ownership of the assets would be reverted back to the Company. JJ Lease Funding Corp. does not have any other assets or liabilities or income and expense other than those associated with the term loan and the sale leaseback arrangement. Under the terms of the lease financing arrangement, the Company’s obligations are limited to amounts due to JJ Lease Funding Corp. and the Company has no obligations under the term loan facility. The Company determined that it was the primary beneficiary of JJ Lease Funding Corp. due to i) the establishment of JJ Lease Funding Corp.
being for the sole purpose of effecting the lease financing arrangement at the direction of the Company and ii) the Company absorbing any potential variability related to the term loan based on its payment terms equaling the payment terms of the lease financing arrangement.

As of January 31, 2015 (Predecessor), the Company consolidated JJ Lease Funding Corp., and accordingly consolidated the outstanding principal due under the term loan of $46.8 million in its consolidated balance sheet of which $44.7 million is included in long-term debt, net of current portion of $2.1 million. During the 2013, 2014 and 2015 Predecessor periods, the Company consolidated $10.2 million, $8.0 million and $1.6 million, respectively, in interest expense related to the term loan as interest expense within its consolidated statements of operations and comprehensive income (loss).

**JJ AB Funding Corp.**

The Company entered into a commodities purchase financing agreement with JJ AB Funding Corp., whereby JJ AB Funding Corp. entered into a five-year secured $40.0 million asset-based revolving credit facility with a commercial lender. Under the terms of the commodities purchase financing agreement, the Company’s obligations were limited to amounts due to JJ AB Funding Corp. and the Company had no obligations under the revolving credit facility. Amounts due by the Company were equal to the purchase price of the commodities purchased plus a nominal agreed upon profit rate, which were equal in total to JJ AB Funding Corp.’s interest and principal obligations under the revolving credit facility.

JJ AB Funding Corp. does not have any other assets or liabilities or income and expense other than those associated with the revolving credit facility and commodities purchase financing agreement. The Company determined that it was the primary beneficiary of JJ AB Funding Corp. due to i) the establishment of JJ AB Funding Corp. being for the sole purpose of effecting the commodities purchase financing agreement at the direction of the Company and ii) the Company absorbing any potential variability related to the revolving credit facility based on its payment terms equaling the payment terms of the commodities purchase financing agreement.

The Company consolidated JJ AB Funding Corp., however, there were no amounts outstanding under the revolving credit facility as of January 31, 2015 (Predecessor). During the 2013, 2014 and 2015 Predecessor periods, the Company consolidated $0.6 million, $0.7 million and $0.3 million, respectively, in interest expense related to the revolving credit facility as interest expense within its consolidated statements of operations and comprehensive income (loss).

**JJ Mezz Funding Corp.**

The Company entered into a commodities purchase financing arrangement with JJ Mezz Funding Corp., whereby JJ Mezz Funding Corp. entered into a six-year unsecured $30.0 million subordinated debt facility with a commercial lender. Amounts due under the subordinated debt facility were to be paid through the proceeds received under JJ Mezz Funding Corp.’s commodities purchase financing arrangement, whose payments were guaranteed by the Company. Payments due by the Company to JJ Mezz Funding Corp. for the commodities purchase financing arrangement were equal to the purchase price of the commodities purchased plus a nominal agreed upon profit rate, which were equal in total to JJ Mezz Funding Corp.’s interest and principal obligations under the subordinated debt facility.

JJ Mezz Funding Corp. does not have any other assets or liabilities or income and expense other than those associated with the subordinated debt facility and commodities purchase financing arrangement. Under the terms of the commodities purchase financing arrangement, the Company’s obligations were limited to amounts due to JJ Mezz Funding Corp. and the Company had no obligations under the subordinated debt facility. The Company
determined that it was the primary beneficiary of JJ Mezz Funding Corp. due to i) the establishment of JJ Mezz Funding Corp. being for the sole purpose of effecting the commodities purchase financing arrangement at the direction of the Company and ii) the Company absorbing any potential variability related to the subordinated debt facility based on its payment terms equaling the payment terms of the commodities purchase financing arrangement.

As of January 31, 2015 (Predecessor), the Company consolidated JJ Mezz Funding Corp., and accordingly consolidated the outstanding principal due under the subordinated debt facility of $39.7 million in its consolidated balance sheet as long-term debt, net of current portion. During the 2013, 2014 and 2015 Predecessor periods, the Company consolidated $8.6 million, $9.5 million and $2.7 million, respectively, in interest expense related to the subordinated debt facility as interest expense within its consolidated statements of operations and comprehensive income (loss).

11. Commitments and Contingencies

Operating Lease Agreements

The Company leases retail, distribution and corporate office facilities under various operating leases having initial or remaining terms of more than one year. Many of these leases require that the Company pay taxes, maintenance, insurance, and certain other operating expenses applicable to leased properties. Rental payments under the terms of some store facility leases include contingent rent based on sales levels, whereas other payment terms are based on the greater of a minimum rental payment or a percentage of the store’s gross receipts.

The original lease terms under existing arrangements range from 1-20 years and may or may not include renewal options, rent escalation clauses, and/or landlord leasehold improvement incentives. In the case of operating leases with rent escalation clauses, the payment escalations are accrued and the rent expense is recognized on a straight-line basis over the lease term. The Company recorded a deferred lease liability of $6.8 million and $3.3 million as of January 31, 2015 (Predecessor) and January 30, 2016 (Successor), respectively. In certain instances, the Company also receives allowances for its store leases, which it accrues and amortizes ratably over the life of the lease. The Company maintained a tenant improvement incentive liability of $9.5 million and $5.1 million as of and January 31, 2015 (Predecessor) and January 30, 2016 (Successor), respectively.

The following table summarizes future minimum rental payments required under all noncancelable operating lease obligations as of January 30, 2016 (Successor) (in thousands):

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$ 42,279</td>
</tr>
<tr>
<td>2017</td>
<td>38,946</td>
</tr>
<tr>
<td>2018</td>
<td>35,430</td>
</tr>
<tr>
<td>2019</td>
<td>32,248</td>
</tr>
<tr>
<td>2020</td>
<td>31,135</td>
</tr>
<tr>
<td>Thereafter</td>
<td>130,119</td>
</tr>
<tr>
<td>Total</td>
<td>$ 310,157</td>
</tr>
</tbody>
</table>

Total rental expense was $42.1 million, $44.3 million, $12.7 million and $36.2 million for the 2013, 2014, and 2015 Predecessor and 2015 Successor periods, respectively, exclusive of contingent rental expense recorded of $2.0 million, $1.9 million, $0.5 million and $1.8 million for the same respective periods.
Legal Proceedings

The Company is subject to various legal proceedings that arise in the ordinary course of business. The Company accrues for liabilities associated with these proceedings which are determined to be probable and can be reasonably estimated. Although the outcome of such proceedings cannot be predicted with certainty, management does not believe that it is reasonably possible that these outstanding proceedings will result in unaccrued losses that would be material. The Company maintains insurance policies to mitigate the financial impact of certain litigation.

Concentration Risk

An adverse change in the Company’s relationships with its key suppliers, or loss of the supply of one of the Company’s key products for any reason, could have a material effect on the business and results of operations of the Company. Two suppliers accounted for approximately 15.2% and 10.6% of the Company’s purchases during the 2015 Successor periods.

Other Commitments

In addition to the lease commitments disclosed above, the Company enters into other cancelable and noncancelable commitments. Typically, these commitments are for less than one year in duration and are principally for the procurement of inventory. Preliminary commitments with the Company’s merchandise vendors typically are made six to nine months in advance of the planned receipt date. The Company had outstanding inventory purchase commitments of $84.9 million as of January 30, 2016 (Successor).

12. Other Liabilities

Other liabilities include the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>January 31, 2015 (Predecessor)</th>
<th>January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred rent</td>
<td>$ 6,777</td>
<td>$ 3,326</td>
</tr>
<tr>
<td>Deferred lease credits</td>
<td>9,537</td>
<td>5,078</td>
</tr>
<tr>
<td>Unfavorable leasehold interests</td>
<td>1,369</td>
<td>3,137</td>
</tr>
<tr>
<td>Other</td>
<td>448</td>
<td>473</td>
</tr>
<tr>
<td>Total other liabilities</td>
<td>$ 18,131</td>
<td>$ 12,014</td>
</tr>
</tbody>
</table>

13. Preferred Capital and Members’ Equity

Predecessor

In conjunction with the Acquisition (see Note 4), the securities that were in existence in the Predecessor periods, as further discussed below, were settled and no longer outstanding subsequent to May 8, 2015.

Common Units

The Predecessor LLC Agreement, as amended and restated (the “Predecessor LLC Agreement”), authorized the Predecessor to issue up to 1,000,000 Common Units. In April 2011, the Predecessor issued 1,000,000 Common Units, 100 Class A Units and 3,927,601.3 Class B Units, and simultaneously entered into a
commodities purchase agreement (the “Commodities Purchase Agreement”) for purposes of providing a preferred capital investment of $72.8 million (the “Preferred Capital”) to an investor of the Predecessor. The voting and liquidation rights of the holders of the Predecessor’s Common Units were subject to and qualified by rights, powers and preferences of holders of the Preferred Capital, and Class A and Class B Units as set forth below. As of January 31, 2015 (Predecessor), 1,000,000 Common Units were outstanding and no Common Units were available for future issuance.

**Preferred Capital**

The Preferred Capital is classified outside of members’ equity because it contains certain redemption features that are not solely within the control of the Company. The voting and liquidation rights of the Preferred Capital were subject to and qualified by rights, powers and preferences of the Predecessor’s investors as set forth below.

**Class A and B Units**

The Predecessor’s LLC Agreement authorized the Predecessor to issue up to 100 Class A Units and 3,927,601.3 Class B Units. In April 2011, the Predecessor issued 100 Class A Units and 3,927,601.3 Class B Units and received $1,000 and $39.3 million, respectively, as a capital contribution upon issuance. The voting and liquidation rights of the holders of the Predecessor’s Class A and Class B Units were subject to and qualified by rights, powers and preferences of the holder of the Preferred Capital as set forth below. As of January 31, 2015 (Predecessor), 100 Class A Units and 3,927,601.3 Class B Units were outstanding and no Class A or Class B Units were available for future issuance.

**Non-Liquidating Distributions**

In the event of a non-liquidating distribution, at the discretion of the Predecessor, the holder of the Preferred Capital and the holders of Class A and Class B Units as a group, were limited to an amount up to each holder’s aggregate unreturned capital on a pro rata basis. Any remaining amounts were to be distributed to holders of Common Units.

**Liquidation Preferences**

As defined within the Predecessor LLC Agreements, if the Predecessor is liquidated, dissolved or wound-up, the holder of the Preferred Capital would have been entitled to their return of capital in preference of holders of Class A and Class B Units, while Common Unit holders would have been entitled to any remaining liquidating distributions. The holder of the Preferred Capital was entitled to all liquidating distributions paid by the Predecessor until such payments equal the aggregate original issuance price paid of $72.8 million.

Subject to the payment in full of amounts due to the holder of the Preferred Capital, each holder of Class A and B Units would have been entitled to any liquidating distributions paid by the Predecessor up to an amount equal to each holder’s aggregate original issuance price paid of $1,000 and $39.3 million, respectively, on a pro rata basis.

Any remaining liquidating distributions paid by the Predecessor, subsequent to payment in full of amounts due first to the holder of the Preferred Capital and second to holders of Class A and Class B Units, would have been paid out to holders of Common Units.

F-33
Redemption Rights

The Predecessor was established with a finite life of 49 years, commencing on the date of filing of its certificate of formation. At the end of its 49-year term, the Predecessor would be liquidated and all outstanding unreturned capital would be distributed to the then current owners, in accordance with the liquidation preferences described above. Owners were also entitled to a distribution of their unreturned capital prior to the completion of the Predecessor’s 49-year term upon the occurrence of an earlier liquidation event as defined by the Commodities Purchase Agreement.

Voting Rights

The Preferred Capital, Class A Units, Class B Units and Common Units held no voting rights. The Predecessor was governed by the board of managers, for which the holders of the Preferred Capital, Class A and Class B Units each had the right to appoint members to the board of managers, as determined by the Predecessor LLC Agreements.

Successor

On May 8, 2015, Holdings, a wholly owned subsidiary of Topco, acquired approximately 94% of the 1,000,000 issued and outstanding interests of the Company, with Topco acquiring the remaining 6% of the issued and outstanding membership interests of the Company (see Note 4). In connection with the Acquisition, the Predecessor LLC Agreement of the Company was amended. The terms of the amended agreement were substantially the same as the previously amended and restated agreement, including the rights of Common Unit holders.

14. Income Taxes

The provision for income taxes for the 2013, 2014, and 2015 Predecessor and 2015 Successor periods consists of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>For the Fiscal Year Ended February 1, 2014 (Predecessor)</th>
<th>For the Fiscal Year Ended January 31, 2015 (Predecessor)</th>
<th>For the Period February 1, 2015 to May 7, 2015 (Predecessor)</th>
<th>For the Period May 8, 2015 to January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Federal</td>
<td>$ 7,157</td>
<td>$ 9,843</td>
<td>$ 1,957</td>
<td>$ 8,052</td>
</tr>
<tr>
<td>State and local</td>
<td>1,967</td>
<td>2,920</td>
<td>503</td>
<td>1,533</td>
</tr>
<tr>
<td><strong>Total current</strong></td>
<td>9,124</td>
<td>12,763</td>
<td>2,460</td>
<td>9,585</td>
</tr>
<tr>
<td><strong>Deferred tax benefit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Federal</td>
<td>(4,478)</td>
<td>(1,615)</td>
<td>(793)</td>
<td>(6,212)</td>
</tr>
<tr>
<td>State and local</td>
<td>(762)</td>
<td>(288)</td>
<td>(168)</td>
<td>(1,051)</td>
</tr>
<tr>
<td><strong>Total deferred tax benefit</strong></td>
<td>(5,240)</td>
<td>(1,903)</td>
<td>(961)</td>
<td>(7,263)</td>
</tr>
<tr>
<td><strong>Provision for income taxes</strong></td>
<td>$ 3,884</td>
<td>$ 10,860</td>
<td>$ 1,499</td>
<td>$ 2,322</td>
</tr>
</tbody>
</table>

F-34
A reconciliation of the federal statutory income tax rate to the Company’s effective tax rate is as follows for the periods presented:

<table>
<thead>
<tr>
<th></th>
<th>For the Fiscal Year Ended February 1, 2014 (Predecessor)</th>
<th>For the Fiscal Year Ended January 31, 2015 (Predecessor)</th>
<th>For the Period February 1, 2015 to May 7, 2015 (Predecessor)</th>
<th>For the Period May 8, 2015 to January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal statutory income tax rate</td>
<td>35.0%</td>
<td>35.0%</td>
<td>35.0%</td>
<td>35.0%</td>
</tr>
<tr>
<td>State income taxes, net of federal tax effect</td>
<td>6.0%</td>
<td>7.6%</td>
<td>(39.9)%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>—%</td>
<td>—%</td>
<td>(344.5)%</td>
<td>—%</td>
</tr>
<tr>
<td>Nondeductible equity-based compensation expense</td>
<td>7.2%</td>
<td>8.5%</td>
<td>(38.3)%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Other</td>
<td>(1.9)%</td>
<td>0.2%</td>
<td>14.8%</td>
<td>(1.8)%</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td><strong>46.3%</strong></td>
<td><strong>51.3%</strong></td>
<td><strong>(372.9)%</strong></td>
<td><strong>35.0%</strong></td>
</tr>
</tbody>
</table>

The effective tax rate in the 2015 Predecessor period reflects transaction costs related to the Acquisition, which were not deductible for tax purposes.

The components of deferred tax assets (liabilities) were as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>January 31, 2015 (Predecessor)</th>
<th>January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred tax assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net credit carry forwards</td>
<td>$ $63</td>
<td>$12</td>
</tr>
<tr>
<td>Gift card asset</td>
<td>—</td>
<td>40</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>168</td>
<td>130</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>8,871</td>
<td>3,370</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>9,102</td>
<td>3,552</td>
</tr>
<tr>
<td><strong>Deferred tax liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gift card liability</td>
<td>(66)</td>
<td>—</td>
</tr>
<tr>
<td>Inventory</td>
<td>(2,551)</td>
<td>(2,480)</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>(9,574)</td>
<td>(13,571)</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(24,377)</td>
<td>(65,573)</td>
</tr>
<tr>
<td>Prepaid expense</td>
<td>—</td>
<td>(765)</td>
</tr>
<tr>
<td>Total deferred tax liabilities</td>
<td>(36,568)</td>
<td>(82,389)</td>
</tr>
<tr>
<td><strong>Net deferred tax liabilities</strong></td>
<td>$ (27,466)</td>
<td>$ (78,837)</td>
</tr>
</tbody>
</table>

The Company had state tax credit carryforwards of $0.1 million as of January 31, 2015 (Predecessor) and no state tax credit carryforwards as of January 30, 2016 (Successor). These tax credit carryforwards expire in 2017. As of January 31, 2015 (Predecessor) and January 30, 2016 (Successor), the Company had no net operating loss carryforwards.

The Company has considered the need for a valuation allowance based on the more likely than not criterion. In determining the need for a valuation allowance, management makes assumptions and applies judgment, including forecasting future earnings and considering the reversals of existing deferred tax liabilities. Based on this analysis, management determined that no valuation allowance was required. The Company
performed an analysis of its tax positions and determined that no material uncertain tax positions exist. Therefore, there is no liability for uncertain tax positions as of January 31, 2015 (Predecessor) or January 30, 2016 (Successor).

As of January 31, 2015 (Predecessor) and January 30, 2016 (Successor), the Company had no material unrecognized tax benefits.

J.Jill, Inc. and Holdings each file a consolidated income tax return in the United States federal jurisdiction and multiple state jurisdictions. The Company’s income tax returns periodically are examined by the Internal Revenue Service (the “IRS”). Tax periods from 2012 onward are open to audit by major tax jurisdictions under the statute of limitations. The IRS completed an examination of the fiscal year 2013 tax return without adjustment.

15. Earnings Per Share

Predecessor

Given the liquidation preferences and distribution terms as described in Note 13, the Preferred Capital, Class A Units and Class B Units have been excluded from the calculation of earnings per share as any non-liquidating distributions to each of these equity holders were limited to each equity holder’s return of capital. During the 2013, 2014 and 2015 Predecessor periods there were no non-liquidating distributions approved by the Predecessor’s board of managers.

Successor

In conjunction with the Acquisition (see Note 4), the holder of the Preferred Capital received a return of their original investment of $72.8 million and the Commodities Purchase Agreement was terminated. In addition, the capital relating to the 100 Class A Units and the 3,927,601.3 Class B Units was returned to the holders and these units were no longer outstanding subsequent to the May 8, 2015 Acquisition.
The following table summarizes the computation of basic and diluted net income (loss) per share attributable to common stockholders for the 2013, 2014 and 2015 Predecessor and 2015 Successor periods (in thousands, except share and per share data):

<table>
<thead>
<tr>
<th>For the Fiscal Year Ended February 1, 2014 (Predecessor)</th>
<th>For the Fiscal Year Ended January 31, 2015 (Predecessor)</th>
<th>For the Period from February 1, 2015 to May 7, 2015 (Predecessor)</th>
<th>For the Period from May 8, 2015 to January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numerator</td>
<td>Denominator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss) attributable to common stockholders, basic and diluted</td>
<td>Weighted average common shares outstanding, basic and diluted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 4,498</td>
<td>43,747,944</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 10,296</td>
<td>43,747,944</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$(1,901)</td>
<td>43,747,944</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 4,306</td>
<td>43,747,944</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net income (loss) per share attributable to common stockholders, basic and diluted:

<table>
<thead>
<tr>
<th>For the Fiscal Year Ended February 1, 2014 (Predecessor)</th>
<th>For the Fiscal Year Ended January 31, 2015 (Predecessor)</th>
<th>For the Period from February 1, 2015 to May 7, 2015 (Predecessor)</th>
<th>For the Period from May 8, 2015 to January 30, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.10</td>
<td>$0.24</td>
<td>$(0.04)</td>
<td>$0.10</td>
</tr>
</tbody>
</table>

16. Equity-Based Compensation

Predecessor Plan

In conjunction with the Acquisition (see Note 4), the equity-based compensation plans that were in existence in the Predecessor periods, as further discussed below, were settled and no longer outstanding subsequent to May 8, 2015.

On March 30, 2012, JJIP, a Limited Partnership (the “Partnership”), was formed by the then current owners of the Company and held a portion of the outstanding common units of the Company. A Management Incentive Unit equity program (the “Predecessor Plan”) was established by JJIP to provide the opportunity for key employees of the Company to participate in the appreciation of the business.

The Predecessor Plan allowed Management Incentive Units (“MIUs”) to be granted to employees of the Company at the discretion of JJIP’s board of managers, not to exceed a maximum of 105,000 outstanding at any given time. The MIUs entitled the employees to an interest in JJIP upon the vesting of the MIU. When distributions are made by the Company to JJIP, a holder of common units in the Predecessor periods, JJIP’s board of managers would determine the allocation of that distribution to the JJIP interest holders. As of January 31, 2015 (Predecessor), there were an aggregate 14,006 MIUs authorized and available for future issuance.

The vesting terms of MIUs granted by JJIP to employees of the Company were determined on a grant-by-grant basis, according to the terms set forth by JJIP’s board of managers. Half of the MIUs were granted as time-based vesting awards with the remaining half granted as performance-based vesting awards. MIUs granted with
time-based vesting features generally vested over a four year vesting period, with 25% of the MIUs cliff vesting at the later of one year from the date of employment with the Company (“First Vesting Date”), but not to exceed one year from the date of grant. The remaining 75% of the Units vested quarterly over a three year period, beginning on the First Vesting Date. The MIUs contain provisions for accelerated vesting upon an approved sale of the Partnership or forfeiture of unvested MIUs or both vested and unvested MIUs in the event of termination of employment from the Company without cause or with cause, respectively.

MIUs with a performance-based vesting feature were determined to vest upon the achievement of a specified Threshold Return, as defined by the Plan. The Company reviewed the likelihood of achieving the Threshold Return at the end of each reporting period. During the 2014 and 2015 Predecessor periods, the Company determined that the likelihood of achieving the Threshold Return was not probable, and therefore no compensation expense was recognized related to the MIUs with performance-based vesting features. As of January 31, 2015 (Predecessor), there were 45,450 performance-based vesting units outstanding and unvested.

The MIUs also contained a repurchase feature, whereby upon termination, JJIP had the right to purchase from former employees any or all of the vested MIUs for cash. The amount of consideration provided by JJIP was based on a stated formula, per the terms of the Plan, which prevented employees from being exposed to all of the risks and rewards of owning the MIUs. Based on the repurchase feature of the MIUs, the Company determined that the MIUs were liability classified awards.

Although the MIUs were granted by JJIP, which had an economic interest in the Predecessor entity, the services provided were for the benefit of J.Jill. As a result, the corresponding compensation expense was recognized in the consolidated statement of operations and comprehensive income (loss) of the Company with a corresponding capital contribution from JJIP.

The Company accounted for compensation expense related to liability classified awards using the intrinsic value method, as permitted by ASC 718 for nonpublic entities, and recorded changes in the value of these awards as compensation expense at each reporting period. To determine the intrinsic value, the Predecessor calculated the difference between the exercise price, if any, of the MIU compared to its estimated repurchase price at each reporting period. The repurchase price of the MIUs was determined using an estimate of the excess of the Predecessor’s EBITDA, multiplied by a fixed multiple, over a predetermined dollar value threshold. The difference between these two amounts, if positive, was then divided by the total number of MIUs outstanding. As a result of the pending Acquisition, at January 31, 2015, the repurchase calculation was amended to reflect the anticipated transaction value.
Notes to Consolidated Financial Statements

As of January 31, 2015 (Predecessor), 36,113 time vesting units were vested and 9,431 time vesting units were unvested. The following table summarizes the MIU activity of the time vesting units during the 2013, 2014 and 2015 Predecessor periods:

<table>
<thead>
<tr>
<th>Number of Units</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unvested units outstanding, February 2, 2013</strong></td>
<td></td>
</tr>
<tr>
<td>Granted</td>
<td>5,350</td>
</tr>
<tr>
<td>Vested</td>
<td>(10,963)</td>
</tr>
<tr>
<td>Forfeited</td>
<td>(4,609)</td>
</tr>
<tr>
<td><strong>Unvested units outstanding, February 1, 2014</strong></td>
<td></td>
</tr>
<tr>
<td>Granted</td>
<td>3,750</td>
</tr>
<tr>
<td>Vested</td>
<td>(11,516)</td>
</tr>
<tr>
<td>Forfeited</td>
<td>—</td>
</tr>
<tr>
<td><strong>Unvested units outstanding, January 31, 2015</strong></td>
<td>9,431</td>
</tr>
<tr>
<td>Granted</td>
<td>—</td>
</tr>
<tr>
<td>Vested</td>
<td>(3,403)</td>
</tr>
<tr>
<td>Forfeited</td>
<td>—</td>
</tr>
<tr>
<td><strong>Unvested units outstanding, May 7, 2015</strong></td>
<td>6,028</td>
</tr>
</tbody>
</table>

The aggregate intrinsic value of MIUs as of January 31, 2015 that vested during the period was $2.2 million, respectively. The aggregate intrinsic value of the unvested time and performance units was $9.9 million as of January 31, 2015. Compensation expense of $1.9 million, $5.2 million and $0.4 million was recorded in selling, general and administrative expenses in the consolidated statements of operations and comprehensive income (loss) for the 2013, 2014 and 2015 Predecessor periods, respectively. The intrinsic value of MIUs was $7.3 million as of January 31, 2015 (Predecessor).

In conjunction with the Acquisition (see Note 4), the unvested time-based MIUs were automatically vested as a result of the change in control and all of the issued and outstanding vested time-based MIUs were settled. All of the performance-based awards issued and outstanding achieved their specified Threshold Return upon the Acquisition and were also settled. The acceleration of the vesting conditions due to a change in control resulted in compensation expense of approximately $7.4 million, which was not reflected in either the Predecessor or Successor consolidated statements of operations and comprehensive income (loss) periods, but instead are presented “on the black line.”

**Successor Plan**

On May 8, 2015, Topco established an Incentive Equity Plan (the “Plan”), which allows Topco to grant Topco Class A Common Interests (“Common Interests”) to certain directors, senior executives and key employees of the Company. The Plan is administered by Topco’s board of directors, along with input from the Company’s Chief Executive Officer. Grant date fair value, vesting and any other restrictions are determined at the discretion of Topco’s board of directors.

The Plan allows Topco to grant up to 32,683,677 of its Class A Common Interests. As of January 30, 2016 (Successor), there were an aggregate of 12,148,274 Common Interests authorized and available for future issuance. Topco did not grant any Common Interests to nonemployees.
Common Interests participate in distributions from Topco proportionate to their ownership, pursuant first to the full satisfaction and repayment of the unreturned capital of the preferred interests of Topco and then to the achievement of a predefined Profits Interest Threshold ("PIT"), as stated in each grant agreement. The preferred interests and the PITs are considered when determining the fair value of each grant.

Common Interests granted to employees of the Company are classified as equity awards and are generally subject to a five year vesting period, with either a monthly or annual cliff vest. The Plan also contains a fair value repurchase feature, allowing Topco to repurchase vested Common Interests upon termination of employment. The Common Interests contain provisions for accelerated vesting upon an approved sale of the Partnership or the termination of employment. If termination of employment is without cause, as defined in the Grant Agreement, all then-unvested units are forfeited and vested interests are subject to repurchase. If termination of employment is for cause, as defined in the Grant Agreement, all vested and unvested units will be forfeited. Topco did not repurchase any units during the 2015 Successor period and no units were forfeited or expired. Vested Common Interests that are repurchased or forfeited due to termination will be available for future issuance. As of January 30, 2016 (Successor), Topco does not expect to repurchase Common Interests.

The Company historically has been a private company and lacks certain company-specific historical and implied volatility information. Therefore, it estimates its expected share volatility based on the historical volatility of a publicly traded group of peer companies. The expected term of the Company’s Common Interests is estimated based on management’s estimate of time until a potential liquidity event. The risk-free rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends, and as of January 30, 2016 (Successor) did not anticipate paying any cash dividends to Common Interest holders in the foreseeable future.

The following assumptions were used by management in its option pricing model to determine the fair value of the Common Interests granted to directors, senior executives and key employees, and is presented on a weighted average basis:

<table>
<thead>
<tr>
<th>January 30, 2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk-free rate</td>
<td>1.23%</td>
</tr>
<tr>
<td>Expected term (in years)</td>
<td>4.0</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>35%</td>
</tr>
<tr>
<td>Expected dividend yield</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

The following table summarizes Common Interests activity in the 2015 Successor period:

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>Weighted Average Grant Date Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units outstanding at May 8, 2015 (Successor)</td>
<td>—</td>
</tr>
<tr>
<td>Granted</td>
<td>20,535,403</td>
</tr>
<tr>
<td>Vested</td>
<td>(2,402,837)</td>
</tr>
<tr>
<td>Forfeited</td>
<td>—</td>
</tr>
<tr>
<td>Unvested units outstanding at January 30, 2016 (Successor)</td>
<td>18,132,566</td>
</tr>
</tbody>
</table>
The aggregate intrinsic value of Common Interests is calculated as the difference between the price paid, if any, of the Common Interests and its fair value. The aggregate intrinsic value of Common Interests that vested during the 2015 Successor period was equal to its fair value and was $0.9 million. Equity-based compensation expense of $0.2 million is recorded as a selling, general and administrative expense in the consolidated statement of operations and comprehensive income (loss) for the 2015 Successor period. As of January 30, 2016 (Successor), there was $1.2 million of total unrecognized compensation expense related to unvested Common Interests, which is expected to be recognized over a weighted average service period of 4.3 years.

17. Related Party Transactions

In connection with the Acquisition, $1.9 million of cash consideration from independent directors of Topco was held by Topco. The Company recorded a corresponding related party receivable for this amount in the January 30, 2016 (Successor) consolidated balance sheet.

Since the Acquisition (see Note 4), TowerBrook, an affiliate of Topco, has performed and will perform management support advisory services, planning and finance services for the Company. Under the terms of the services agreement with TowerBrook, effective May 8, 2015, Holdings paid an upfront lump sum fee of $4.0 million. TowerBrook is also eligible to earn a fee of up to 1% of the Transaction Value at completion of: (i) a sale of all or substantially all of the assets of the Company; or (ii) the sale of a majority of the outstanding voting equity interests of the Company or entity of which the Company is a direct and wholly-owned subsidiary; or (iii) an underwritten public offering and sale of equity securities of the Company or any beneficiary affiliate (“Exit”). The Company has also agreed to pay and reimburse reasonable out of pocket expenses. The agreement term is continuous and terminates only upon a complete equity Exit by TowerBrook and its affiliates, mutual written consent, unilateral consent by TowerBrook, or by the Company upon a willful material breach of the agreement that is not cured within 30 days of written notice.

For the 2015 Successor period, the Company incurred out-of-pocket expenses of $0.3 million in relation to these services, which are included in operating expenses in the accompanying Successor consolidated statements of operations and comprehensive income (loss). Amounts payable to Topco equity holders were $0.1 million and were included in accrued expenses in the accompanying January 30, 2016 (Successor) consolidated balance sheet. The Company also distributed $8.6 million to Topco in the Successor period to reimburse them for expenses associated with the Acquisition.

Prior to the May 8, 2015 Acquisition, the Company’s equity holders (the “Advisors”) performed certain management support, advisory services, planning and finance services for the Company. Under the terms of the services agreement entered into in 2011, the Company paid an annual advisory fee of $1.0 million, payable in four quarterly installments, and subject to an adjustment increase in the event of an acquisition. The agreement term was continuous and could be terminated only upon a public offering, a change of control to a new equity investor, gross negligence or willful breach by the Advisors, mutual agreement, or dissolution, liquidation, sale or disposal of the Company’s assets.

For the 2013, 2014 and 2015 Predecessor periods, the Company incurred management fees and out of pocket expenses of $1.1 million, $1.0 million and $0.3 million, respectively, which are included in operating expenses in the accompanying Predecessor consolidated statements of operations and comprehensive income (loss). Amounts payable to the Company’s equity holders were $0.3 million and are included in accrued expenses in the accompanying January 31, 2015 (Predecessor) consolidated balance sheet.

In connection with a refinancing, the Company entered into a subordinated, unsecured $30.0 million debt facility with an affiliate of a minority equity holder of the Company. A total amount of $40.9 million was paid in
connection with the Acquisition, including principal and accrued interest, to settle all remaining obligations under this credit facility.

18. Subsequent Events

On May 27, 2016, the Company entered into an agreement to amend its existing term loan agreement to add $40.0 million in additional loans. The other terms and conditions of the term loan agreement remained substantially unchanged (see Note 9). The Company used the additional loan proceeds, along with available cash on hand, to fund a $70.0 million dividend to the partners of Topco, which was approved by the board of directors on May 26, 2016.

On February 24, 2017, Jill Intermediate LLC completed a conversion from a Delaware limited liability company into a Delaware corporation and changed its name to J.Jill, Inc. In conjunction with the conversion, all of the outstanding equity of Jill Intermediate LLC converted into shares of common stock of J.Jill, Inc. Accordingly, all historical earnings per share amounts presented in the accompanying consolidated statements of operations and comprehensive income (loss) and the related notes to the consolidated financial statements have been adjusted retroactively to reflect the Corporate Conversion.

Immediately after completing the Corporate Conversion, J.Jill, Inc. merged with and into its direct parent JJill Holdings on February 24, 2017, with J.Jill, Inc. continuing as the surviving entity (the “Parent Merger”). The Parent Merger is a reorganization of entities under common control and in accordance with ASC 805, the Company’s financial statements will be retroactively restated to reflect the Parent Merger as of the earliest date that common control existed, in the period in which the Parent Merger occurred. JJill Holdings did not have operations on its own, except for buyer transaction costs of $8,560 incurred to execute the Acquisition of the Company. The restated combined results of operations of the Company and JJill Holdings, will be adjusted retroactively by $8,560, and will result in the Company’s net income (loss) for the period from May 8, 2015 to January 30, 2016 (Successor) to be ($4,254) and net income (loss) per share attributable to common stockholders to be ($0.10).

The Company has evaluated subsequent events from the balance sheet date through October 21, 2016, the date at which the consolidated financial statements were available to be issued, and with respect to the Corporate Conversion and Parent Merger described above through February 25, 2017 and determined that there are no other material items to disclose.
### J.Jill, Inc.
#### (PARENT COMPANY ONLY)
#### CONDENSED BALANCE SHEETS
#### (in thousands, except unit data)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in subsidiaries</td>
<td>$71,507</td>
<td>$166,571</td>
</tr>
</tbody>
</table>

#### Preferred Capital and Members’ Equity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred capital</td>
<td>72,824</td>
<td>—</td>
</tr>
</tbody>
</table>

#### Members’ Equity

| Class A units, zero par value, 100 units authorized, issued and outstanding at January 31, 2015 (Predecessor) and zero units authorized, issued and outstanding at January 30, 2016 (Successor) | 1 | — |
| Class B units, zero par value, 3,927,601.3 units authorized, issued and outstanding at January 31, 2015 (Predecessor) and zero units authorized, issued and outstanding at January 30, 2016 (Successor) | 39,276 | — |
| Common units, zero par value, 1,000,000 units authorized, issued and outstanding at January 31, 2015 (Predecessor) and January 30, 2016 (Successor) | — | — |
| Contributed capital  | 7,292                         | 162,265                     |
| Accumulated (deficit) earnings | (47,886)    | 4,306                        |
| Total members’ (deficit) equity | (1,317)   | 166,571                      |
| Total preferred capital and members’ equity | $71,507 | $166,571 |

The accompanying notes are an integral part of these condensed financial statements.

F-43
## J.Jill, Inc.
### (PARENT COMPANY ONLY)
### CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
### (in thousands, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Predecessor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the Fiscal Year Ended February 1, 2014</td>
<td>For the Fiscal Year Ended January 31, 2015</td>
</tr>
<tr>
<td>Equity in net income (loss) of subsidiaries</td>
<td>$4,498</td>
<td>$10,296</td>
</tr>
<tr>
<td>Net income (loss) and total comprehensive income (loss)</td>
<td>$4,498</td>
<td>$10,296</td>
</tr>
<tr>
<td>Net income (loss) per share attributable to common stockholders:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic and diluted</td>
<td>$0.10</td>
<td>$0.24</td>
</tr>
<tr>
<td>Weighted average number of common shares outstanding:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic and diluted</td>
<td>43,747,944</td>
<td>43,747,944</td>
</tr>
</tbody>
</table>

A statement of cash flows has not been presented as J.Jill, Inc. parent company did not have any cash as of, or for the year ended February 1, 2014, the year ended January 31, 2015, the period from February 1, 2015 to May 7, 2015 or the period from May 8, 2015 to January 30, 2016.

The accompanying note is an integral part of these condensed financial statements.

### Note to Condensed Financial Statements of Registrant (Parent Company Only)
#### Basis of Presentation

These condensed parent company-only financial statements have been prepared in accordance with Rule 12-04, Schedule I of Regulation S-X, as the restricted net assets of the subsidiaries of J.Jill, Inc. (as defined in Rule 4-08(e)(3) of Regulation S-X) exceed 25% of the consolidated net assets of the company. The ability of J.Jill, Inc.’s operating subsidiaries to pay dividends may be restricted due to the terms of the subsidiaries’ term loan and asset-based revolving credit agreements, as defined in Note 9 to the audited consolidated financial statements.

On February 24, 2017, Jill Intermediate LLC completed a conversion from a Delaware limited liability company into a Delaware corporation and changed its name to J.Jill, Inc. In conjunction with the conversion, all of the outstanding equity of Jill Intermediate LLC converted into shares of common stock of J.Jill, Inc. Accordingly, all historical earnings per share amounts presented in the condensed parent company statements of operations and comprehensive income (loss) have been adjusted retroactively to reflect the Corporate Conversion.

F-44
These condensed parent company financial statements have been prepared using the same accounting principles and policies described in the notes to the consolidated financial statements, with the only exception being that the parent company accounts for its subsidiaries using the equity method. These condensed financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included elsewhere in this prospectus.
### J.Jill, Inc.

**UNAUDITED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except common unit data)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Successor January 30, 2016</th>
<th>Successor October 29, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 27,505</td>
<td>$ 4,955</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>3,164</td>
<td>11,338</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>64,406</td>
<td>79,041</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>20,539</td>
<td>18,215</td>
</tr>
<tr>
<td><strong>Total current assets:</strong></td>
<td>115,614</td>
<td>113,549</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>86,810</td>
<td>98,050</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>179,965</td>
<td>167,603</td>
</tr>
<tr>
<td>Goodwill</td>
<td>196,572</td>
<td>196,572</td>
</tr>
<tr>
<td>Receivable from related party</td>
<td>1,850</td>
<td>1,617</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,221</td>
<td>1,077</td>
</tr>
<tr>
<td><strong>Total assets:</strong></td>
<td>$ 582,032</td>
<td>$ 578,468</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Liabilities and Members’ Equity</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 41,041</td>
<td>$ 39,574</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>43,591</td>
<td>49,271</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>2,500</td>
<td>2,900</td>
</tr>
<tr>
<td><strong>Total current liabilities:</strong></td>
<td>87,132</td>
<td>91,745</td>
</tr>
<tr>
<td>Long-term debt, net of current portion</td>
<td>237,478</td>
<td>274,356</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>78,837</td>
<td>77,342</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>12,014</td>
<td>16,271</td>
</tr>
<tr>
<td><strong>Total liabilities:</strong></td>
<td>415,461</td>
<td>459,714</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Members’ Equity</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Common units, zero par value, 1,000,000 units authorized, issued and outstanding as of January 30, 2016 and October 29, 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed capital</td>
<td>162,265</td>
<td>107,712</td>
</tr>
<tr>
<td>Accumulated earnings</td>
<td>4,306</td>
<td>11,042</td>
</tr>
<tr>
<td><strong>Total members’ equity</strong></td>
<td>166,571</td>
<td>118,754</td>
</tr>
<tr>
<td><strong>Total liabilities and members’ equity</strong></td>
<td>$ 582,032</td>
<td>$ 578,468</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
## J.Jill, Inc.
### UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(in thousands, except share and per share data)

<table>
<thead>
<tr>
<th></th>
<th>Predecessor For the Period from February 1, 2015 to May 7, 2015</th>
<th>Successor For the Period from May 8, 2015 to October 31, 2015</th>
<th>Successor For the Thirty-Nine Weeks Ended October 29, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$141,921</td>
<td>$274,741</td>
<td>$472,139</td>
</tr>
<tr>
<td><strong>Costs of goods sold</strong></td>
<td>44,232</td>
<td>101,185</td>
<td>149,673</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>97,689</td>
<td>173,556</td>
<td>322,466</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>80,151</td>
<td>161,236</td>
<td>273,882</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>13,341</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>4,197</td>
<td>12,320</td>
<td>48,584</td>
</tr>
<tr>
<td>Interest expense</td>
<td>4,599</td>
<td>7,922</td>
<td>13,630</td>
</tr>
<tr>
<td><strong>Income (loss) before provision for income taxes</strong></td>
<td>(402)</td>
<td>4,398</td>
<td>34,954</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>1,499</td>
<td>1,541</td>
<td>12,924</td>
</tr>
<tr>
<td><strong>Net income (loss) and total comprehensive income (loss)</strong></td>
<td>$1,901</td>
<td>$2,857</td>
<td>$22,030</td>
</tr>
</tbody>
</table>

**Net income (loss) per share attributable to common stockholders:**

<table>
<thead>
<tr>
<th></th>
<th>Basic and diluted</th>
<th>Basic and diluted</th>
<th>Basic and diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic and diluted</strong></td>
<td>$ (0.04)</td>
<td>$ 0.07</td>
<td>$ 0.50</td>
</tr>
</tbody>
</table>

**Weighted average number of shares outstanding:**

<table>
<thead>
<tr>
<th></th>
<th>Basic and diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic and diluted</td>
<td>43,747,944</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.

F-47
### UNAUDITED CONSOLIDATED STATEMENTS OF MEMBERS’ EQUITY

(in thousands, except common unit data)

<table>
<thead>
<tr>
<th>Common Units</th>
<th>Contribution</th>
<th>Accumulated Earnings</th>
<th>Total Members’ Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance, January 30, 2016 (Successor)</strong></td>
<td>1,000,000</td>
<td>$ —</td>
<td>$ 162,265</td>
</tr>
<tr>
<td>Dividend</td>
<td>—</td>
<td>—</td>
<td>(54,706)</td>
</tr>
<tr>
<td>Equity based compensation</td>
<td>—</td>
<td>—</td>
<td>458</td>
</tr>
<tr>
<td>Repurchase of Class A Common Interests</td>
<td>—</td>
<td>—</td>
<td>(305)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Balance, October 29, 2016 (Successor)</strong></td>
<td>1,000,000</td>
<td>$ —</td>
<td>$ 107,712</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
### Table of Contents

**J.Jill, Inc.**

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>$ (1,901)</td>
<td>$ 2,857</td>
<td>$ 22,030</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Operating activities:

Adjustments to reconcile net income (loss) to net cash provided by operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortization</td>
<td>5,147</td>
<td>20,112</td>
<td>27,282</td>
</tr>
<tr>
<td>Amortization of inventory fair value adjustment</td>
<td>—</td>
<td>10,471</td>
<td>—</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>112</td>
<td>48</td>
<td>384</td>
</tr>
<tr>
<td>Noncash amortization of deferred financing and debt discount costs</td>
<td>657</td>
<td>643</td>
<td>1,139</td>
</tr>
<tr>
<td>Payment-in-kind interest on debt</td>
<td>1,192</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>441</td>
<td>119</td>
<td>458</td>
</tr>
<tr>
<td>Deferred rent liability</td>
<td>84</td>
<td>2,141</td>
<td>1,851</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(961)</td>
<td>1,229</td>
<td>(1,495)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities, net of Acquisition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(3,504)</td>
<td>(1,004)</td>
<td>(8,174)</td>
</tr>
<tr>
<td>Taxes receivable</td>
<td>—</td>
<td>(15,144)</td>
<td>2,356</td>
</tr>
<tr>
<td>Inventories</td>
<td>(6,955)</td>
<td>(7,050)</td>
<td>(14,634)</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>(1,716)</td>
<td>(3,889)</td>
<td>(31)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(7,608)</td>
<td>(547)</td>
<td>(1,984)</td>
</tr>
<tr>
<td>Accrued taxes payable</td>
<td>1,542</td>
<td>(1,966)</td>
<td>—</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>17,285</td>
<td>8,805</td>
<td>4,839</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>12</td>
<td>(1,061)</td>
<td>(7)</td>
</tr>
<tr>
<td>Other noncurrent liabilities</td>
<td>1,906</td>
<td>3,168</td>
<td>2,957</td>
</tr>
<tr>
<td><strong>Net cash provided by Operating Activities</strong></td>
<td>5,733</td>
<td>18,932</td>
<td>36,971</td>
</tr>
</tbody>
</table>

#### Investing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition, net of cash acquired</td>
<td>—</td>
<td>(385,744)</td>
<td>—</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(7,406)</td>
<td>(17,869)</td>
<td>(25,706)</td>
</tr>
<tr>
<td><strong>Net cash used in Investing Activities</strong></td>
<td>(7,406)</td>
<td>(403,613)</td>
<td>(25,706)</td>
</tr>
</tbody>
</table>

#### Financing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayments on long-term debt</td>
<td>(5,646)</td>
<td>(625)</td>
<td>(2,075)</td>
</tr>
<tr>
<td>Proceeds from long-term debt</td>
<td>—</td>
<td>250,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Payment of debt issuance costs</td>
<td>—</td>
<td>(9,640)</td>
<td>(1,668)</td>
</tr>
<tr>
<td>Proceeds from equity investment</td>
<td>—</td>
<td>160,546</td>
<td>—</td>
</tr>
<tr>
<td>Receivable from related party</td>
<td>—</td>
<td>(1,850)</td>
<td>233</td>
</tr>
<tr>
<td>Dividend to parent</td>
<td>—</td>
<td>—</td>
<td>(70,000)</td>
</tr>
<tr>
<td>Distribution to member</td>
<td>—</td>
<td>(8,560)</td>
<td>—</td>
</tr>
<tr>
<td>Repurchase of Class A Common Interest</td>
<td>—</td>
<td>—</td>
<td>(305)</td>
</tr>
<tr>
<td>Proceeds from revolving credit facility</td>
<td>58,750</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Repayments of revolving credit facility</td>
<td>(21,500)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) Financing Activities</strong></td>
<td>1,604</td>
<td>389,871</td>
<td>(33,815)</td>
</tr>
<tr>
<td><strong>Net change in cash and cash equivalents</strong></td>
<td>(69)</td>
<td>5,190</td>
<td>(22,550)</td>
</tr>
</tbody>
</table>

#### Cash:

<table>
<thead>
<tr>
<th>Description</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of Period</td>
<td>604</td>
<td>—</td>
<td>27,505</td>
</tr>
<tr>
<td>End of Period</td>
<td>$ 535</td>
<td>$ 5,190</td>
<td>$ 4,955</td>
</tr>
</tbody>
</table>

#### Supplemental cash flow information:

<table>
<thead>
<tr>
<th>Description</th>
<th>Predecessor</th>
<th>Successor</th>
<th>Successor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for interest</td>
<td>$ 2,952</td>
<td>$ 7,367</td>
<td>$ 11,390</td>
</tr>
<tr>
<td>Cash paid for taxes</td>
<td>882</td>
<td>16,013</td>
<td>12,032</td>
</tr>
<tr>
<td>Noncash investing and financing activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncash purchase consideration</td>
<td>—</td>
<td>10,111</td>
<td>—</td>
</tr>
<tr>
<td>Capital expenditures financed with accounts payable and accrued expenses</td>
<td>2,547</td>
<td>1,872</td>
<td>2,623</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.

F-49
1. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements prior to and including May 7, 2015 represent the financial information of the Company and its subsidiaries prior to the Acquisition and are labeled as Predecessor (“Predecessor”). The consolidated financial statements for the periods beginning and subsequent to May 8, 2015 represent the financial information of the Company and its subsidiaries subsequent to the Acquisition and are labeled as Successor (“Successor”). The consolidated financial statements from May 8, 2015 to October 31, 2015 is referred to as the “2015 Interim Successor Period.” Due to the change in the basis of accounting resulting from the Acquisition, the Company’s consolidated financial statements for these reporting periods are not comparable.

On February 24, 2017, Jill Intermediate LLC completed a conversion from a Delaware limited liability company into a Delaware corporation and changed its name to J.Jill, Inc. In conjunction with the conversion, all of the outstanding equity of Jill Intermediate LLC converted into shares of common stock of J.Jill, Inc. Accordingly, all historical earnings per share amounts presented in the accompanying consolidated statements of operations and comprehensive income (loss) and the related notes to the consolidated financial statements have been adjusted retroactively to reflect the Corporate Conversion.

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

All significant intercompany balances and transactions have been eliminated in consolidation. Certain information in footnote disclosures normally included in annual financial statements has been omitted for the interim periods presented in accordance with the rules and regulations of the Securities and Exchange Commission and GAAP.

In the opinion of management, the consolidated financial statements contain all normal and recurring adjustments necessary to present fairly the financial position and results of operations of the Company. The consolidated balance sheet as of January 30, 2016 is derived from the audited consolidated balance sheet for the year then ended. The results of operations for the thirty-nine weeks ended October 29, 2016 are not necessarily indicative of results to be expected for the full year ended January 28, 2017. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended January 30, 2016 and the related notes thereto included elsewhere in this prospectus.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments. This amendment significantly changes how entities measure credit losses for most financial assets and certain other instruments that aren’t measured at fair value through net income. This guidance affects loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The standard will replace the incurred loss approach with a current expected credit loss model for instruments measured at amortized cost, requiring an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected. The update also requires certain incremental disclosures. The amendments in this update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is evaluating the impact adopting this standard will have on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows. The pronouncement was issued to address diversity in how certain cash receipts and cash payments are presented in the statement of cash flows.
The new guidance provides clarity around the cash flow classification for eight specific issues in an effort to reduce the current and potential future diversity in practice. The standard, which is to be applied retrospectively, will be effective for the first interim period within annual reporting periods beginning after December 15, 2017, and early adoption is permitted. The Company is evaluating the impact adopting ASU 2016-15 will have on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-17, Consolidation (Topic 810), Interests Held through Related Parties That Are under Common Control. This update amends the consolidation guidance on how a reporting entity that is the single decision maker of a VIE should treat indirect interests in the entity held through related parties that are under common control with the reporting entity when determining whether it is the primary beneficiary of that VIE. For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The Company does not expect adoption of ASU 2016-17 to have a material impact on its consolidated financial statements.

2. Debt

The components of the Company’s outstanding debt were as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>January 30, 2016 (Successor)</th>
<th>October 29, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term loan</td>
<td>$248,750</td>
<td>$286,675</td>
</tr>
<tr>
<td>Discount on debt and debt issuance costs</td>
<td>(8,772)</td>
<td>(9,419)</td>
</tr>
<tr>
<td>Less: Current portion</td>
<td>(2,500)</td>
<td>(2,900)</td>
</tr>
<tr>
<td>Net long-term debt</td>
<td>$237,478</td>
<td>$274,356</td>
</tr>
</tbody>
</table>

On May 27, 2016, the Company entered into an agreement to amend its existing Term Loan Agreement to add an additional $40.0 million in borrowings under existing terms and conditions. As a result of the amendment, the scheduled quarterly payments were increased to $0.7 million beginning on July 30, 2016. As of October 29, 2016 (Successor), the Company was in compliance with all financial covenants.

The Company recorded interest expense of $4.6 million, $7.9 million, and $13.6 million in the 2015 Predecessor period, the 2015 Interim Successor period and the thirty-nine weeks ended October 29, 2016 (Successor), respectively.

As of October 29, 2016, minimum future principal amounts payable under the Company’s Term Loan Agreement are as follows (in thousands):

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remainder of 2016</td>
<td>$725</td>
</tr>
<tr>
<td>2017</td>
<td>2,900</td>
</tr>
<tr>
<td>2018</td>
<td>2,900</td>
</tr>
<tr>
<td>2019</td>
<td>2,900</td>
</tr>
<tr>
<td>2020</td>
<td>2,900</td>
</tr>
<tr>
<td>Thereafter</td>
<td>274,350</td>
</tr>
<tr>
<td>Total</td>
<td>$286,675</td>
</tr>
</tbody>
</table>
3. Acquisition

On May 8, 2015, Holdings, a wholly owned subsidiary of Topco, acquired approximately 94% of the outstanding interests of the Company, with Topco acquiring the remaining 6% of the outstanding membership interests of the Company. The following unaudited pro forma financial information summarizes the combined results of operations for the Company as though the Acquisition occurred on February 2, 2014 (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>For the Thirty-Nine Weeks Ended October 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$ 416,662</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 18,664</td>
</tr>
</tbody>
</table>

The unaudited pro forma financial information is presented for informational purposes only and may not be indicative of results that would have been achieved if the Acquisition had taken place on February 2, 2014.

4. Income Taxes

The Company recorded income tax expense of $1.5 million, $1.5 million, and $12.9 million in the 2015 Predecessor period, the 2015 Interim Successor period and the thirty-nine weeks ended October 29, 2016 (Successor), respectively. The effective tax rates were (372.9%), 35.0% and 37.0% in the 2015 Predecessor period, the 2015 Interim Successor period and the thirty-nine weeks ended October 29, 2016 (Successor), respectively.

The effective tax rates for the 2015 Interim Successor period and the thirty-nine weeks ended October 29, 2016 (Successor) reflect the federal statutory rate of 35.0% as well as the impact of state income taxes. The effective tax rate in the 2015 Predecessor period reflects transaction costs related to the Acquisition, which were not deductible for tax purposes.

5. Earnings Per Share

The following table summarizes the computation of basic and diluted net income (loss) per share attributable to common stockholders for the 2015 Predecessor, 2015 Interim Successor and the thirty-nine weeks ended October 29, 2016 (Successor) (in thousands, except share and per share data):

<table>
<thead>
<tr>
<th>Per period</th>
<th>Numerator</th>
<th>Denominator</th>
<th>For the Thirty-Nine Weeks Ended October 29, 2016 (Successor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period from February 1, 2015 to May 7, 2015 (Predecessor)</td>
<td>Net income (loss) attributable to common stockholders, based and diluted $ (1,901)</td>
<td>Weighted average common shares outstanding, basic and diluted 43,747,944</td>
<td>$ 22,030</td>
</tr>
<tr>
<td>For the Period from May 8, 2015 to October 31, 2015 (Successor)</td>
<td>$ 2,857</td>
<td>43,747,944</td>
<td></td>
</tr>
<tr>
<td>For the Thirty-Nine Weeks Ended October 29, 2016 (Successor)</td>
<td>$ 0.07</td>
<td>43,747,944</td>
<td>$ 0.50</td>
</tr>
</tbody>
</table>

6. Equity-Based Compensation

Compensation expense for the 2015 Predecessor period, 2015 Interim Successor and the thirty-nine weeks ended October 29, 2016 (Successor) was $0.4 million, $0.1 million and $0.5 million, respectively.
In conjunction with the Acquisition, the unvested time-based MIUs in the Predecessor period were automatically vested as a result of the change in control and all of the issued and outstanding vested time-based MIUs were settled. All of the performance-based awards issued and outstanding achieved their specified Threshold Return upon the Acquisition and were also settled. The acceleration of the vesting conditions due to the change in control resulted in compensation expense of approximately $7.4 million, which was not reflected in either the Predecessor or Successor consolidated statements of operations and comprehensive income (loss) periods, but instead are presented “on the black line.”

On May 8, 2015 a new incentive equity plan was established that allows up to 32,683,677 of its Class A Common Interests to be granted. As of October 29, 2016 (Successor), there were an aggregate of 10,136,972 Common Interests authorized and available for future issuance.

The following table summarizes Common Interests during the thirty-nine weeks ended October 29, 2016 (Successor):

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of Units</th>
<th>Weighted Average Grant Date Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unvested units at January 30, 2016</td>
<td>18,132,566</td>
<td>$0.07</td>
</tr>
<tr>
<td>Granted</td>
<td>3,016,954</td>
<td>0.25</td>
</tr>
<tr>
<td>Vested</td>
<td>(3,155,734)</td>
<td>0.07</td>
</tr>
<tr>
<td>Forfeited</td>
<td>(771,000)</td>
<td>0.07</td>
</tr>
<tr>
<td>Unvested units at October 29, 2016</td>
<td>17,222,786</td>
<td>$0.10</td>
</tr>
</tbody>
</table>

7. Related Party Transactions

On May 26, 2016, the Company’s board of directors approved a $70.0 million dividend to the partners of Topco, which was paid using cash on hand along with the proceeds from the long-term loan amendment (see Note 2).

8. Commitments and Contingencies

Operating Lease Agreements

The Company recorded a deferred lease liability of $3.3 million and $5.8 million as of January 30, 2016 (Successor) and October 29, 2016 (Successor), respectively. In certain instances, the Company also receives allowances for its store leases, which it accrues and amortizes ratably over the life of the lease. The Company maintained a tenant improvement incentive liability of $5.1 million and $7.4 million as of January 30, 2016 (Successor) and October 29, 2016 (Successor), respectively.

The following table summarizes future minimum rental payments required under all noncancelable operating lease obligations as of October 29, 2016 (Successor) (in thousands):

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remainder of 2016</td>
<td>$10,814</td>
</tr>
<tr>
<td>2017</td>
<td>42,040</td>
</tr>
<tr>
<td>2018</td>
<td>38,533</td>
</tr>
<tr>
<td>2019</td>
<td>34,786</td>
</tr>
<tr>
<td>2020</td>
<td>33,474</td>
</tr>
<tr>
<td>Thereafter</td>
<td>142,861</td>
</tr>
<tr>
<td></td>
<td>$302,508</td>
</tr>
</tbody>
</table>
Total rental expense was $12.7 million, $23.7 million and $41.1 million for the 2015 Predecessor, 2015 Interim Successor period and nine month 2016 Successor periods, respectively, exclusive of contingent rental expense recorded of $0.5 million, $0.9 million and $1.4 million for the same respective periods.

Legal Proceedings

The Company is subject to various legal proceedings that arise in the ordinary course of business. The Company accrues for liabilities associated with these proceedings which are determined to be probable and which can be reasonably estimated. Although the outcome of such proceedings cannot be predicted with certainty, management does not believe that it is reasonably possible that these outstanding proceedings will result in unaccrued losses that would be material. The Company maintains insurance policies to mitigate the financial impact of certain litigation.

Concentration Risk

An adverse change in the Company’s relationships with its key suppliers, or loss of the supply of one of the Company’s key products for any reason, could have a material effect on the business and results of operations of the Company. One supplier accounted for approximately 16.4% of the Company’s purchases during the thirty-nine weeks ended October 29, 2016.

Other Commitments

In addition to the lease commitments disclosed above, the Company enters into other cancelable and noncancelable commitments. Typically, these commitments are for less than one year in duration and are principally for the procurement of inventory. Preliminary commitments with the Company’s merchandise vendors typically are made six to nine months in advance of the planned receipt date. The Company had outstanding purchase commitments of $84.9 million and $124.9 million as of January 30, 2016 (Successor) and October 29, 2016 (Successor), respectively.

9. Subsequent Events

On February 24, 2017, Jill Intermediate LLC completed a conversion from a Delaware limited liability company into a Delaware corporation and changed its name to J.Jill, Inc. In conjunction with the conversion, all of the outstanding equity of Jill Intermediate LLC converted into shares of common stock of J.Jill, Inc. Accordingly, all historical earnings per share amounts presented in the accompanying consolidated statements of operations and comprehensive income (loss) and the notes to the consolidated financial statements (see Note 5) have been adjusted retroactively to reflect the Corporate Conversion.

Immediately after completing the Corporate Conversion, J.Jill, Inc. merged with and into its direct parent JJill Holdings on February 24, 2017, with J.Jill, Inc. continuing as the surviving entity (the “Parent Merger”). The Parent Merger is a reorganization of entities under common control and in accordance with ASC 805, the Company’s financial statements will be retroactively restated to reflect the Parent Merger as of the earliest date that common control existed, in the period in which the Parent Merger occurred. JJill Holdings did not have operations on its own, except for buyer transaction costs of $8,560 incurred to execute the Acquisition of the Company. The restated combined results of operations of the Company and JJill Holdings, will be adjusted retroactively by $8,560, and will result in the Company’s net income (loss) for the period from May 8, 2015 to January 30, 2016 (Successor) to be ($4,254) and net income (loss) per share attributable to common stockholders to be ($0.10).

The Company has evaluated subsequent events from the balance sheet date through December 22, 2016, the date at which the interim consolidated financial statements were available to be issued, and with respect to the Corporate Conversion and Parent Merger described above, through February 25, 2017, and determined that there are no material items to disclose.
Through and including , 2017 (the 25th day after the date of this prospectus), all dealers effecting transactions in the common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer’s obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

11,666,667 Shares

J.Jill, Inc.

Common Stock

BofA Merrill Lynch
Morgan Stanley
Jefferies
Deutsche Bank Securities
RBC Capital Markets
UBS Investment Bank
Wells Fargo Securities
Cowen and Company
Macquarie Capital
SunTrust Robinson Humphrey
PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

Set forth below is a table of the registration fee for the Securities and Exchange Commission and estimates of all other expenses to be paid by the registrant in connection with the issuance and distribution of the securities described in the registration statement:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC registration fee</td>
<td>$24,880</td>
</tr>
<tr>
<td>Stock exchange listing fee</td>
<td>$25,000</td>
</tr>
<tr>
<td>Financial Industry Regulatory Authority filing fee</td>
<td>$31,890</td>
</tr>
<tr>
<td>Printing expenses</td>
<td>$140,000</td>
</tr>
<tr>
<td>Legal fees and expenses</td>
<td>$2,675,000</td>
</tr>
<tr>
<td>Accounting fees and expenses</td>
<td>$2,550,000</td>
</tr>
<tr>
<td>Blue Sky fees and expenses</td>
<td>$15,000</td>
</tr>
<tr>
<td>Transfer agent and registrar fees</td>
<td>$6,500</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$656,730</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,125,000</strong></td>
</tr>
</tbody>
</table>


Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to the Registrant. The Delaware General Corporation Law provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. The Registrant’s Bylaws provide for indemnification by the Registrant of its directors, officers and employees to the fullest extent permitted by the Delaware General Corporation Law.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director’s duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions, or (iv) for any transaction from which the director derived an improper personal benefit. The Registrant’s Certificate of Incorporation provides for such limitation of liability.

The Registrant maintains standard policies of insurance under which coverage is provided (a) to its directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act, and (b) to the Registrant with respect to payments which may be made by the Registrant to such officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

The proposed form of Underwriting Agreement filed as Exhibit 1.1 to this Registration Statement provides for indemnification of directors and officers of the Registrant by the underwriters against certain liabilities.
We expect to enter into customary indemnification agreements with our executive officers and directors that provide them, in general, with customary indemnification in connection with their service to us or on our behalf.

Item 15. Recent Sales of Unregistered Securities

Prior to the closing of this offering, we will complete transactions pursuant to which we will convert from a Delaware limited liability company into a Delaware corporation. In connection with the conversion, all of our outstanding equity interests will convert into shares of common stock. The issuance of shares of common stock to our members in the conversion will be exempt from registration under the Securities Act by virtue of the exemption contained in Section 4(a)(2) of the Securities Act on the basis that the transactions did not involve a public offering. No underwriters will be involved in the issuance.


(a) Exhibits

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Exhibit Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Form of Underwriting Agreement.</td>
</tr>
<tr>
<td>3.1</td>
<td>Certificate of Incorporation of J.Jill, Inc.</td>
</tr>
<tr>
<td>3.2</td>
<td>Bylaws of J.Jill, Inc.</td>
</tr>
<tr>
<td>5.1</td>
<td>Opinion of Paul, Weiss, Rifkind, Wharton &amp; Garrison LLP as to the validity of the securities being offered.</td>
</tr>
<tr>
<td>10.1</td>
<td>Form of Indemnification Agreement.</td>
</tr>
<tr>
<td>10.2</td>
<td>Form of Registration Rights Agreement.</td>
</tr>
<tr>
<td>10.3*</td>
<td>J.Jill, Inc. 2017 Omnibus Equity Incentive Plan.</td>
</tr>
<tr>
<td>10.4*</td>
<td>Term Loan Credit Agreement, dated as of May 8, 2015, among Jill Holdings LLC, Jill Acquisition LLC, the various lenders party thereto from time to time and Jefferies Finance LLC, as the administrative agent.</td>
</tr>
<tr>
<td>10.5*</td>
<td>Amendment No. 1 to Term Loan Credit Agreement, dated as of May 27, 2016, among Jill Acquisition LLC, Jill Intermediate LLC, the lenders party thereto and Jefferies LCC as the administrative agent.</td>
</tr>
<tr>
<td>10.6*</td>
<td>ABL Credit Agreement, dated as of May 8, 2015, among Jill Holdings LLC, Jill Acquisition LLC, certain subsidiaries of Jill Acquisition LLC from time to time party thereto, the lenders party thereto and CIT Finance LLC, as the administrative agent and collateral agent.</td>
</tr>
<tr>
<td>10.7*</td>
<td>Amendment No. 1 to ABL Credit Agreement, dated as of May 27, 2016, among Jill Acquisition LLC, Jill Intermediate LLC, certain subsidiaries of Jill Acquisition LLC from time to time party thereto, the lenders party thereto and CIT Finance LLC, as the administrative agent and collateral agent.</td>
</tr>
<tr>
<td>10.8*</td>
<td>Services Agreement, dated as of May 8, 2015, by and between Jill Acquisition LLC and TowerBrook Capital Partners L.P.</td>
</tr>
<tr>
<td>10.9</td>
<td>Amended and Restated Employment Agreement, dated as of March 30, 2015, by and between Paula Bennett, Jill Topco Holdings, LP, Jill Acquisition LLC, and certain other parties thereto.</td>
</tr>
<tr>
<td>10.10</td>
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<td>24.1</td>
<td>Powers of Attorney (included in signature page).</td>
</tr>
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* Previously filed.

(b) Financial Statement Schedule

All schedules are omitted because the required information is either not present, not present in material amounts or presented within the consolidated financial statements included in the prospectus and are incorporated herein by reference.

## Item 17. Undertakings.

The undersigned registrant hereby undertakes:

1. That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, if the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

2. That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that
in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For purposes of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, J.Jill, Inc. has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Quincy, State of Massachusetts, on the 27th day of February, 2017.

J.JILL, INC.

By:  /s/ Paula Bennett
Paula Bennett
President, Chief Executive Officer and Director

POWER OF ATTORNEY

Each person whose signature appears below authorizes Paula Bennett and David Biese, or any of them, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, to execute in his or her name and on his or her behalf, in any and all capacities, this Registrant’s registration statement on Form S-1 and any amendments thereto (and any additional registration statement related thereto permitted by Rule 462(b) promulgated under the Securities Act of 1933 (and all further amendments, including post-effective amendments thereto)), necessary or advisable to enable the registrant to comply with the Securities Act of 1933, and any rules, regulations and requirements of the Securities and Exchange Commission, in respect thereof, in connection with the registration of the securities which are the subject of such registration statement, which amendments may make such changes in such registration statement as such attorney may deem appropriate, and with full power and authority to perform and do any and all acts and things whatsoever which any such attorney or substitute may deem necessary or advisable to be performed or done in connection with any or all of the above-described matters, as fully as each of the undersigned could do if personally present and acting, hereby ratifying and approving all acts of any such attorney or substitute.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Capacity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ Paula Bennett</td>
<td>President, Chief Executive Officer and Director</td>
<td>February 27, 2017</td>
</tr>
<tr>
<td>Paula Bennett</td>
<td>(Principal Executive Officer)</td>
<td></td>
</tr>
<tr>
<td>/s/ David Biese</td>
<td>Senior Vice President and Chief Financial Officer</td>
<td>February 27, 2017</td>
</tr>
<tr>
<td>David Biese</td>
<td>(Principal Financial Officer and Principal Accounting Officer)</td>
<td></td>
</tr>
<tr>
<td>/s/ Michael Rahamim</td>
<td>Chairman of the Board of Directors</td>
<td>February 27, 2017</td>
</tr>
<tr>
<td>Michael Rahamim</td>
<td></td>
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</tr>
<tr>
<td>/s/ Andrew Rolfe</td>
<td>Director</td>
<td>February 27, 2017</td>
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<tr>
<td>Andrew Rolfe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Travis Nelson</td>
<td>Director</td>
<td>February 27, 2017</td>
</tr>
<tr>
<td>Travis Nelson</td>
<td></td>
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</tr>
<tr>
<td>/s/ Marka Hansen</td>
<td>Director</td>
<td>February 27, 2017</td>
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<td>Marka Hansen</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Michael Recht</td>
<td>Director</td>
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</tr>
<tr>
<td>/s/ Michael Eck</td>
<td>Director</td>
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<td>1.1</td>
<td>Form of Underwriting Agreement.</td>
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<tr>
<td>3.1</td>
<td>Certificate of Incorporation of J.Jill, Inc.</td>
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<tr>
<td>3.2</td>
<td>Bylaws of J.Jill, Inc.</td>
<td></td>
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<tr>
<td>5.1</td>
<td>Opinion of Paul, Weiss, Rifkind, Wharton &amp; Garrison LLP as to the validity of the securities being offered.</td>
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<tr>
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<td>Form of Indemnification Agreement.</td>
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<td>J.Jill, Inc. 2017 Omnibus Equity Incentive Plan.</td>
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<td>10.4*</td>
<td>Term Loan Credit Agreement, dated as of May 8, 2015, among Jill Holdings LLC, Jill Acquisition LLC, the various lenders party thereto from time to time and Jefferies Finance LLC, as the administrative agent.</td>
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</tr>
<tr>
<td>10.5*</td>
<td>Amendment No. 1 to Term Loan Credit Agreement, dated as of May 27, 2016, among Jill Acquisition LLC, Jill Intermediate LLC, the lenders party thereto and Jefferies LCC as the administrative agent.</td>
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<tr>
<td>10.6*</td>
<td>ABL Credit Agreement, dated as of May 8, 2015, among Jill Holdings LLC, Jill Acquisition LLC, certain subsidiaries of Jill Acquisition LLC from time to time party thereto, the lenders party thereto and CIT Finance LLC, as the administrative agent and collateral agent.</td>
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<tr>
<td>10.7*</td>
<td>Amendment No. 1 to ABL Credit Agreement, dated as of May 27, 2016, among Jill Acquisition LLC, Jill Intermediate LLC, certain subsidiaries of Jill Acquisition LLC from time to time party thereto, the lenders party thereto and CIT Finance LLC, as the administrative agent and collateral agent.</td>
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<td>10.8*</td>
<td>Services Agreement, dated as of May 8, 2015, by and between Jill Acquisition LLC and TowerBrook Capital Partners L.P.</td>
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<td>Amended and Restated Employment Agreement, dated as of March 30, 2015, by and between Paula Bennett, J Jill Topco Holdings, LP, Jill Acquisition LLC, and certain other parties thereto.</td>
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* Previously filed.
J.JILL, INC.

(a Delaware corporation)

[●] Shares of Common Stock

UNDERWRITING AGREEMENT

Dated: [●], 2017
J.JILL, INC.
(a Delaware corporation)

[●] Shares of Common Stock

UNDERWRITING AGREEMENT

[●], 2017

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Morgan Stanley & Co. LLC

Jefferies LLC

as Representatives of the several Underwriters

c/o Merrill Lynch, Pierce, Fenner & Smith
Incorporated
One Bryant Park
New York, New York 10036

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

c/o Jefferies LLC
520 Madison Avenue
New York, New York 10022

Ladies and Gentlemen:

J.Jill, Inc., a Delaware corporation (the “Company”), and the person listed on Schedule B hereto (the “Selling Stockholder”), confirm their respective agreements with Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), Morgan Stanley & Co. LLC (“Morgan Stanley”) and Jefferies LLC (“Jefferies”) and each of the other Underwriters named in Schedule A hereto (collectively, the “Underwriters,” which term shall also include any underwriter substituted as hereinafter provided in Section 10 hereof), for whom Merrill Lynch, Morgan Stanley and Jefferies are acting as representatives (in such capacity, the “Representatives”), with respect to (i) the sale by the Company and the Selling Stockholder, acting severally and not jointly, and the purchase by the Underwriters, acting severally and not jointly, of the respective numbers of shares of Common Stock, par value $0.01 per share, of the Company (“Common Stock”) set forth in Schedules A and B hereto and (ii) the grant by the Selling Stockholder to the Underwriters, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of [●] additional shares of Common Stock. The aforesaid [●] shares of Common Stock (the “Initial Securities”) to be purchased by the Underwriters and all or any part of the [●] shares of Common Stock subject to the option described in Section 2(b) hereof (the “Option Securities”) are herein called, collectively, the “Securities.”
The Company and the Selling Stockholder understand that the Underwriters propose to make a public offering of the Securities as soon as the Representatives deem advisable after this Agreement has been executed and delivered.

The Company has filed with the Securities and Exchange Commission (the “Commission”) a registration statement on Form S-1 (No. 333-215993), including the related preliminary prospectus or prospectuses, covering the registration of the sale of the Securities under the Securities Act of 1933, as amended (the “1933 Act”). Promptly after execution and delivery of this Agreement, the Company will prepare and file a prospectus in accordance with the provisions of Rule 430A (“Rule 430A”) of the rules and regulations of the Commission under the 1933 Act (the “1933 Act Regulations”) and Rule 424(b) (“Rule 424(b)”) of the 1933 Act Regulations. The information included in such prospectus that was omitted from such registration statement at the time it became effective but that is deemed to be part of such registration statement at the time it became effective pursuant to Rule 430A(b) is herein called the “Rule 430A Information.” Such registration statement, including the amendments thereto, the exhibits thereto and any schedules thereto, at the time it became effective, and including the Rule 430A Information, is herein called the “Registration Statement.” Any registration statement filed pursuant to Rule 462(b) of the 1933 Act Regulations is herein called the “Rule 462(b) Registration Statement” and, after such filing, the term “Registration Statement” shall include the Rule 462(b) Registration Statement. Each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted the Rule 430A Information that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a “preliminary prospectus.” The final prospectus, in the form first furnished to the Underwriters for use in connection with the offering of the Securities, is herein called the “Prospectus.” For purposes of this Agreement, all references to the Registration Statement, any preliminary prospectus, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system or any successor system (“EDGAR”).

As used in this Agreement:

“Applicable Time” means [●], New York City time, on [●], 2017 or such other time as agreed by the Company and the Representatives.

“General Disclosure Package” means any Issuer General Use Free Writing Prospectuses issued at or prior to the Applicable Time, the most recent preliminary prospectus that is distributed to investors prior to the Applicable Time and the information included on Schedule C-1 hereto, all considered together.

“Issuer Free Writing Prospectus” means any “issuer free writing prospectus,” as defined in Rule 433 of the 1933 Act Regulations (“Rule 433”), including without limitation any “free writing prospectus” (as defined in Rule 405 of the 1933 Act Regulations (“Rule 405”)) relating to the Securities that is (i) required to be filed with the Commission by the Company, (ii) a “road show that is a written communication” within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission, or (iii) exempt from filing with the Commission pursuant to Rule 433(d)(5)(i) because it contains a description of the Securities or of the offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company’s records pursuant to Rule 433(g).

“Issuer General Use Free Writing Prospectus” means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors (other than a “bona fide electronic road show,” as defined in Rule 433 (the “Bona Fide Electronic Road Show”)), as evidenced by its being specified in Schedule C-2 hereto.
“Issuer Limited Use Free Writing Prospectus” means any Issuer Free Writing Prospectus that is not an Issuer General Use Free Writing Prospectus.

“Testing-the-Waters Communication” means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the 1933 Act.

“Written Testing-the-Waters Communication” means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the 1933 Act.

SECTION 1. Representations and Warranties.

(a) Representations and Warranties by the Company. The Company represents and warrants to each Underwriter as of the date hereof, the Applicable Time, the Closing Time (as defined below) and any Date of Delivery (as defined below), and agrees with each Underwriter, as follows:

   (i) Registration Statement and Prospectuses. Each of the Registration Statement and any post-effective amendment thereto has become effective under the 1933 Act. No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the 1933 Act, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company’s knowledge, threatened by the Commission. The Company has complied with each request (if any) from the Commission for additional information.

   Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, complied in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus, the Prospectus and any amendment or supplement thereto, at the time each was filed with the Commission, complied in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus delivered to the Underwriters for use in connection with this offering and the Prospectus was or will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

   (ii) Accurate Disclosure. Neither the Registration Statement nor any amendment thereto, at its effective time, at the Closing Time or at any Date of Delivery, contained, contains or will contain an untrue statement of a material fact or omitted, omits or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As of the Applicable Time, neither (A) the General Disclosure Package nor (B) any individual Issuer Limited Use Free Writing Prospectus (including any Bona Fide Electronic Road Show), when considered together with the General Disclosure Package, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Neither the Prospectus nor any amendment or supplement thereto, as of its issue date, at the time of any filing with the Commission pursuant to Rule 424(b), at the Closing Time or at any Date of Delivery, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.
The representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement (or any post-effective amendment thereto), the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use therein. For purposes of this Agreement, the only information so furnished shall be the information in the first paragraph under the heading “Underwriting–Commissions and Discounts,” the information in the second, third and fourth paragraphs under the heading “Underwriting–Price Stabilization, Short Positions and Penalty Bids” and the information under the heading “Underwriting–Distribution” in each case contained in the Prospectus (collectively, the “Underwriter Information”).

(iii) Issuer Free Writing Prospectuses. No Issuer Free Writing Prospectus conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, and any preliminary or other prospectus deemed to be a part thereof that has not been superseded or modified. The Company has made available a Bona Fide Electronic Road Show in compliance with Rule 433(d)(8)(ii) such that no filing of any “road show” (as defined in Rule 433(h)) is required in connection with the offering of the Securities. The representations and warranties in this subsection shall not apply to statements in or omissions from any Issuer Free Writing Prospectuses made in reliance upon or in connection with Underwriter Information.

(iv) Testing-the-Waters Materials. The Company (A) has not engaged in any Testing-the-Waters Communication and (B) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications.

(v) Company Not Ineligible Issuer. At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Securities and at the date hereof, the Company was not and is not an “ineligible issuer,” as defined in Rule 405, without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an ineligible issuer.

(vi) Emerging Growth Company Status. From the time of the initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any Person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an “emerging growth company,” as defined in Section 2(a) of the 1933 Act (an “Emerging Growth Company”).

(vii) Independent Accountants. The accountants who certified the financial statements and supporting schedules included in the Registration Statement, the General Disclosure Package and the Prospectus are independent public accountants as required by the 1933 Act, the 1933 Act Regulations and the Public Company Accounting Oversight Board.

(viii) Financial Statements; Non-GAAP Financial Measures. The financial statements included in the Registration Statement, the General Disclosure Package and the Prospectus,
together with the related schedules and notes, present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries at the dates indicated and the statement of operations, stockholders’ equity and cash flows of the Company and its consolidated subsidiaries for the periods specified; said financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) applied on a consistent basis throughout the periods involved. The supporting schedules, if any, present fairly, in all material respects, in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly, in all material respects, the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. The pro forma financial statements and the related notes thereto included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly, in all material respects, in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly, in all material respects, the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. The pro forma financial statements and the related notes thereto included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly, in all material respects, the information required to be stated therein. The selected financial data and the summary financial information included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly, in all material respects, the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein.

(ix) **No Material Adverse Change in Business.** Except as otherwise stated therein, since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a “Material Adverse Effect”), (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(x) **Good Standing of the Company.** The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(xi) **Good Standing of Subsidiaries.** Each “significant subsidiary” of the Company (as such term is defined in Rule 1-02 of Regulation S-X) (each, a “Subsidiary” and, collectively, the “Subsidiaries”) has been duly organized and is validly existing in good standing under the laws of the jurisdiction of its incorporation or organization, has corporate or similar power and
authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or to be in good standing would not result in a Material Adverse Effect. Except as otherwise disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, all of the issued and outstanding capital stock of each Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity. None of the outstanding shares of capital stock of any Subsidiary were issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary. The only subsidiaries of the Company are the subsidiaries listed on Exhibit 21 to the Registration Statement.

(xii) **Capitalization.** The authorized, issued and outstanding shares of capital stock of the Company are as set forth in the Registration Statement, the General Disclosure Package and the Prospectus in the column entitled “Actual” under the caption “Capitalization” (except for subsequent issuances, if any, pursuant to this Agreement, pursuant to reservations, agreements or employee benefit plans referred to in the Registration Statement, the General Disclosure Package and the Prospectus or pursuant to the exercise of convertible securities or options referred to in the Registration Statement, the General Disclosure Package and the Prospectus). The outstanding shares of capital stock of the Company, including the Securities to be purchased by the Underwriters from the Selling Stockholder, have been duly authorized and validly issued and are fully paid and non-assessable. None of the outstanding shares of capital stock of the Company, including the Securities to be purchased by the Underwriters from the Selling Stockholder, were issued in violation of the preemptive or other similar rights of any securityholder of the Company.

(xiii) **Authorization of Agreement.** This Agreement has been duly authorized, executed and delivered by the Company.

(xiv) **Authorization and Description of Securities.** The Securities to be purchased by the Underwriters from the Company have been duly authorized for issuance and sale to the Underwriters pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement against payment of the consideration set forth herein, will be validly issued and fully paid and non-assessable; and the issuance of the Securities is not subject to the preemptive or other similar rights of any securityholder of the Company. The Common Stock conforms in all material respects to all statements relating thereto contained in the Registration Statement, the General Disclosure Package and the Prospectus and such description conforms in all material respects to the rights set forth in the instruments defining the same. No holder of Securities will be subject to personal liability by reason of being such a holder.

(xv) **Registration Rights.** There are no persons with registration rights or other similar rights to have any securities registered for sale pursuant to the Registration Statement or otherwise registered for sale or sold by the Company under the 1933 Act pursuant to this Agreement.

(xvi) **Absence of Violations, Defaults and Conflicts.** Neither the Company nor any of its subsidiaries is (A) in violation of its charter, by-laws or similar organizational document, (B) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by
which it or any of them may be bound or to which any of the properties or assets of the Company or any subsidiary is subject (collectively, “Agreements and Instruments”), except for such defaults that would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect, or (C) in violation of any law, statute, rule, regulation, judgment, order, writ or decree of any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency having jurisdiction over the Company or any of its subsidiaries or any of their respective properties, assets or operations (each, a “Governmental Entity”), except for such violations that would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein and in the Registration Statement, the General Disclosure Package and the Prospectus (including the issuance and sale of the Securities and the use of the proceeds from the sale of the Securities as described therein under the caption “Use of Proceeds”) and compliance by the Company with its obligations hereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Company or any subsidiary pursuant to, the Agreements and Instruments (except for such conflicts, breaches, defaults or Repayment Events or liens, charges or encumbrances that would not, singly or in the aggregate, result in a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter, by-laws or similar organizational document of the Company or any of its subsidiaries or any law, statute, rule, regulation, judgment, order, writ or decree of any Governmental Entity. As used herein, a “Repayment Event” means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder’s behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(vii) **ERISA.** Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and its subsidiaries and any “employee benefit plan” (as defined under the Employee Retirement Income Security Act of 1974 (as amended, “ERISA,” which term, as used herein, includes the regulations and published interpretations thereunder)) established or maintained by the Company and its subsidiaries or their “ERISA Affiliates” (as defined below) are in compliance with ERISA. “ERISA Affiliate” means, with respect to the Company or a subsidiary of the Company, any member of any group of organizations described in Section 414 of the Internal Revenue Code of 1986 (as amended, the “Code,” which term, as used herein, includes the regulations and published interpretations thereunder) of which the Company or such subsidiary is a member. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) no “reportable event” (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any “employee benefit plan” established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates, (ii) no “employee benefit plan” established or maintained by the Company or its subsidiaries or any of their ERISA Affiliates, if such “employee benefit plan” were terminated, would have any “amount of unfunded benefit liabilities” (as defined under ERISA), (iii) neither the Company or its subsidiaries nor any of their ERISA Affiliates has incurred or reasonably expects to incur any liability under (a) Title IV of ERISA with respect to termination of, or withdrawal from, any “employee benefit plan” or (b) Sections 412, 4971, 4975 or 4980B of the Code and (iv) each “employee benefit plan” established or maintained by the Company or its subsidiaries or any of their ERISA Affiliates that is intended to be qualified under Section 401 of the Code is so qualified and nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification.
(xviii) **Absence of Labor Dispute**. No labor dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or any subsidiary’s principal suppliers, manufacturers, customers or contractors, which, in either case, would result in a Material Adverse Effect.

(xix) **Absence of Proceedings**. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, there is no action, suit, proceeding, inquiry or investigation before or brought by any Governmental Entity now pending or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which would reasonably be expected to result in a Material Adverse Effect, or which would reasonably be expected to materially and adversely affect their respective properties or assets or the consummation of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder; and the aggregate of all pending legal or governmental proceedings to which the Company or any such subsidiary is a party or of which any of their respective properties or assets is the subject which are not described in the Registration Statement, the General Disclosure Package and the Prospectus, including ordinary routine litigation incidental to the business, could not result in a Material Adverse Effect.

(xx) **Accuracy of Exhibits**. There are no contracts or documents which are required to be described in the Registration Statement, the General Disclosure Package or the Prospectus or to be filed as exhibits to the Registration Statement which have not been so described and filed as required.

(xxi) **Absence of Further Requirements**. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any Governmental Entity is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except (A) such as have been already obtained or as may be required under the 1933 Act, the 1933 Act Regulations, the rules of the New York Stock Exchange, state securities laws or the rules of the Financial Industry Regulatory Authority, Inc. (“FINRA”).

(xxii) **Possession of Licenses and Permits**. The Company and its subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, “Governmental Licenses”) issued by the appropriate Governmental Entities necessary to conduct the business now operated by them, except where the failure so to possess would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The Company and its subsidiaries are in compliance with the terms and conditions of all Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to result in a Material Adverse Effect.

(xxiii) **Title to Property**. The Company and its subsidiaries have good and marketable title to all real property owned by them and good title to all other properties owned by them that are material to the Company, in each case, free and clear of all mortgages, pledges, liens, security
interests, claims, restrictions or encumbrances of any kind except as (A) are described in the Registration Statement, the General Disclosure Package and the Prospectus or (B) do not, singly or in the aggregate, materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company or any of its subsidiaries; and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company or any of its subsidiaries holds properties described in the Registration Statement, the General Disclosure Package or the Prospectus, are in full force and effect, and neither the Company nor any such subsidiary has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(xxiv) **Possession of Intellectual Property.** The Company and its subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, “Intellectual Property”) necessary to carry on the business now operated by them, except for those the failure to own or have such legal right to use would not reasonably be expected to result in a Material Adverse Effect, and neither the Company nor any of its subsidiaries has received any notice of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

(xxv) **Environmental Laws.** Except as described in the Registration Statement, the General Disclosure Package and the Prospectus or would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (A) neither the Company nor any of its subsidiaries is in violation of any applicable federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials or mold (collectively, “Hazardous Materials”) or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, “Environmental Laws”), (B) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or, to the knowledge of the Company, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigations or proceedings relating to any Environmental Law against the Company or any of its subsidiaries and (D) the knowledge of the Company, there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Entity, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.
Accounting Controls. The Company and each of its subsidiaries maintain effective internal control over financial reporting (as defined under Rule 13-a15 and 15d-15 under the rules and regulations of the Commission under the 1934 Act (the “1934 Act Regulations”)) and a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management’s general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management’s general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Registration Statement, the General Disclosure Package and the Prospectus, since the end of the Company’s most recent audited fiscal year, there has been (1) no material weakness in the Company’s internal control over financial reporting (whether or not remediated) and (2) no change in the Company’s internal control over financial reporting that has materially adversely affected, or is reasonably likely to materially adversely affect, the Company’s internal control over financial reporting.

Compliance with the Sarbanes-Oxley Act. The Company has taken all necessary actions to ensure that, upon the effectiveness of the Registration Statement, it will be in compliance in all material respects with all provisions of the Sarbanes-Oxley Act of 2002 and all rules and regulations promulgated thereunder or implementing the provisions thereof (the “Sarbanes-Oxley Act”) that are then in effect and with which the Company is required to comply as of the effectiveness of the Registration Statement, and is taking reasonable steps to ensure that it will be in compliance with other provisions of the Sarbanes-Oxley Act not currently in effect, upon the effectiveness of such provisions, or which will become applicable to the Company at all times after the effectiveness of the Registration Statement.

Payment of Taxes. All United States federal income tax returns of the Company and its subsidiaries required by law to be filed have been filed and all taxes shown by such returns or otherwise assessed, which are due and payable, have been paid, except assessments against which appeals have been or will be promptly taken and as to which adequate reserves have been provided, except in any case in which the failure to so file or pay would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The United States federal income tax returns of the Company through the fiscal year ended December 31, 2015 have been settled and no assessment in connection therewith has been made against the Company. The Company and its subsidiaries have filed all other tax returns that are required to have been filed by them pursuant to applicable foreign, state, local or other law except insofar as the failure to file such returns would not reasonably be expected to result in a Material Adverse Effect, and has paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company and its subsidiaries, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been established by the Company, except in any case in which the failure to pay would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The charges, accruals and reserves on the books of the Company in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not reasonably be expected to result in a Material Adverse Effect.

Insurance. The Company and its subsidiaries carry or are entitled to the benefits of insurance, with financially sound and reputable insurers, in such amounts and covering such risks as is generally maintained by similarly sized companies of established repute engaged in the
same or similar business, and all such insurance is in full force and effect, except where failure to carry such insurance would not reasonably be expected to result in a Material Adverse Effect. The Company has no reason to believe that it or any of its subsidiaries will not be able (A) to renew its existing insurance coverage as and when such policies expire or (B) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Effect.

(xxx) **Investment Company Act.** The Company is not required, and upon the issuance and sale of the Securities as herein contemplated and the application of the net proceeds thereof as described in the Registration Statement, the General Disclosure Package and the Prospectus will not be required, to register as an “investment company” under the Investment Company Act of 1940, as amended (the “1940 Act”).

(xxxi) **Absence of Manipulation.** Neither the Company nor any affiliate of the Company has taken, nor will the Company or any affiliate take, directly or indirectly, without giving effect to activities by the Underwriters, any action which is designed, or would reasonably be expected, to cause or result in, or which constitutes, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or to result in a violation of Regulation M under the 1934 Act.

(xxxii) **Foreign Corrupt Practices Act.** None of the Company, any of its subsidiaries, directors, officers or affiliates, or, to the knowledge of the Company, any employee or agent or other person acting for or on behalf of the Company or any of its subsidiaries is aware of, has taken, or will take, any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the “FCPA”), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the Company and its subsidiaries and affiliates have conducted, and will conduct, their businesses in compliance with the FCPA and have instituted and maintained, and will continue to maintain, policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith and with the representation and warranty contained herein; and neither the Company nor its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(xxxiii) **Money Laundering Laws.** The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the “Money Laundering Laws”); and no action, suit or proceeding by or before any Governmental Entity involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(xxiv) **OFAC.** None of the Company, any of its subsidiaries, directors, officers or affiliates, or, to the knowledge of the Company, any employee or agent of the Company or any of
its subsidiaries is an individual or entity ("Person"), or is owned or controlled by one or more Persons, currently the subject or target of any sanctions administered or enforced by the United States Government, including, without limitation, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), the United Nations Security Council (“UNSC”), the European Union, Her Majesty’s Treasury (“HMT”), or other relevant sanctions authority (collectively, “Sanctions”), nor located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria); the Company will not directly or indirectly use the proceeds of the sale of the Securities, or lend, contribute or otherwise make available such proceeds to any subsidiaries, joint venture partners or other Person, to fund or facilitate any activities of or business with any Person, or in any country or territory, that, at the time of such funding or facilitation, is the subject of Sanctions or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions and, for the past five years, the Company and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(xxxv) **Lending Relationship.** Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, the Company (i) does not have any material lending or other relationship with any bank or lending affiliate of any Underwriter and (ii) does not intend to use any of the proceeds from the sale of the Securities to repay any outstanding debt owed to any affiliate of any Underwriter.

(xxxvi) **Statistical and Market-Related Data.** Any statistical and market-related data included in the Registration Statement, the General Disclosure Package or the Prospectus are based on or derived from sources that the Company believes, after reasonable inquiry, to be reliable and accurate in all material respects and, to the extent required, the Company has obtained the written consent to the use of such data from such sources.

(xxxviii) **FIRPTA.** The Company is not, and has not been, a “United States real property holding corporation” within the meaning of Section 897(c)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), during the applicable period specified in Section 897(c)(1)(A)(ii) of Code.

(b) **Representations and Warranties by the Selling Stockholder.** The Selling Stockholder represents and warrants to each Underwriter as of the date hereof, as of the Applicable Time, as of the Closing Time and, if the Selling Stockholder is selling Option Securities on a Date of Delivery, as of each such Date of Delivery, and agrees with each Underwriter, as follows:

(i) **Accurate Disclosure.** Neither the General Disclosure Package nor the Prospectus or any amendments or supplements thereto includes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that such representations and warranties set forth in this subsection (b)(i) apply only to statements or omissions made in reliance upon and in conformity with information relating to the Selling Stockholder furnished in writing by or on behalf of the Selling Stockholder expressly for use in the Registration Statement, the General Disclosure Package, the Prospectus or any other Issuer Free Writing Prospectus or any amendment or supplement thereto, it being understood and agreed that the only such information furnished by the Selling Stockholder consists of the information relating to the Selling Stockholder (including, for the avoidance of doubt, the number of offered shares) that
appears under the caption “Principal and Selling Stockholders” therein (the “Selling Stockholder Information”); the Selling Stockholder is not prompted to sell the Securities to be sold by the Selling Stockholder hereunder by any information concerning the Company or any subsidiary of the Company which is not set forth in the General Disclosure Package or the Prospectus.

(ii) **Authorization of this Agreement.** This Agreement has been duly authorized, executed and delivered by or on behalf of the Selling Stockholder.

(iii) **Noncontravention.** The execution and delivery of this Agreement and the sale and delivery of the Securities to be sold by the Selling Stockholder and the consummation of the transactions contemplated herein and compliance by the Selling Stockholder with its obligations hereunder do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any tax, lien, charge or encumbrance upon the Securities to be sold by the Selling Stockholder or any property or assets of the Selling Stockholder pursuant to any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, license, lease or other agreement or instrument to which the Selling Stockholder is a party or by which the Selling Stockholder may be bound, or to which any of the property or assets of the Selling Stockholder is subject (except for such conflicts, breaches or defaults, or taxes, liens, charges or encumbrances that would not, individually or in the aggregate, reasonably be expected to materially impair the power or ability of the Selling Stockholder to perform its obligations under this Agreement, or to consummate the transactions contemplated hereby), nor will such action result in any violation of (A) the provisions of the charter or by-laws or other organizational instrument of the Selling Stockholder, if applicable, or (B) any applicable treaty, law, statute, rule, regulation, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Selling Stockholder or any of its properties, except in the case of clause (B) hereto for such violations that would not, individually or in the aggregate, reasonably be expected to materially impair the power or ability of the Selling Stockholder to perform its obligations under this Agreement or to contemplate the transaction contemplated hereby.

(v) **Valid Title.** The Selling Stockholder has, and at the Closing Time and (if the Selling Stockholder is selling Option Securities) at each Date of Delivery will have, valid title to the Securities to be sold by the Selling Stockholder free and clear of all security interests, claims, liens, equities or other encumbrances and the legal right and power, and all authorization and approval required by law, to enter into this Agreement and to sell, transfer and deliver the Securities to be sold by the Selling Stockholder.

(vii) **Delivery of Securities.** Upon payment of the purchase price for the Securities to be sold by the Selling Stockholder pursuant to this Agreement, delivery of such Securities, as directed by the Underwriters, to Cede & Co. (“Cede”) or such other nominee as may be designated by The Depository Trust Company (“DTC”) (unless delivery of such Securities is unnecessary because such Securities are already in possession of Cede or such nominee), registration of such Securities in the name of Cede or such other nominee (unless registration of such Securities is unnecessary because such Securities are already registered in the name of Cede or such nominee), and the crediting of such Securities on the books of DTC to securities accounts (within the meaning of Section 8-501(a) of the UCC) of the Underwriters (assuming that neither DTC nor any such Underwriter has notice of any “adverse claim,” within the meaning of Section 8-105 of the Uniform Commercial Code then in effect in the State of New York (“UCC”), to such Securities), (A) under Section 8-501 of the UCC, the Underwriters will acquire a valid “security entitlement” in respect of such Securities and (B) no action (whether framed in conversion,
replevin, constructive trust, equitable lien, or other theory) based on any “adverse claim,” within the meaning of Section 8-102 of the UCC, to such Securities may be asserted against the Underwriters with respect to such security entitlement; for purposes of this representation, the Selling Stockholder may assume that when such payment, delivery (if necessary) and crediting occur, (I) such Securities will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company’s share registry in accordance with its certificate of incorporation, bylaws and applicable law, (II) DTC will be registered as a “clearing corporation,” within the meaning of Section 8-102 of the UCC, (III) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC, (IV) to the extent DTC, or any other securities intermediary which acts as “clearing corporation” with respect to the Securities, maintains any “financial asset” (as defined in Section 8-102(a)(9) of the UCC in a clearing corporation pursuant to Section 8-111 of the UCC, the rules of such clearing corporation may affect the rights of DTC or such securities intermediaries and the ownership interest of the Underwriters, (V) claims of creditors of DTC or any other securities intermediary or clearing corporation may be given priority to the extent set forth in Section 8-511(b) and 8-511(c) of the UCC and (VI) if at any time DTC or other securities intermediary does not have sufficient Securities to satisfy claims of all of its entitlement holders with respect thereto then all holders will share pro rata in the Securities then held by DTC or such securities intermediary.

(vii) Absence of Manipulation. The Selling Stockholder has not taken, and will not take, directly or indirectly, any action which is designed to or which constituted or would reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(viii) Absence of Further Requirements. No filing with, or consent, approval, authorization, order, registration, qualification or decree of any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency, domestic or foreign, is necessary or required for the performance by the Selling Stockholder of its obligations hereunder, or in connection with the sale and delivery of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except (A) such as have been already obtained or as may be required under the 1933 Act, the 1933 Act Regulations, the rules of the New York Stock Exchange, state securities laws or the rules of FINRA and (B) such consents, approvals, authorizations and orders for which a failure to obtain would not, individually or in the aggregate, reasonably be expected to impair the power or ability of the Selling Stockholder to perform its obligations under this Agreement or to consummate the transactions contemplated hereby.

(ix) No Registration or Other Similar Rights. The Selling Stockholder does not have any registration or other similar rights to have any equity or debt securities registered for sale by the Company under the Registration Statement or included in the offering contemplated by this Agreement.

(x) No Free Writing Prospectuses. The Selling Stockholder has not prepared or had prepared on its behalf or used or referred to, any “free writing prospectus” (as defined in Rule 405), and has not distributed any written materials in connection with the offer or sale of the Securities.

(xi) No Association with FINRA. Neither the Selling Stockholder nor any of its affiliates directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with any member firm of FINRA or is a person associated with a member (within the meaning of the FINRA By-Laws) of FINRA.
(xii) **Foreign Corrupt Practices Act.** Neither the Selling Stockholder nor its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(xiii) **OFAC.** The Selling Stockholder will not directly or indirectly use the proceeds of the sale of the Securities, or lend, contribute or otherwise make available such proceeds to any subsidiaries, joint venture partners or other Person, to fund or facilitate any activities of or business with any Person, or in any country or territory, that, at the time of such funding or facilitation, is the subject of Sanctions in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

(c) **Officer’s Certificates.** Any certificate signed by any officer of the Company or any of its subsidiaries delivered to the Representatives or to counsel for the Underwriters shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby; and any certificate signed by or on behalf of the Selling Stockholder as such and delivered to the Representatives or to counsel for the Underwriters pursuant to the terms of this Agreement shall be deemed a representation and warranty by the Selling Stockholder to the Underwriters as to the matters covered thereby.

SECTION 2. **Sale and Delivery to Underwriters; Closing.**

(a) **Initial Securities.** On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company and the Selling Stockholder, severally and not jointly, agree to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company and the Selling Stockholder, at the price per share set forth in Schedule A, that proportion of the number of Initial Securities set forth in Schedule B opposite the name of the Company or the Selling Stockholder, as the case may be, which proportion of the number of Initial Securities bears to the total number of Initial Securities, subject, in each case, to such adjustments among the Underwriters as the Representatives in their sole discretion shall make to eliminate any sales or purchases of fractional shares.

(b) **Option Securities.** In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Selling Stockholder hereby grants an option to the Underwriters, severally and not jointly, to purchase up to an additional [●] shares of Common Stock, as set forth in Schedule B, at the price per share set forth in Schedule A, less an amount per share equal to any dividends or distributions declared by the Company and payable on the Initial Securities but not payable on the Option Securities. The option hereby granted may be exercised for 30 days after the date hereof and may be exercised in whole or in part at any time from time to time upon notice by the Representatives to the Selling Stockholder setting forth the number of Option Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (“Date of Delivery”) shall be determined by the Representatives, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time. If the option is exercised as to all or any portion of the Option Securities, each of the Underwriters, acting severally and not jointly, will purchase that
proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter bears to the total number of Initial Securities, subject, in each case, to such adjustments as the Representatives in their sole discretion shall make to eliminate any sales or purchases of fractional shares.

(c) Payment. Payment of the purchase price for, and delivery of certificates or security entitlements for, the Initial Securities shall be made at the offices of Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, or at such other place as shall be agreed upon by the Representatives and the Company and the Selling Stockholder, at 9:00 A.M. (New York City time) on the third (fourth, if the pricing occurs after 4:30 P.M. (New York City time) on any given day) business day after the date hereof (unless postponed in accordance with the provisions of Section 10), or such other time not later than ten business days after such date as shall be agreed upon by the Representatives and the Company and the Selling Stockholder (such time and date of payment and delivery being herein called “Closing Time”).

In addition, in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the purchase price for, and delivery of certificates or security entitlements for, such Option Securities shall be made at the offices of Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, or at such other place as shall be agreed upon by the Representatives and the Company and the Selling Stockholder.

Payment shall be made to the Selling Stockholder by wire transfer of immediately available funds to bank accounts designated by the Selling Stockholder, against delivery to the Representatives for the respective accounts of the Underwriters of certificates or security entitlements for the Securities to be purchased by them. It is understood that each Underwriter has authorized the Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial Securities and the Option Securities, if any, which it has agreed to purchase. The Representatives, individually and not as representatives of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

SECTION 3. Covenants of the Company and the Selling Stockholder. The Company and the Selling Stockholder covenants with each Underwriter as follows:

(a) Compliance with Securities Regulations and Commission Requests. The Company, subject to Section 3(b), will comply with the requirements of Rule 430A, and will notify the Representatives promptly, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective or any amendment or supplement to the Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (v) of the initiation or threatening of any proceedings for any of such purposes or of any examination pursuant to Section 8(d) or 8(e) of the 1933 Act concerning the Registration Statement and (v) if the Company becomes the subject of a proceeding under Section 8A of the 1933 Act in connection with the offering of the Securities. The Company will effect all filings required under Rule 424(b), in the manner and within the time period required by Rule 424(b) (without reliance on Rule 424(b)(8)), and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule
424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order, prevention or suspension and, if any such order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) **Continued Compliance with Securities Laws**. The Company will comply with the 1933 Act and the 1933 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the Registration Statement, the General Disclosure Package and the Prospectus. If at any time when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172 of the 1933 Act Regulations (“Rule 172”), would be) required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, to (i) amend the Registration Statement in order that the Registration Statement will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) amend or supplement the General Disclosure Package or the Prospectus in order that the General Disclosure Package or the Prospectus, as the case may be, will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser or (iii) amend the Registration Statement or amend or supplement the General Disclosure Package or the Prospectus, as the case may be, in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly (A) give the Representatives notice of such event, (B) prepare any amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement, the General Disclosure Package or the Prospectus comply with such requirements and, a reasonable amount of time prior to any proposed filing or use, furnish the Representatives with copies of any such amendment or supplement and (C) file with the Commission any such amendment or supplement; provided that the Company shall not file or use any such amendment or supplement to which the Representatives or counsel for the Underwriters shall reasonably object. The Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request.

(c) **Delivery of Registration Statements**. The Company has furnished or will deliver to the Representatives and counsel for the Underwriters, without charge, signed copies of the Registration Statement as originally filed and each amendment thereto (including exhibits filed therewith) and signed copies of all consents and certificates of experts, and will also deliver to the Representatives, without charge, a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) for each of the Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) **Delivery of Prospectuses**. The Company has delivered to each Underwriter, without charge, as many copies of each preliminary prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each Underwriter, without charge, during the period when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) **Blue Sky Qualifications**. The Company will use its best efforts, in cooperation with the Underwriters, to qualify the Securities for offering and sale under the applicable securities laws of such
states and other jurisdictions (domestic or foreign) as the Representatives may designate and to maintain such qualifications in effect so long as required to complete the distribution of the Securities; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(f) **Rule 158**. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide to the Underwriters the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(g) **Listing**. The Company will use its best efforts to effect and maintain the listing of the Common Stock (including the Securities) on the New York Stock Exchange.

(h) **Restriction on Sale of Securities**. During a period of 180 days from the date of the Prospectus, the Company will not, without the prior written consent of the Representatives, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or file any registration statement under the 1933 Act with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Stock, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) the Securities to be sold hereunder, (B) any shares of Common Stock issued by the Company upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and referred to in the Registration Statement, the General Disclosure Package and the Prospectus, (C) any shares of Common Stock issued or options to purchase Common Stock granted pursuant to existing employee benefit plans of the Company referred to in the Registration Statement, the General Disclosure Package and the Prospectus, (D) any shares of Common Stock issued pursuant to any non-employee director stock plan or dividend reinvestment plan referred to in the Registration Statement, the General Disclosure Package and the Prospectus or (E) the filing by the Company of a registration statement on Form S-8 covering the registration of any shares of Common Stock or other securities issued under existing employee benefit plans of the Company described in the Registration Statement, the General Disclosure Package and the Prospectus.

(i) **Release or Waiver of Lock-Up**. If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up agreement described in Section 5(k) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit B hereto through a major news service at least two business days before the effective date of the release or waiver.

(j) **Reporting Requirements**. The Company, during the period when a Prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and 1934 Act Regulations. Additionally, the Company shall report the use of proceeds from the issuance of the Shares as may be required under Rule 463 under the 1933 Act.
(k) **Issuer Free Writing Prospectuses**. Each of the Company and the Selling Stockholder agrees that, unless it obtains the prior written consent of the Representatives, it will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a “free writing prospectus,” or a portion thereof, required to be filed by the Company with the Commission or retained by the Company under Rule 433; provided that the Representatives will be deemed to have consented to the Issuer Free Writing Prospectuses listed on Schedule C-2 hereto and any “road show that is a written communication” within the meaning of Rule 433(d)(8)(i) that has been reviewed by the Representatives. Each of the Company and the Selling Stockholder represents that it has treated or agrees that it will treat each such free writing prospectus consented to, or deemed consented to, by the Representatives as an “issuer free writing prospectus,” as defined in Rule 433, and that it has complied and will comply with the applicable requirements of Rule 433 with respect thereto, including timely filing with the Commission where required, legending and record keeping. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement, any preliminary prospectus or the Prospectus or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission.

(l) **Emerging Growth Company Status.** The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Securities within the meaning of the Securities Act and (ii) completion of the 180-day restricted period referred to in Section 3(i).

(m) **Tax Forms.** The Selling Stockholder shall deliver to each Underwriter, on or prior to the Closing Time, a properly completed U.S. Internal Revenue Service Form W-9 establishing a complete exemption from United States backup withholding.

SECTION 4. **Payment of Expenses.**

(a) **Expenses.** The Company will pay or cause to be paid all expenses incident to the performance of its and the Selling Stockholder’s obligations under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and each amendment thereto, (ii) the preparation, printing and delivery to the Underwriters of copies of each preliminary prospectus, each Issuer Free Writing Prospectus and the Prospectus and any amendments or supplements thereto and reasonable costs associated with electronic delivery of any of the foregoing by the Underwriters to investors, (iii) the preparation, issuance and delivery of the certificates or security entitlements for the Securities to the Underwriters, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities to the Underwriters, (iv) the fees and disbursements of the Company’s counsel, accountants and other advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(e) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto in an amount not to exceed $15,000, (vi) the fees and expenses of any transfer agent or registrar for the Securities, (vii) the costs and expenses of the Company relating to investor presentations on any “road show” undertaken in connection with the marketing of the Securities, including without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and 50%
of the cost of aircraft and other transportation chartered in connection with the road show (it being understood that the other 50% of the cost of aircraft and other transportation chartered in connection with the roadshow shall be the responsibility of the Underwriters), (viii) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by FINRA of the terms of the sale of the Securities (provided that such fees and disbursements of counsel to the Underwriters pursuant to this clause (viii) shall not exceed $25,000), (ix) the fees and expenses incurred in connection with the listing of the Securities on the New York Stock Exchange, (x) the costs and expenses (including, without limitation, any damages or other amounts payable in connection with legal or contractual liability) associated with the reforming of any contracts for sale of the Securities made by the Underwriters caused by a breach of the representation contained in the third sentence of Section 1(a)(ii).

(b) Expenses of the Selling Stockholder. Notwithstanding paragraph (a) above, the Selling Stockholder will pay all expenses incident to (i) any stamp and other duties and stock and other transfer taxes, if any, payable upon the sale of the Securities to the Underwriters and their transfer between the Underwriters pursuant to an agreement between such Underwriters, and (ii) the fees and disbursements of their respective counsel and other advisors.

(c) Termination of Agreement. If this Agreement is terminated by the Representatives in accordance with the provisions of Section 5, Section 9(a)(i) or (iii), Section 10 or Section 11 hereof, the Company and the Selling Stockholder shall reimburse the Underwriters (or, in the case of a termination in accordance with the provisions of Section 10, the non-defaulting Underwriters) for their reasonably incurred and documented out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters.

(d) Allocation of Expenses. The provisions of this Section shall not affect any agreement that the Company and the Selling Stockholder may make for the sharing of such costs and expenses.

SECTION 5. Conditions of Underwriters' Obligations. The obligations of the several Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company and the Selling Stockholder contained herein or in certificates of any officer of the Company or any of its subsidiaries or on behalf of the Selling Stockholder delivered pursuant to the provisions hereof, to the performance by the Company and the Selling Stockholder of their respective covenants and other obligations hereunder, and to the following further conditions:

(a) Effectiveness of Registration Statement; Rule 430A Information. The Registration Statement, including any Rule 462(b) Registration Statement, has become effective and, at the Closing Time, no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the 1933 Act, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company’s knowledge, contemplated; and the Company has complied with each request (if any) from the Commission for additional information. A prospectus containing the Rule 430A Information shall have been filed with the Commission in the manner and within the time frame required by Rule 424(b) without reliance on Rule 424(b)(8) or a post-effective amendment providing such information shall have been filed with, and declared effective by, the Commission in accordance with the requirements of Rule 430A.

(b) Opinion of Counsel for Company. At the Closing Time, the Representatives shall have received the opinion and negative assurance letter, dated the Closing Time, of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel for the Company, in form and substance satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters.
(c) **Opinion of Counsel for the Selling Stockholder**. At the Closing Time, the Representatives shall have received the opinion, dated the Closing Time, of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel for the Selling Stockholder, in form and substance satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters.

(d) **Opinion of Counsel for Underwriters**. At the Closing Time, the Representatives shall have received the opinion, dated the Closing Time, of Latham & Watkins LLP, counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters, in form and substance satisfactory to the Representatives.

(e) **Officers’ Certificate**. At the Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, any Material Adverse Effect, and the Representatives shall have received a certificate of the Chief Executive Officer or the President of the Company and of the chief financial or chief accounting officer of the Company, dated the Closing Time, to the effect that (i) there has been no such Material Adverse Effect, (ii) the representations and warranties of the Company in this Agreement are true and correct with the same force and effect as though expressly made at and as of the Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement under the 1933 Act has been issued, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to their knowledge, contemplated.

(f) **CFO Certificate**. At the Closing Time, the Representatives shall have received a certificate signed by the chief financial officer of the Company, dated the Closing Time, certifying certain financial information contained in the Registration Statement, the General Disclosure Package and the Prospectus.

(g) **Certificate of Selling Stockholder**. At the Closing Time, the Representatives shall have received a certificate on behalf of the Selling Stockholder, dated the Closing Time, to the effect that (i) the representations and warranties of the Selling Stockholder in this Agreement are true and correct with the same force and effect as though expressly made at and as of the Closing Time and (ii) the Selling Stockholder has complied with all agreements and all conditions on its part to be performed under this Agreement at or prior to the Closing Time.

(h) **Accountant’s Comfort Letter**. At the time of the execution of this Agreement, the Representatives shall have received from PricewaterhouseCoopers LLP a letter, dated such date, in form and substance satisfactory to the Representatives, together with signed or reproduced copies of such letter for each of the other Underwriters containing statements and information of the type ordinarily included in accountants’ “comfort letters” to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the General Disclosure Package and the Prospectus.

(i) **Bring-down Comfort Letter**. At the Closing Time, the Representatives shall have received from PricewaterhouseCoopers LLP a letter, dated as of the Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (h) of this Section, except that the specified date referred to shall be a date not more than three business days prior to the Closing Time.

(j) **Approval of Listing**. At the Closing Time, the Securities shall have been approved for listing on the New York Stock Exchange, subject only to official notice of issuance.

21
(k) **No Objection**. FINRA has confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements relating to the offering of the Securities.

(l) **Lock-up Agreements**. At the date of this Agreement, the Representatives shall have received an agreement substantially in the form of Exhibit A hereto signed by the persons listed on Schedule D hereto.

(m) **No Rated Securities or Preferred Stock**. Neither the Company nor its subsidiaries have any debt securities or preferred stock that are rated by any “nationally recognized statistical rating agency” (as defined in Section 3(a)(62) of the 1934 Act).

(n) **Conditions to Purchase of Option Securities**. In the event that the Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company and the Selling Stockholder contained herein and the statements in any certificates furnished by the Company, any of its subsidiaries and the Selling Stockholder hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Representatives shall have received:

   (i) **Officers’ Certificate**. A certificate, dated such Date of Delivery, of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company confirming that the certificate delivered at the Closing Time pursuant to Section 5(e) hereof remains true and correct as of such Date of Delivery.

   (ii) **CFO Certificate**. A certificate, dated such Date of Delivery, of the chief financial officer of the Company to the same effect as the certificate required by Section 5(f) hereof.

   (iii) **Certificate of Selling Stockholder**. A certificate, dated such Date of Delivery, on behalf of the Selling Stockholder confirming that the certificate delivered at the Closing Time pursuant to Section 5(g) remains true and correct as of such Date of Delivery.

   (iv) **Opinion of Counsel for Company**. If requested by the Representatives, the opinion and negative assurance letter of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel for the Company, in form and substance satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b) hereof.

   (v) **Opinion of Counsel for the Selling Stockholder**. If requested by the Representatives, the opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel for the Selling Stockholder, in form and substance satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(c) hereof.

   (vi) **Opinion of Counsel for Underwriters**. If requested by the Representatives, the opinion of Latham & Watkins LLP, counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(d) hereof.

   (vii) **Bring-down Comfort Letter**. If requested by the Representatives, a letter from PricewaterhouseCoopers LLP, in form and substance satisfactory to the Representatives and dated such Date of Delivery, substantially in the same form and substance as the letter furnished
to the Representatives pursuant to Section 5(h) hereof, except that the “specified date” in the letter furnished pursuant to this paragraph shall be a date not more than three business days prior to such Date of Delivery.

(o) Additional Documents. At the Closing Time and at each Date of Delivery (if any) counsel for the Underwriters shall have been furnished with such documents as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company and the Selling Stockholder in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to the Representatives and counsel for the Underwriters.

(p) Termination of Agreement. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the several Underwriters to purchase the relevant Option Securities, may be terminated by the Representatives by notice to the Company and the Selling Stockholder at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7, 8, 15, 16 and 17 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) Indemnification of Underwriters. The Company agrees to indemnify and hold harmless each Underwriter, its affiliates (as such term is defined in Rule 501(b) under the 1933 Act (each, an “Affiliate”)), its selling agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included (A) in any preliminary prospectus, any Issuer Free Writing Prospectus, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto), or (B) in any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Securities (“Marketing Materials”), including any roadshow or investor presentations made to investors by the Company (whether in person or electronically), or the omission or alleged omission in any preliminary prospectus, Issuer Free Writing Prospectus, Prospectus or in any Marketing Materials of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 6(e) below) any such settlement is effected with the written consent of the Company and the Selling Stockholder;
against any and all reasonably incurred and documented expense whatsoever, as incurred (including the reasonably incurred and documented fees and disbursements of counsel chosen by the Representatives), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(b) Indemnification of Underwriters by Selling Stockholder. The Selling Stockholder agrees to indemnify and hold harmless each Underwriter, its Affiliates and selling agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act to the extent and in the manner set forth in clauses (a)(i), (ii) and (iii) above; provided that the Selling Stockholder shall be liable only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission has been made in the Registration Statement, any preliminary prospectus, the General Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Issuer Free Writing Prospectus in reliance upon and in conformity with the Selling Stockholder Information; provided, further, that the liability under this subsection of the Selling Stockholder shall be limited to an amount equal to the aggregate gross proceeds after underwriting commissions and discounts, but before expenses, to the Selling Stockholder from the sale of Securities sold by the Selling Stockholder hereunder.

(c) Indemnification of Company, Directors and Officers and Selling Stockholder. Each Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, and the Selling Stockholder and each person, if any, who controls the Selling Stockholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(d) Actions against Parties; Notification. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced (through the forfeiture of substantive rights or defenses) as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) and 6(b) above, counsel to the indemnified parties shall be selected by the Representatives, and, in the case of parties indemnified pursuant to Section 6(c) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for
fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(e) **Settlement without Consent if Failure to Reimburse**. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(f) **Other Agreements with Respect to Indemnification**. The provisions of this Section shall not affect any agreement among the Company and the Selling Stockholder with respect to indemnification.

SECTION 7. **Contribution**. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholder, on the one hand, and the Underwriters, on the other hand, from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Stockholder, on the one hand, and of the Underwriters, on the other hand, in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company and the Selling Stockholder, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the Selling Stockholder, on the one hand, and the total underwriting discount received by the Underwriters, on the other hand, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Securities as set forth on the cover of the Prospectus.

The relative fault of the Company and the Selling Stockholder, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Stockholder or by the Underwriters and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.
The Company, the Selling Stockholder and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the underwriting commissions received by such Underwriter in connection with the Shares underwritten by it and distributed to the public and the Selling Stockholder shall not be required to contribute any amount in excess of the aggregate gross proceeds after underwriting commissions and discounts, but before expenses, received by the Selling Stockholder.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and each Underwriter’s Affiliates and selling agents shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company or any Selling Stockholder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company or the Selling Stockholder, as the case may be. The Underwriters’ respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Initial Securities set forth opposite their respective names in Schedule A hereto and not joint.

The provisions of this Section shall not affect any agreement among the Company and the Selling Stockholder with respect to contribution.

SECTION 8. **Representations, Warranties and Agreements to Survive.** All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or any of its subsidiaries or the Selling Stockholder submitted pursuant hereto, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of any Underwriter or its Affiliates or selling agents, any person controlling any Underwriter, its officers or directors, any person controlling the Company or any person controlling the Selling Stockholder and (ii) delivery of and payment for the Securities.

SECTION 9. **Termination of Agreement.**

(a) **Termination.** The Representatives may terminate this Agreement, by notice to the Company and the Selling Stockholder, at any time at or prior to the Closing Time (i) if there has been, in the good faith judgment of the Representatives, since the time of execution of this Agreement or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, any material adverse change in the condition, financial or otherwise, or in the
earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representatives, impracticable or inadvisable to proceed with the completion of the offering or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Commission or the New York Stock Exchange, or (iv) if trading generally on the NYSE MKT or the New York Stock Exchange or in the Nasdaq Global Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by order of the Commission, FINRA or any other governmental authority, or (v) a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or with respect to Clearstream or Euroclear systems in Europe, or (vi) if a banking moratorium has been declared by either Federal or New York authorities.

(b) Liabilities. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7, 8, 15, 16 and 17 shall survive such termination and remain in full force and effect.

SECTION 10. Default by One or More of the Underwriters. If one or more of the Underwriters shall fail at the Closing Time or a Date of Delivery to purchase the Securities which it or they are obligated to purchase under this Agreement (the “Defaulted Securities”), the Representatives shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representatives shall not have completed such arrangements within such 24-hour period, then:

(i) if the number of Defaulted Securities does not exceed 10% of the number of Securities to be purchased on such date, each of the non-defaulting Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(ii) if the number of Defaulted Securities exceeds 10% of the number of Securities to be purchased on such date, this Agreement or, with respect to any Date of Delivery which occurs after the Closing Time, the obligation of the Underwriters to purchase, and the Company to sell, the Option Securities to be purchased and sold on such Date of Delivery shall terminate without liability on the part of any non-defaulting Underwriter.

No action taken pursuant to this Section shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of a Date of Delivery which is after the Closing Time, which does not result in a termination of the obligation of the Underwriters to purchase and the Company to sell the relevant Option Securities, as the case may be, either the (i) Representatives or (ii) the Company and any Selling Stockholder shall have the right to postpone Closing Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement, the General Disclosure Package or the Prospectus or in any other documents or arrangements. As used herein, the term “Underwriter” includes any person substituted for an Underwriter under this Section 10.
SECTION 11. Default by the Selling Stockholder or the Company. If the Selling Stockholder shall fail at the Closing Time or a Date of Delivery, as the case may be, to sell and deliver the number of Securities that it is obligated to sell hereunder, then this Agreement shall terminate without any liability on the part of any nondefaulting party; provided, however, that the provisions of Sections 1, 4, 6, 7, 8, 15, 16 and 17 shall remain in full force and effect. No action taken pursuant to this Section 11 shall relieve the Selling Stockholder from liability, if any, in respect of such default.

SECTION 12. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to: (i) Merrill Lynch at One Bryant Park, New York, New York 10036, attention of Syndicate Department (facsimile: (646) 855-3073), with a copy to ECM Legal (facsimile: (212) 230-8730), (ii) Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk, with a copy to the Legal Department, and (iii) Jefferies LLC, 520 Madison Avenue, New York, New York 10022, Facsimile: (646) 619-4437, Attention: General Counsel; notices to the Company shall be directed to it at J.Jill, Inc., 4 Batterymarch Park, attention of Vijay Moses; and notices to the Selling Stockholder shall be directed to TowerBrook Capital Partners L.P., 65 E. 55th St., 27th Fl., attention of Glenn Miller.

SECTION 13. No Advisory or Fiduciary Relationship. Each of the Company and the Selling Stockholder acknowledges and agrees that (a) the purchase and sale of the Securities pursuant to this Agreement, including the determination of the initial public offering price of the Securities and any related discounts and commissions, is an arm’s-length commercial transaction between the Company and the Selling Stockholder, on the one hand, and the several Underwriters, on the other hand, (b) in connection with the offering of the Securities and the process leading thereto, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company, any of its subsidiaries or the Selling Stockholder, or its respective stockholders, creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company or the Selling Stockholder with respect to the offering of the Securities or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company, any of its subsidiaries or the Selling Stockholder on other matters) and no Underwriter has any obligation to the Company or the Selling Stockholder with respect to the offering of the Securities except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of each of the Company and the Selling Stockholder, and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the offering of the Securities and the Company and the Selling Stockholder has consulted its own respective legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

SECTION 14. Parties. This Agreement shall each inure to the benefit of and be binding upon the Underwriters, the Company and the Selling Stockholder and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters, the Company and the Selling Stockholder and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters, the Company and the Selling Stockholder and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.
SECTION 15. **Trial by Jury.** The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates), each of the Selling Stockholder and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

SECTION 16. **GOVERNING LAW.** THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF, THE STATE OF NEW YORK WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS.

SECTION 17. **Consent to Jurisdiction; Waiver of Immunity.** Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby ("Related Proceedings") shall be instituted in (i) the federal courts of the United States of America located in the City and County of New York, Borough of Manhattan or (ii) the courts of the State of New York located in the City and County of New York, Borough of Manhattan (collectively, the "Specified Courts"), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a "Related Judgment"), as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum.

SECTION 18. **Time.** TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 19. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

SECTION 20. **Effect of Headings.** The Section headings herein are for convenience only and shall not affect the construction hereof.
If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company and the Selling Stockholder a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters, the Company and the Selling Stockholder in accordance with its terms.

Very truly yours,

J.JILL, INC.

By: ________________________________
    Name: ________________________________
    Title: ________________________________

JJILL TOPCO HOLDINGS, LP

By: ________________________________
    Name: ________________________________
    Title: ________________________________
CONFIRMED AND ACCEPTED,  
as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED

MORGAN STANLEY & CO. LLC

JEFFERIES LLC

By: MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED

By: MORGAN STANLEY & CO. LLC

By: JEFFERIES LLC

For themselves and as Representatives of the other Underwriters named in Schedule A hereto.

31
The initial public offering price per share for the Securities shall be $[●].

The purchase price per share for the Securities to be paid by the several Underwriters shall be $[●], being an amount equal to the initial public offering price set forth above less $[●] per share, subject to adjustment in accordance with Section 2(b) for dividends or distributions declared by the Company and payable on the Initial Securities but not payable on the Option Securities.

<table>
<thead>
<tr>
<th>Name of Underwriter</th>
<th>Number of Initial Securities</th>
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</thead>
<tbody>
<tr>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith</td>
<td></td>
</tr>
<tr>
<td>Morgan Stanley &amp; Co. LLC</td>
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<tr>
<td>Jefferies LLC</td>
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<tr>
<td>Deutsche Bank Securities Inc.</td>
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<tr>
<td>RBC Capital Markets, LLC</td>
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<tr>
<td>UBS Securities LLC</td>
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<tr>
<td>Wells Fargo Securities, LLC</td>
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<tr>
<td>Cowen and Company, LLC</td>
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<tr>
<td>Macquarie Capital (USA) Inc.</td>
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<tr>
<td>SunTrust Robinson Humphrey, Inc.</td>
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<tr>
<td><strong>Total</strong></td>
<td>[●]</td>
</tr>
<tr>
<td>Number of Initial Securities to be Sold</td>
<td>Maximum Number of Option Securities to Be Sold</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>JJill Topco Holdings, LP</td>
<td></td>
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</tbody>
</table>

Sch B - 1
SCHEDULE C-1

Pricing Terms

1. The Company and the Selling Stockholder are selling [●] shares of Common Stock.

2. The Selling Stockholder has granted an option to the Underwriters, severally and not jointly, to purchase up to an additional [●] shares of Common Stock.

3. The initial public offering price per share for the Securities shall be $[●].

SCHEDULE C-2

Free Writing Prospectuses

[None.]
SCHEDULE D

List of Persons and Entities Subject to Lock-up

[To come]

Sch D - 1
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Morgan Stanley & Co. LLC

Jefferies LLC

as Representatives of the several Underwriters to be named in the Underwriting Agreement

c/o Merrill Lynch, Pierce, Fenner & Smith
Incorporated
One Bryant Park
New York, New York 10036

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

c/o Jefferies LLC
520 Madison Avenue
New York, New York 10022

Re: Proposed Public Offering by J.Jill, Inc.

Dear Sirs:

The undersigned, a stockholder, officer and/or director of J.Jill, Inc., a Delaware corporation (the “Company”), understands that Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and Jefferies LLC (together, the “Representatives”) propose to enter into an Underwriting Agreement (the “Underwriting Agreement”) with the Company and the selling stockholder to be named in Schedule B to the Underwriting Agreement (the “Selling Stockholder”) providing for the public offering (the “Public Offering”) of shares of the Company’s common stock, par value $0.01 per share (the “Common Stock”) pursuant to a registration statement (the “Registration Statement”) filed or to be filed with the Securities and Exchange Commission (the “SEC”). In recognition of the benefit that such an offering will confer upon the undersigned as a stockholder, officer and/or director of the Company, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each underwriter to be named in the Underwriting Agreement that, during the period beginning on the date hereof and ending on the date that is 180 days from the date of the Underwriting Agreement (subject to extensions as discussed below), the undersigned will not, without the prior written consent of the Representatives, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of the Company’s Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the “Lock-Up Securities”), or exercise any right with respect to the registration of any of the Lock-up Securities, or file or cause to be filed any registration statement in connection therewith, under the Securities Act of 1933, as amended, or (ii) enter into any swap or any

A-1
other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise.

If the undersigned is an officer or director of the Company, (1) the Representatives agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of the Common Stock, the Representatives will notify the Company of the impending release or waiver, and (2) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representatives hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (i) the release or waiver is effected solely to permit a transfer not for consideration and (ii) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities without the prior written consent of the Representatives, provided that (1) in the case of clauses (i) through (vi) below, the Representatives receive a signed lock-up agreement for the balance of the lockup period from each donee, trustee, distributee, or transferee, as the case may be, (2) any such transfer shall not involve a public market disposition for value, (3) such transfers are not required to be reported with the SEC on Form 4 in accordance with Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (4) the undersigned does not otherwise voluntarily effect any public filing or report regarding such transfers:

(i) as a bona fide gift or gifts; or
(ii) to: (a) any immediate family member, (b) any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned or any of their successors upon death, (c) any partnership or limited liability company the partners or members of which consist of the undersigned and one or more members of the undersigned’s immediately family (for purposes of this lock-up agreement, “immediate family” shall mean any relationship by blood, marriage or adoption, not more remote than first cousin); or
(iii) as a distribution to limited or general partners, members or stockholders of the undersigned; or
(iv) to the undersigned’s affiliates or to any investment fund or other entity under common control or management with the undersigned; or
(v) if the undersigned is a trust, to the beneficiary of such trust; or
(vi) by testate succession or intestate succession; or
(vii) pursuant to the Underwriting Agreement; or
(viii) to the Company for the primary purposes of satisfying the exercise price or any tax or other governmental withholding obligation with respect to the Lock-Up Securities issued upon the exercise of an option or warrant (or upon the exchange of another security or securities), or issued under an employee equity or benefit plan.
Furthermore, the foregoing restrictions shall not apply to (i) dispositions of shares of Common Stock of the Company purchased by the undersigned on the open market following the Public Offering if and only if (a) such sales are not required to be reported in any public report or filing with the SEC, or otherwise and (b) the undersigned does not otherwise voluntarily effect any public filing or report regarding such sales, (ii) the exercise of stock options granted pursuant to the Company’s equity incentive plans described in the Registration Statement; provided that the restrictions shall apply to any and all of the Lock-Up Securities issued upon such exercise, (iii) the establishment of any contract, instruction or plan (a “Plan”) that satisfies all of the requirements of Rule 10b5-1(c)(1)(i)(B) under the Exchange Act; provided that no sales of the Lock-Up Securities shall be made pursuant to such a Plan prior to the expiration of the lockup period; provided further that (a) no public announcement of the establishment or the existence of such plan, and no report in any public report or any filing with the SEC, or otherwise, shall be required and (b) no such public announcement, report or filing shall be made voluntarily, and (iv) transfers, sales, tenders or other dispositions of the Lock-Up Securities occurring after the Public Offering to a bona fide third party pursuant to a tender offer for securities of the Company or any other transaction, including, without limitation, a merger, consolidation or other business combination, involving a Change of Control (as defined below) of the Company (including, without limitation, entering into any lock-up, voting or similar agreement pursuant to which the undersigned may agree to transfer, sell, tender or otherwise dispose of the Lock-Up Securities in connection with any such transaction, or vote any of the Lock-Up Securities in favor of any such transaction); provided, that all of the Lock-Up Securities subject to this lock-up agreement that are not so transferred, sold, tendered or otherwise disposed of remain subject to this lock-up agreement; and provided, further, that it shall be a condition of transfer, sale, tender or other disposition that if such tender offer or other transaction is not completed, any of the Lock-Up Securities subject to this lock-up agreement shall remain subject to the restrictions herein. For purposes of this Agreement, “Change of Control” shall mean the transfer (whether by tender offer, merger, consolidation or other business combination), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an Underwriter pursuant to the Public Offering), of the Company’s voting securities if, after such transfer, such person or group of affiliated persons would hold more than 90% of the outstanding voting securities of the Company (or the surviving entity).

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company’s transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

The undersigned understands that the undersigned shall be released from all obligations under this lock-up agreement and this lock-up agreement shall be terminated automatically and without further action on the part on the part of any of the parties hereto if (i) the Company notifies the Representatives, prior to execution of the Underwriting Agreement, that it does not intend to proceed with the Public Offering, (ii) the Underwriting Agreement does not become effective, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Common Stock to be sold thereunder, (iii) the Company completes an application with the SEC to withdraw the Registration Statement and the Registration Statement is withdrawn or (iv) the Public Offering is not completed by May 31, 2017.

A-3
Very truly yours,

Signature: ________________________________

Print Name: ________________________________

A-4
J.JILL, INC.

[Date]

J.JILL, INC. (the “Company”) announced today that BofA Merrill Lynch, Morgan Stanley and Jefferies, the lead book-running managers in the Company’s recent public sale of [●] shares of common stock, are [waiving] [releasing] a lock-up restriction with respect to [●] shares of the Company’s common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on [●], 20[●], and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

B-1
CERTIFICATE OF INCORPORATION

OF

J.JILL, INC.

The undersigned incorporator, in order to form a corporation under the General Corporation Law of the State of Delaware (the “DGCL”), certifies as follows:

ARTICLE I

Name

The name of the corporation is J.Jill, Inc. (the “Corporation”).

ARTICLE II

Address; Registered Office and Agent

The address of the Corporation’s registered office in the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, State of Delaware 19808; and the name of its registered agent at such address is Corporation Service Company.

ARTICLE III

Purposes

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

Capital Stock

4.1 Authorized Stock. The total number of shares of all classes of stock that the Corporation shall have authority to issue is 300,000,000 shares, divided into (a) 250,000,000 shares of Common Stock, with the par value of $0.01 per share (the “Common Stock”), and (b) 50,000,000 shares of Preferred Stock, with the par value of $0.01 per share (the “Preferred Stock”). The authorized number of shares of any class or series of stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock of the Corporation entitled to vote, and no separate vote of such class or series of stock the authorized number of which is to be increased or decreased shall be necessary to effect such change.

4.2 Board Issuance of Preferred Stock. The Board of Directors of the Corporation (the “Board”) is hereby authorized, by resolution or resolutions thereof, to
provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of the shares of such series. The powers, designations, preferences and relative, participating, optional or other rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, may differ from those of any and all other series at any time outstanding.

4.3 Voting. Except as may otherwise be provided in this Certificate of Incorporation or by applicable law, each holder of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote. Except as may otherwise be provided in this Certificate of Incorporation (including any certificate filed with the Office of the Secretary of State of the State of Delaware establishing the terms of a series of Preferred Stock in accordance with Section 4.2 (such certificate, a “Preferred Stock Designation.”)) or by applicable law, no holder of any series of Preferred Stock, as such, shall be entitled to any voting powers in respect thereof.

4.4 Dividends. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock, dividends may be declared and paid on the Common Stock out of funds legally available therefor at such times and in such amounts as the Board in its discretion shall determine.

4.5 Dissolution, Liquidation or Winding Up. Upon the dissolution, liquidation or winding up of the Corporation, subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of the Common Stock shall be entitled to receive the assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares of Common Stock held by them.

ARTICLE V

Name and Mailing Address of Incorporator

The name and mailing address of the incorporator are: David Biese, c/o J.Jill, Inc., 4 Batterymarch Park, Quincy, Massachusetts 02169.

ARTICLE VI

Board of Directors

6.1 Number of Directors. (a) The business and affairs of the Corporation shall be managed by, or under the direction of, the Board. Except as otherwise provided for or fixed pursuant to the terms of any Preferred Stock Designation relating to the rights of the holders of any series of Preferred Stock to elect additional directors, the total number of directors constituting the entire Board shall be not less than three nor more than twenty, with the then-authorized number of directors being fixed from time to time by the Board.
(b) During any period when the holders of any series of Preferred Stock have the right to elect additional directors pursuant to the terms of any Preferred Stock Designation, then upon the commencement, and for the duration, of the period during which such right continues: (i) the then total authorized number of directors of the Corporation shall automatically be increased by such specified number of additional directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors pursuant to the terms of such Preferred Stock Designation, and (ii) each such additional director shall serve until such director’s successor shall have been duly elected and qualified, or until such director’s right to hold such office terminates pursuant to such provisions, whichever occurs earlier, subject to his or her earlier death, disqualification, resignation or removal. Except as otherwise provided in the Preferred Stock Designation establishing such series, whenever the holders of any series of Preferred Stock are divested from time to time of a previous right to elect one or more additional directors pursuant to the provisions of such stock, the terms of office of each such additional director elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional director, shall forthwith terminate and the total and authorized number of directors of the Corporation shall be reduced accordingly.

6.2 Staggered Board. The Board (other than those directors elected by the holders of any series of Preferred Stock pursuant to the terms of any Preferred Stock Designation (the “Preferred Stock Directors”)) shall be divided into three classes, as nearly equal in number as possible, designated Class I, Class II and Class III. Class I directors shall initially serve until the first annual meeting of stockholders following the effectiveness of this Article VI, Section 2; Class II directors shall initially serve until the second annual meeting of stockholders following the effectiveness of this Article VI, Section 2; and Class III directors shall initially serve until the third annual meeting of stockholders following the effectiveness of this Article VI, Section 2. Commencing with the first annual meeting of stockholders following the effectiveness of this Article VI, Section 2, directors of each class the term of which shall then expire shall be elected to hold office for a three-year term and until the election and qualification of their respective successors in office. In case of any increase or decrease, from time to time, in the number of directors (other than Preferred Stock Directors), the number of directors in each class shall be apportioned as nearly equal as possible. The Board is authorized to assign members of the Board already in office to such classes at the time this Article VI, Section 2 becomes effective.

6.3 Vacancies and Newly Created Directorships. Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding and subject to obtaining any required stockholder votes or consents under the Stockholders Agreement (as defined below), newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board resulting from death, resignation, retirement, disqualification, removal or other cause shall be filled solely by
the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board, or by a sole remaining director. Any director so chosen shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified. No decrease in the number of directors shall shorten the term of any incumbent director.

6.4 **Removal of Directors.** Except for Preferred Stock Directors and subject to obtaining any required stockholder votes or consents under the Stockholders Agreement, any director or the entire Board may be removed from office at any time, but only for cause and only by the affirmative vote of at least 2/3% of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class; provided, however, that prior to the Triggering Event (as defined below), any director may be removed with or without cause by the affirmative vote of the holders of a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

6.5 **Annual Meetings of Stockholders.** A meeting of stockholders for the election of directors of the Corporation and such other business as may properly come before the meeting in accordance with the By-laws of the Corporation (the “By-laws”) shall be held annually at such date and time as designated by the Board from time to time.

**ARTICLE VII**

**Meetings of Stockholders**

7.1 **Action by Written Consent.** Prior to the Triggering Event, any action required or permitted to be taken by the stockholders of the Corporation may be effected by the consent in writing of the holders of a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class in lieu of a duly called annual or special meeting of stockholders. From and after the Triggering Event, any action required or permitted to be taken by the stockholders of the Corporation may be effected only at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

7.2 **Special Meetings of Stockholders.** Subject to any rights of the holders of any series of Preferred Stock, and to the requirements of applicable law, special meetings of stockholders of the Corporation may be called only (i) by or at the direction of the Board pursuant to a written resolution adopted by a majority of the total number of directors that the Corporation would have if there were no vacancies or (ii) by or at the direction of the Chairperson or the Vice Chairperson. In addition, prior to the Triggering Event, special meetings of stockholders of the Corporation may be called by the Secretary of the Corporation at the request of the holders of a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. Any business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.
Election of Directors by Written Ballot. Unless and except to the extent that the By-laws shall so require, the election of the directors of the Corporation need not be by written ballot.

ARTICLE VIII

Limitation of Liability

To the fullest extent permitted under the DGCL, as amended from time to time, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Any amendment or repeal of this Article VIII shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment or repeal.

ARTICLE IX

Indemnification

9.1 Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a “Covered Person”) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a “Proceeding”), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another entity or enterprise, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement (except for judgments, fines and amounts paid in settlement in any action or suit by or in the right of the Corporation to procure a judgment in its favor) actually and reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 9.3, the Corporation shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized by the Board.

9.2 Prepayment of Expenses. To the extent not prohibited by applicable law, the Corporation shall pay the expenses (including attorneys’ fees) incurred by a Covered Person in defending any Proceeding in advance of its final disposition; provided, however, that, to the extent required by applicable law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article IX or otherwise.
9.3 **Claims.** If a claim for indemnification or advancement of expenses under this Article IX is not paid in full within 30 days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

9.4 **Nonexclusivity of Rights.** The rights conferred on any Covered Person by this Article IX shall not be exclusive of any other rights that such Covered Person may have or hereafter acquire under any statute, provision of this Certificate of Incorporation, the By-laws, agreement, vote of stockholders or disinterested directors or otherwise.

9.5 **Other Sources.** Subject to Section 9.6, the Corporation’s obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another entity or enterprise shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other entity or enterprise.

9.6 **Indemnitor of First Resort.** In all events, the Corporation hereby agrees that (i) its obligation to a Covered Person to provide advancement and/or indemnification to such Covered Person is primary, (ii) any obligation of the Principal Stockholder (including any Affiliate (as defined below) thereof other than the Corporation) to provide advancement or indemnification hereunder or under any other indemnification agreement (whether pursuant to contract, by-laws or charter), or any obligation of any insurer of the Principal Stockholder to provide insurance coverage, for the same expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such expenses, liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by such Covered Person are secondary and subsequent to the foregoing obligation of the Corporation and (iii) if the Principal Stockholder (or any Affiliate thereof, other than the Corporation) pays or causes to be paid, for any reason, any amounts otherwise indemnifiable hereunder or under any other indemnification agreement (whether pursuant to contract, by-laws or charter) with such Covered Person, then (x) the Principal Stockholder (or such Affiliate, as the case may be), as the case may be, shall be fully subrogated to all rights of such Covered Person with respect to such payment and (y) the Corporation shall fully indemnify, reimburse and hold harmless the Principal Stockholder (or such other Affiliate), as the case may be, for all such payments actually made by the Principal Stockholder (or such other Affiliate).

9.7 **Amendment or Repeal.** Any amendment or repeal of the foregoing provisions of this Article IX shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such amendment or repeal.
9.8 Other Indemnification and Prepayment of Expenses. This Article IX shall not limit the right of the Corporation, to the extent and in the manner permitted by applicable law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

ARTICLE X

Business Combinations

10.1 Section 203 of the DGCL. The Corporation will not be subject to the provisions of Section 203 of the DGCL.

10.2 Limitations on Business Combinations. Notwithstanding Section 10.1, the Corporation shall not engage in any business combination (as defined below), at any point in time at which the Corporation’s common stock is registered under Section 12(b) or 12(g) of the Exchange Act (as defined below), with any interested stockholder (as defined below) for a period of three years following the time that such stockholder became an interested stockholder, unless:

(a) prior to such time, the Board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder, or

(b) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (i) persons who are directors and also officers or (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer, or

(c) at or subsequent to such time, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock of the Corporation which is not owned by the interested stockholder.

10.3 Definitions. For purposes of this Article X:

(a) “affiliate” means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.
(b) “associate,” when used to indicate a relationship with any person, means: (i) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(c) “business combination,” when used in reference to the Corporation and any interested stockholder, means:

(i) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (a) with the interested stockholder, or (b) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation Section 11.2 is not applicable to the surviving entity;

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of any corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;

(iii) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (a) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such; (b) pursuant to a merger under Section 251(g) of the General Corporation Law; (c) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (d) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (e) any issuance or transfer of stock by the Corporation; provided, however, that in no case under items (c)-(e) of this subsection (iii) shall there be an increase in the interested stockholder’s proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);
(iv) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary which is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(v) any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in subsections (i)-(iv) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

(d) “control,” including the terms “controlling,” “controlled by,” and “under common control with,” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of the Corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this Article X, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(e) “interested stockholder” means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of 15% or more of the outstanding voting stock of the Corporation, or (ii) is an affiliate or associate of the Corporation and was the owner of 15% or more of the outstanding voting stock of the Corporation at any time within the three year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder, and the affiliates and associates of such person; provided, however, that the term “interested stockholder” shall not include (a) the Principal Stockholder or Principal Stockholder Transferees or (b) any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of any action taken solely by the Corporation; provided that such person specified in this clause (b) shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include any stock deemed to be owned by the person through application of the definition of “owner” below but shall not include any other unissued stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.
(f)  “owner,” including the terms “own” and “owned,” when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:

(i) beneficially owns such stock, directly or indirectly; or

(ii) has (a) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person’s affiliates or associates until such tendered stock is accepted for purchase or exchange; or (b) the right to vote such stock pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any stock because of such person’s right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten or more persons; or

(iii) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (b) of subsection (ii) above), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.

(g) “person” means any individual, corporation, partnership, unincorporated association or other entity.

(h) “stock” means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(i) “Principal Stockholder Transferee” means any Person who acquires voting stock of the Corporation from the Principal Stockholder (other than in connection with a public offering) and who is designated in writing by the Principal Stockholder as a “Principal Stockholder Transferee.”

(j) “voting stock” means stock of any class or series entitled to vote generally in the election of directors.

ARTICLE XI

Corporate Opportunities

11.1 Certain Acknowledgement. In recognition and anticipation that (i) certain directors, principals, officers, employees and/or other representatives of investment funds or vehicles affiliated with the Principal Stockholder and its Affiliates may serve as directors, officers or agents of the Corporation or any of its subsidiaries, (ii)
the Principal Stockholder and its Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage, and (iii) members of the Board who are not officers or employees of the Corporation (“Non-Employee Directors”) and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage, and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, and the provisions of this Article XI are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve the Principal Stockholder, certain of the Non-Employee Directors or their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

11.2 Scope. The Corporation waives, to the maximum extent permitted by law, the application of the doctrine of corporate opportunity, or any other analogous doctrine, with respect to the Corporation, to the Principal Stockholder, any Non-Employee Directors or any of their respective Affiliates (each Person (as defined below) entitled to such waiver, an “Exempted Person”). To the maximum extent permitted by law, except to the extent otherwise provided in any agreement between an Exempted Person and the Corporation and/or any of its subsidiaries, no Exempted Person shall have any obligation to refrain from (i) engaging in the same or similar activities or lines of business as the Corporation or any of its Affiliates or developing or marketing any products or services that compete, directly or indirectly, with those of the Corporation or any of its Affiliates today or in which the Corporation or any of its Affiliates proposes to engage or develop, (ii) investing or owning any interest publicly or privately in, or developing a business relationship with, any Person engaged in the same or similar activities or lines of business as, or otherwise in competition with, the Corporation or any of its Affiliates or (iii) doing business with any client or customer of the Corporation or any of its Affiliates (each of the activities referred to in clauses (i)-(iii) above, a “Specified Activity”). The Corporation renounces any interest or expectancy in, or in being offered an opportunity to participate in, any Specified Activity that may be presented to or become known to any Exempted Person. Notwithstanding anything to the contrary in this Article XI, no Exempted Person shall be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty solely by reason of the fact that such Exempted Person engages in any of the Specified Activities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for an Exempted Person and the Corporation or any of its Affiliates, except as provided in Section 11.3 hereof. Subject to Section 11.3, in the event that any Exempted Person acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself, herself or himself and the Corporation or any of its Affiliates, such Exempted Person shall, except to the extent prohibited by law, have no duty to communicate or offer such transaction or other business opportunity to the Corporation or any of its
Affiliates and, to the fullest extent permitted by law, shall not be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty as a stockholder, director or officer of the Corporation solely by reason of the fact that such Exempted Person pursues or acquires such corporate opportunity for itself, herself or himself, or offers or directs such corporate opportunity to another Person.

11.3 **Allocation of Corporate Opportunities.** Notwithstanding anything in Section 11.2 to the contrary, the Corporation does not renounce its interest in any corporate opportunity offered to any director who serves as an officer or employee of the Corporation.

11.4 **Certain Matters Deemed Not Corporate Opportunities.** In addition to and notwithstanding the foregoing provisions of this Article XI, a corporate opportunity shall not belong to the Corporation if it is a business opportunity that the Corporation is not financially able or contractually permitted or legally able to undertake, or that is, from its nature, not in the line of the Corporation’s business or is of no practical advantage to it or that is one in which the Corporation has no interest or reasonable expectancy.

11.5 **Amendment of this Article.** No amendment or repeal of this Article XI in accordance with the provisions of Article XII shall apply to or have any effect on the liability or alleged liability of any Exempted Person for or with respect to any activities or opportunities of which such Exempted Person becomes aware or otherwise relies on the protection afforded to such Exempted Person prior to such amendment or repeal. This Article XI shall not limit any protections or defenses available to, or indemnification or advancement rights of, any Director or officer of the Corporation under this Amended Certificate of Incorporation, the By-laws or applicable law.

11.6 **Notice of this Article.** To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article 11.

**ARTICLE XII**

**Amendment**

12.1 **Amendments.** The Corporation reserves the right at any time, and from time to time, to amend or repeal any provision contained in this Certificate of Incorporation, and add other provisions authorized by the laws of the State of Delaware at the time in force, in the manner now or hereafter prescribed by applicable law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation (as amended) are granted subject to the rights reserved in this Article XII.
12.2 Vote Required to Amend Certificate of Incorporation. Notwithstanding any other provision of this Certificate of Incorporation or the By-laws and in addition to any other affirmative vote of the holders of any particular class or series of stock of the Corporation required by applicable law, this Certificate of Incorporation (including any Preferred Stock Designation) or the By-laws, the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding shares of capital stock of the Corporation, voting together as a single class, shall be required to amend, repeal or adopt any provisions of this Certificate of Incorporation; provided, however, that prior to the Triggering Event, this Certificate of Incorporation may be modified, amended or repealed upon the affirmative vote of the holders of a majority of the total voting power of the outstanding shares of capital stock of the Corporation, voting together as a single class.

ARTICLE XIII

Adoption, Amendment or Repeal of By-Laws

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board is expressly authorized to adopt, amend and repeal By-laws, subject to the power of the stockholders of the Corporation to adopt, amend and repeal any By-laws whether adopted by them or otherwise. Notwithstanding any other provisions of this Certificate of Incorporation or the By-laws (and notwithstanding the fact that a lesser percentage otherwise might have been permitted by applicable law, this Certificate of Incorporation or the By-laws), but in addition to any other affirmative vote of the holders of any particular class or series of stock of the Corporation required by applicable law or this Certificate of Incorporation (including any Preferred Stock Designation), the affirmative vote of the holders of at least 66-2/3% of the voting power of the outstanding shares of capital stock of the Corporation, voting together as a single class, shall be required for the stockholders to adopt new By-laws or to alter, amend or repeal the By-laws; provided, however, that prior to the Triggering Event, the By-Laws may be modified, amended or repealed upon the affirmative vote of the holders of a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class.

ARTICLE XIV

Exclusive Forum

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee or agent of the Corporation to the Corporation or the Corporation’s stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL, this Certificate of Incorporation or the By-laws, or (d) any action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware. If the Court of Chancery of the State of Delaware lacks jurisdiction over such action or proceeding, the
sole and exclusive forum for such action or proceeding shall be another court of the State of Delaware or, if no court of the State of Delaware has jurisdiction, then the federal district court for the District of Delaware. To the fullest extent permitted by applicable law, any person who, or entity that, holds, purchases or otherwise acquires an interest in stock of the Corporation shall be deemed to have consented to the personal jurisdiction of the Court of Chancery of the State of Delaware (or if the Court of Chancery does not have jurisdiction, another court of the State of Delaware, or if no court of the State of Delaware has jurisdiction, the federal district court for the District of Delaware) in any proceeding brought to enjoin any action by that person or entity that is inconsistent with the exclusive jurisdiction provided for in this Article XIV. To the fullest extent permitted by applicable law, if any action the subject matter of which is within the scope of this Article XIV is filed in a court other than as specified above in the name of any stockholder, such stockholder shall be deemed to have consented to (a) the personal jurisdiction of the Court of Chancery of the State of Delaware, another court in the State of Delaware or the federal district court in the District of Delaware, as appropriate, in connection with any action brought in any such court to enforce this Article XIV and (b) having service of process made upon such stockholder in any such action by service upon such stockholder’s counsel in the action as agent for such stockholder.

ARTICLE XV

Powers of Incorporators

The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Office of the Secretary of State of the State of Delaware. The name and mailing address of the persons who are to serve as the initial directors of the Corporation, or until his their successors are duly elected and qualified, are Paula Bennett, Michael Rahamim, Andrew Rolfe, Travis Nelson, Marka Hansen, Michael Recht and Michael Eck. The address of such persons is c/o J.Jill, Inc., 4 Batterymarch Park, Quincy, MA 02169.

ARTICLE XVI

Severability

If any provision or provisions of this Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.
ARTICLE XVII

Effectiveness

This Certificate of Incorporation shall become effective in accordance with Section 103(d) of the DGCL on February 24, 2017 at 10:00 a.m. (Eastern time).

ARTICLE XVIII

Definitions

As used in this Certificate of Incorporation, unless the context otherwise requires or as set forth in another Article or Section of this Certificate of Incorporation, the term:

(a) “Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person; provided, that neither the Corporation nor any of its subsidiaries will be deemed an Affiliate of any stockholder of the Corporation or any of such stockholders’ Affiliates.

(b) “Board” is defined in Section 4.2.

(c) “By-laws” is defined in Section 6.5.

(d) “Chairperson” means the Chairman or Chairwoman of the Board.

(e) “Common Stock” is defined in Section 4.1.

(f) “control” (including the terms “controlling” and “controlled”), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of such subject Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise.

(g) “Corporation” is defined in Article I.

(h) “Covered Person” is defined in Section 9.1.

(i) “DGCL” is defined in the recitals.

(j) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and any successor law or statute, in each case together with the rules and regulations promulgated thereunder.

(k) “Exempted Person” is defined in Section 11.2.

(l) “Non-Employee Directors” is defined in Section 11.1.
“Person” means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity.

“Preferred Stock” is defined in Section 4.1.

“Preferred Stock Designation” is defined in Section 4.3.

“Preferred Stock Directors” is defined in Section 6.2.

“Principal Stockholder” means, collectively, the investment funds managed, sponsored, controlled or advised, directly or indirectly, by TowerBrook Capital Partners L.P. or one of its Affiliates and their respective successors and Affiliates.

“Proceeding” is defined in Section 9.1.

“Specified Activity” is defined in Section 11.2.

“Stockholders Agreement” means the Stockholders Agreement, dated as of the closing of the initial public offering of our Common Stock, by and between the Corporation and TBI IV Jill Holdings, LP, as the same may be amended, restated, supplemented and/or otherwise modified, from time to time.

“Triggering Event” means the first date on which the Principal Stockholder ceases to beneficially own (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act) shares representing at least fifty percent (50%) of the issued and outstanding shares of Common Stock.

“Vice Chairperson” means the Vice Chairman or Vice Chairwoman of the Board.

WITNESS the signature of this Certificate of Incorporation this 24th day of February 2017.

/s/ David Biese
Incorporator
Name: David Biese
BY-LAWS

of

JJILL, INC.

(A Delaware Corporation)
<table>
<thead>
<tr>
<th>Article I DEFINITIONS</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article II STOCKHOLDERS</td>
<td>3</td>
</tr>
<tr>
<td>Article III DIRECTORS</td>
<td>11</td>
</tr>
<tr>
<td>Article IV COMMITTEES OF THE BOARD</td>
<td>18</td>
</tr>
<tr>
<td>Article V OFFICERS</td>
<td>18</td>
</tr>
<tr>
<td>Article VI GENERAL PROVISIONS</td>
<td>20</td>
</tr>
</tbody>
</table>
ARTICLE I

DEFINITIONS

As used in these By-laws, unless the context otherwise requires, the term:

1.1 “Assistant Secretary” means an Assistant Secretary of the Corporation.

1.2 “Assistant Treasurer” means an Assistant Treasurer of the Corporation.

1.3 “Board” means the Board of Directors of the Corporation.

1.4 “Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in the City of New York.

1.5 “By-laws” means the By-laws of the Corporation, as amended from time to time.

1.6 “Certificate of Incorporation” means the Certificate of Incorporation of the Corporation, as amended from time to time (including by any Preferred Stock Designation (as defined in the Initial Certificate of Incorporation)).

1.7 “Chairperson” means the Chairman or Chairwoman of the Board.

1.8 “Chief Executive Officer” means the Chief Executive Officer of the Corporation.

1.9 “Control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

1.10 “Corporation” means J.Jill, Inc.

1.11 “Derivative” is defined in Section 2.2(d)(iii).

1.12 “DGCL” means the General Corporation Law of the State of Delaware, as amended from time to time.

1.13 “Directors” means the directors of the Corporation.

1.14 “Exchange Act” means the Securities Exchange Act of 1934, as amended, and any successor Law or statute, together with the rules and regulations promulgated thereunder.
1.15 “Initial Certificate of Incorporation” means the Certificate of Incorporation of the Corporation filed with the Office of the Secretary of State of the State of Delaware on February 24, 2017.

1.16 “Law” means any U.S. or non-U.S., federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a governmental authority (including any department, court, agency or official, or non-governmental self-regulatory organization, agency or authority and any political subdivision or instrumentality thereof).

1.17 “Nominating Stockholder” is defined in Section 3.3(b).

1.18 “Notice of Business” is defined in Section 2.2(c).

1.19 “Notice of Nomination” is defined in Section 3.3(c).

1.20 “Notice Record Date” is defined in Section 2.4(a).

1.21 “Office of the Corporation” means the executive office of the Corporation or any other offices at any other place or places where the Corporation is qualified to do business, as the Board may establish.

1.22 “President” means the President of the Corporation.

1.23 “Proponent” is defined in Section 2.2(d)(i).

1.24 “Public Disclosure” of any date or other information means disclosure thereof by a press release reported by the Dow Jones News Services, Associated Press or comparable U.S. national news service or in a document publicly filed by the Corporation with the SEC pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

1.25 “SEC” means the Securities and Exchange Commission.

1.26 “Secretary” means the Secretary of the Corporation.

1.27 “Stockholder Associated Person” means, with respect to any Stockholder, (i) any other beneficial owner of stock of the Corporation that is owned by such Stockholder and (ii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Stockholder or such beneficial owner.

1.28 “Stockholder Business” is defined in Section 2.2(b).

1.29 “Stockholder Information” is defined in Section 2.2(d)(iii).

1.30 “Stockholder Nominees” is defined in Section 3.3(b).
1.31 “Stockholders” means the stockholders of the Corporation.

1.32 “Stockholders Agreement” means the Stockholders Agreement, dated as of the closing of the initial public offering of our common stock, by and between the Corporation and TJ IV JJill Holdings, LP, as the same may be amended, restated, supplemented and/or otherwise modified, from time to time.

1.33 “Treasurer” means the Treasurer of the Corporation.

1.34 “Voting Commitment” is defined in Section 3.4.

1.35 “Voting Record Date” is defined in Section 2.4(a).

ARTICLE II

STOCKHOLDERS

2.1 Place of Meetings. Meetings of Stockholders may be held at such place, if any, either within or without the State of Delaware, or by means of remote communication, as may be designated by the Board from time to time.

2.2 Annual Meetings; Stockholder Proposals. (a) A meeting of Stockholders for the election of Directors and other business shall be held annually at such date and time as may be designated by the Board from time to time.

(b) At an annual meeting of the Stockholders, only business (other than business relating to the nomination or election of Directors which is governed by Section 3.3) that has been properly brought before the Stockholder meeting in accordance with the procedures set forth in this Section 2.2 shall be conducted. To be properly brought before a meeting of Stockholders, such business must be brought before the meeting (i) by or at the direction of the Board or any committee thereof or (ii) by a Stockholder who (A) was a Stockholder of record of the Corporation when the notice required by this Section 2.2 is delivered to the Secretary and at the time of the meeting, (B) is entitled to vote at the meeting and (c) complies with the notice and other provisions of this Section 2.2. Subject to Section 2.2(i), and except with respect to nominations or elections of Directors, which are governed by Section 3.3, Section 2.2(b)(ii) is the exclusive means by which a Stockholder may bring business before a meeting of Stockholders. Any business brought before a meeting in accordance with Section 2.2(b)(ii) is referred to as “Stockholder Business.”

(c) Subject to Section 2.2(i), at any annual meeting of Stockholders, all proposals of Stockholder Business must be made by timely written notice given by or on behalf of a Stockholder of record of the Corporation (the “Notice of Business”) and must otherwise be a proper matter for Stockholder action. To be timely, the Notice of Business must be delivered personally or mailed to, and received at the Office of the Corporation, addressed to the Secretary, by no earlier than 120 days and no later than 90
days before the first anniversary of the date of the prior year’s annual meeting of Stockholders; provided, however, that if (i) the annual meeting of Stockholders is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the prior year’s annual meeting of Stockholders, (ii) no annual meeting was held during the prior year or (iii) in the case of the Corporation’s first annual meeting of Stockholders as a corporation with a class of equity securities registered under the Exchange Act, the notice by the Stockholder to be timely must be received (A) no earlier than 120 days before such annual meeting and (B) no later than the later of 90 days before such annual meeting and the tenth day after the day on which the notice of such annual meeting was first made by mail or Public Disclosure. In no event shall an adjournment, postponement or deferral, or Public Disclosure of an adjournment, postponement or deferral, of a Stockholder meeting commence a new time period (or extend any time period) for the giving of the Notice of Business.

(d) The Notice of Business must set forth:

(i) the name and record address of each Stockholder proposing Stockholder Business (the “Proponent”), as they appear on the Corporation’s books;

(ii) the name and address of any Stockholder Associated Person;

(iii) as to each Proponent and any Stockholder Associated Person, (A) the class or series and number of shares of stock directly or indirectly held of record and beneficially by the Proponent or Stockholder Associated Person, (B) the date such shares of stock were acquired, (C) a description of any agreement, arrangement or understanding, direct or indirect, with respect to such Stockholder Business between or among the Proponent, any Stockholder Associated Person or any others (including their names) acting in concert with any of the foregoing, (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions and borrowed or loaned shares) that has been entered into, directly or indirectly, as of the date of the Proponent’s notice by, or on behalf of, the Proponent or any Stockholder Associated Person, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the Proponent or any Stockholder Associated Person with respect to shares of stock of the Corporation (a “Derivative”), (E) a description in reasonable detail of any proxy (including revocable proxies), contract, arrangement, understanding or other relationship pursuant to which the Proponent or any Stockholder Associated Person has a right to vote any shares of stock of the Corporation, (F) any rights to dividends on the stock of the Corporation owned beneficially by the Proponent or any Stockholder Associated Person that are separated or separable from the underlying stock of the Corporation, (G) any proportionate interest in stock of the Corporation or Derivatives held, directly or indirectly, by a limited liability company or general or limited partnership in which the Proponent or any Stockholder Associated
Person is a member or general partner or, directly or indirectly, beneficially owns an interest in a member or general partner and (H) any performance-related fees (other than an asset-based fee) that the Proponent or any Stockholder Associated Person is entitled to based on any increase or decrease in the value of stock of the Corporation or Derivatives thereof, if any, as of the date of such notice. The information specified in Section 2.2(d)(i) to (iii) is referred to herein as “Stockholder Information”:

(iv) a representation that each Proponent is a holder of record of stock of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such Stockholder Business,

(v) a brief description of the Stockholder Business desired to be brought before the annual meeting, the text of the proposal (including the text of any resolutions proposed for consideration and, if such business includes a proposal to amend the By-laws, the language of the proposed amendment) and the reasons for conducting such Stockholder Business at the meeting;

(vi) any material interest of each Proponent and any Stockholder Associated Person in such Stockholder Business;

(vii) a representation as to whether the Proponent intends (A) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt such Stockholder Business or (B) otherwise to solicit proxies from stockholders in support of such Stockholder Business;

(viii) all other information that would be required to be filed with the SEC if the Proponents or Stockholder Associated Persons were participants in a solicitation subject to Section 14 of the Exchange Act; and

(ix) a representation that the Proponents shall provide any other information reasonably requested by the Corporation.

(c) The Proponents shall also provide any other information reasonably requested by the Corporation within ten Business Days after the Corporation makes such request.

(f) In addition, the Proponent shall affirm as true and correct the information provided to the Corporation in the Notice of Business or at the Corporation’s request pursuant to Section 2.2(e) (and shall update or supplement such information as needed so that such information shall be true and correct) as of (i) the record date for the meeting, (ii) the date that is ten calendar days before the first anniversary date of the Corporation’s proxy statement released to Stockholders in connection with the previous year’s annual meeting and (iii) the date that is the later of ten Business Days before the meeting or any adjournment or postponement thereof. Such affirmation, update and/or supplement must be delivered personally or mailed to, and received at the Office of the
Corporation, addressed to the Secretary, by no later than (x) five Business Days after the applicable date specified in clause (i) or (ii) of the foregoing sentence (in the case of the affirmation, update and/or supplement required to be made as of those dates), and (y) not later than seven Business Days before the date for the meeting (in the case of the affirmation, update and/or supplement required to be made as of ten Business Days before the meeting or any adjournment or postponement thereof).

(g) The person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the procedures set forth in this Section 2.2, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

(h) If the Proponent (or a qualified representative of the Proponent) does not appear at the meeting of Stockholders to present the Stockholder Business such business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.2, to be considered a qualified representative of the Stockholder, a person must be a duly authorized officer, manager or partner of such Stockholder or must be authorized by a writing executed by such Stockholder or an electronic transmission delivered by such Stockholder to act for such Stockholder as proxy at the meeting of Stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of Stockholders.

(i) The notice requirements of this Section 2.2 shall be deemed satisfied with respect to Stockholder proposals that have been properly brought under Rule 14a-8 of the Exchange Act and that are included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. Further, nothing in this Section 2.2 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.

2.3 Special Meetings. Special meetings of the Stockholders may be called only in the manner set forth in the Certificate of Incorporation. Notice of every special meeting of the Stockholders shall state the purpose or purposes of such meeting. Except as otherwise required by Law, the business conducted at a special meeting of Stockholders shall be limited exclusively to the business set forth in the Corporation’s notice of meeting, and the individual or group calling such meeting shall have exclusive authority to determine the business included in such notice.

2.4 Record Date.

(a) For the purpose of determining the Stockholders entitled to notice of any meeting of Stockholders or any adjournment thereof, unless otherwise required by the Certificate of Incorporation or applicable Law, the Board may fix a record date (the “Notice Record Date”), which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than 60
or less than ten days before the date of such meeting. The Notice Record Date shall also be the record date for determining the Stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such Notice Record Date, that a later date on or before the date of the meeting shall be the date for making such determination (the “Voting Record Date”). Subject to Section 2.12, for the purposes of determining the Stockholders entitled to express consent to corporate action in writing without a meeting, unless otherwise required by the Certificate of Incorporation or applicable Law, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than ten days after the date on which the record date was fixed by the Board. For the purposes of determining the Stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, exercise any rights in respect of any change, conversion or exchange of stock or take any other lawful action, unless otherwise required by the Certificate of Incorporation or applicable Law, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than 60 days prior to such action.

(b) Subject to Section 2.12, if no such record date is fixed:

(i) The record date for determining Stockholders entitled to notice of and to vote at a meeting of Stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;

(ii) The record date for determining Stockholders entitled to express consent to corporate action in writing without a meeting (unless otherwise provided in the Certificate of Incorporation), when no prior action by the Board is required by applicable Law, shall be the first day on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable Law; and when prior action by the Board is required by applicable Law, the record date for determining Stockholders entitled to express consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board takes such prior action; and

(iii) When a determination of Stockholders of record entitled to notice of or to vote at any meeting of Stockholders has been made as provided in this Section 2.4, such determination shall apply to any adjournment thereof, unless the Board fixes a new Voting Record Date for the adjourned meeting, in which case the Board shall also fix such Voting Record Date or a date earlier than such date as the new Notice Record Date for the adjourned meeting.

2.5 Notice of Meetings of Stockholders. Whenever under the provisions of applicable Law, the Certificate of Incorporation or these By-laws, Stockholders are required or permitted to take any action at a meeting, notice shall be
given stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which Stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the Notice Record Date and the Voting Record Date, if such date is different from the Notice Record Date, and, in the case of a special meeting, the purposes for which the meeting is called. Unless otherwise provided by these By-laws or applicable Law, notice of any meeting shall be given, not less than ten nor more than 60 days before the date of the meeting, to each Stockholder entitled to vote at such meeting as of the Notice Record Date. If mailed, such notice shall be deemed to be given when deposited in the U.S. mail, with postage prepaid, and directed to the Stockholder at his or her address as it appears on the records of the Corporation. An affidavit of the Secretary, an Assistant Secretary or other agent of the Corporation that the notice required by this Section 2.5 has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. If a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Any business that might have been transacted at the meeting as originally called may be transacted at the adjourned meeting. If, however, the adjournment is for more than 30 days or, if after the adjournment a new Notice Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder of record entitled to vote at the meeting. If, after the adjournment, a new Voting Record Date is fixed for the adjourned meeting, the Board shall fix a new Notice Record Date in accordance with Section 2.4(b)(iii) hereof and shall give notice of such adjourned meeting to each Stockholder entitled to vote at such meeting as of the Notice Record Date.

2.6 Waivers of Notice. Whenever the giving of any notice to Stockholders is required by applicable Law, the Certificate of Incorporation or these By-laws, a written waiver, signed by the Stockholder entitled to notice, or a waiver by electronic transmission by such Stockholder, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a Stockholder at a meeting shall constitute a waiver of notice of such meeting except when the Stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purposes of, any regular or special meeting of the Stockholders need be specified in any waiver of notice.

2.7 List of Stockholders. The Secretary shall prepare and make, at least ten days before every meeting of Stockholders, a complete, alphabetical list of the Stockholders entitled to vote at the meeting, and showing the address of each Stockholder and the number of shares registered in the name of each Stockholder. Such list may be examined by any Stockholder, at the Stockholder’s expense, for any purpose germane to the meeting, for a period of at least ten days prior to the meeting, during ordinary business hours at the principal place of business of the Corporation or on a reasonably accessible electronic network as provided by applicable Law. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any Stockholder who is present.
If the meeting is held solely by means of remote communication, the list shall also be open for inspection as provided by applicable Law. Except as provided by applicable Law, the stock ledger shall be the only evidence as to who are the Stockholders entitled to examine the list of Stockholders or to vote in person or by proxy at any meeting of Stockholders.

2.8 Quorum of Stockholders; Adjournment. Except as otherwise provided by these By-laws, at each meeting of Stockholders, the presence in person or represented by proxy of the holders of a majority of the voting power of all outstanding shares of stock entitled to vote at the meeting of Stockholders, shall constitute a quorum for the transaction of any business at such meeting. In the absence of a quorum, the holders of a majority of the voting power of the shares of stock present in person or represented by proxy at any meeting of Stockholders, including an adjourned meeting, or the person presiding over the meeting may adjourn such meeting to another time and place. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of Directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

2.9 Voting; Proxies. At any meeting of Stockholders, all matters other than the election of directors, except as otherwise provided by the Certificate of Incorporation, these By-laws or any applicable Law, shall be decided by the affirmative vote of a majority of the voting power of shares of stock present in person or represented by proxy and entitled to vote thereon. At all meetings of Stockholders for the election of Directors, a plurality of the votes cast shall be sufficient to elect. Each Stockholder entitled to vote at a meeting of Stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such Stockholder by proxy but no such proxy shall be voted or acted upon after three years from its date, unless the proxy expressly provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only so long as, it is coupled with an interest sufficient in Law to support an irrevocable power. A Stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary a revocation of the proxy or by delivering a new duly authorized proxy bearing a later date.

2.10 Voting Procedures and Inspectors at Meetings of Stockholders. The Board, in advance of any meeting of Stockholders, shall appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall
(a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the Stockholders will vote at a meeting shall be determined by the person presiding at the meeting and shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a Stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of Stockholders, the inspectors may consider such information as is permitted by applicable Law. No person who is a candidate for office at an election may serve as an inspector at such election.

2.11 Conduct of Meetings; Adjournment. The Board may adopt such rules and procedures for the conduct of Stockholder meetings as it deems appropriate. At each meeting of Stockholders, the President or, in the absence of the President, the Chairperson or, if the Chairperson is absent, any officer of the Corporation designated by the Board, shall preside over the meeting. Except to the extent inconsistent with the rules and procedures as adopted by the Board, the person presiding over the meeting of Stockholders shall have the right and authority to convene, adjourn and reconvene the meeting from time to time, to prescribe such additional rules and procedures and to do all such acts as, in the judgment of such person, are appropriate for the proper conduct of the meeting. Such rules and procedures, whether adopted by the Board or prescribed by the person presiding over the meeting, may include, (a) the establishment of an agenda or order of business for the meeting, (b) rules and procedures for maintaining order at the meeting and the safety of those present, (c) limitations on attendance at or participation in the meeting to Stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the person presiding over the meeting shall determine, (d) restrictions on entry to the meeting after the time fixed for the commencement thereof and (e) limitations on the time allotted to questions or comments by participants. The order of business at all meetings of Stockholders shall be as determined by the person presiding over the meeting. The person presiding over any meeting of Stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, may determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, he or she shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of Stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The Secretary or, in his or her absence, one of the Assistant Secretaries, shall act as secretary of the meeting. If none of the officers above designated to act as the person presiding over the meeting or as secretary of the meeting
shall be present, a person presiding over the meeting or a secretary of the meeting, as the case may be, shall be designated by the Board and, if the Board has not so acted, in the case of the designation of a person to act as secretary of the meeting, such secretary of the meeting shall be designated by the person presiding over the meeting.

2.12 **Written Consent of Stockholders Without a Meeting.** If, and only if, the Certificate of Incorporation expressly permits action to be taken at any annual or special meeting of Stockholders without a meeting, without prior notice and without a vote, then a consent or consents in writing, setting forth the action to be so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded. Every written consent shall bear the date of signature of each Stockholder who signs the consent, and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by this Section 2.12, written consents signed by a sufficient number of holders to take action are delivered to the Corporation as aforesaid. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by applicable Law, be given to those Stockholders who have not consented in writing, and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

**ARTICLE III**

**DIRECTORS**

3.1 **General Powers.** The business and affairs of the Corporation shall be managed by or under the direction of the Board. The Board may adopt such rules and procedures, not inconsistent with the Certificate of Incorporation, these By-laws or applicable Law, as it may deem proper for the conduct of its meetings and the management of the Corporation.

3.2 **Number; Term of Office.** The Board shall consist of three to twenty members, the number thereof to be determined in accordance with the Certificate of Incorporation. Subject to the Stockholders Agreement (as long as such agreement is in effect), each Director shall hold office until a successor is duly elected and qualified or until the Director’s earlier death, resignation, disqualification or removal.

3.3 **Nominations of Directors.** (a) Subject to Section 3.3(k) and the Stockholders Agreement and except as otherwise provided by the Stockholders Agreement, only persons who are nominated in accordance with the procedures set forth in this Section 3.3 are eligible for election as Directors.
(b) Nominations of persons for election to the Board may only be made at a meeting properly called for the election of Directors and only (i) by or at the direction of the Board or any committee thereof or (ii) by a Stockholder who (A) was a Stockholder of record of the Corporation when the notice required by this Section 3.3 is delivered to the Secretary and at the time of the meeting, (B) is entitled to vote for the election of Directors at the meeting and (C) complies with the notice and other provisions of this Section 3.3. Subject to Section 3.3(k) and the Stockholders Agreement, Section 3.3(b)(ii) is the exclusive means by which a Stockholder may nominate a person for election to the Board. Persons nominated in accordance with Section 3.3(b)(ii) are referred to as “Stockholder Nominees”. A Stockholder nominating persons for election to the Board is referred to as the “Nominating Stockholder”.

(c) Subject to Section 3.3(k) and the Stockholders Agreement, all nominations of Stockholder Nominees must be made by timely written notice given by or on behalf of a Stockholder of record of the Corporation (the “Notice of Nomination”). To be timely, the Notice of Nomination must be delivered personally or mailed to and received at the Office of the Corporation, addressed to the attention of the Secretary, by the following dates:

(i) in the case of the nomination of a Stockholder Nominee for election to the Board at an annual meeting of Stockholders, no earlier than 120 days and no later than 90 days before the first anniversary of the date of the prior year’s annual meeting of Stockholders; provided, however, that if (A) the annual meeting of Stockholders is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the prior year’s annual meeting of Stockholders, (B) no annual meeting was held during the prior year or (C) in the case of the Corporation’s first annual meeting of Stockholders as a corporation with a class of equity security registered under the Exchange Act, the notice by the Stockholder to be timely must be received (1) no earlier than 120 days before such annual meeting and (2) no later than the later of 90 days before such annual meeting and the tenth day after the day on which the notice of such annual meeting was first made by mail or Public Disclosure; and

(ii) in the case of the nomination of a Stockholder Nominee for election to the Board at a special meeting of Stockholders, no earlier than 120 days before and no later than the later of 90 days before such special meeting and the tenth day after the day on which the notice of such special meeting was first made by mail or Public Disclosure.

(d) Notwithstanding anything to the contrary, if the number of Directors to be elected to the Board at a meeting of Stockholders is increased and there is no Public Disclosure by the Corporation naming the nominees for the additional directorships at least 100 days before the first anniversary of the preceding year’s annual meeting, a Notice of Nomination shall also be considered timely, but only with respect to
nominees for the additional directorships, if it shall be delivered personally and received at the Office of the Corporation, addressed to the attention of the Secretary, no later than the close of business on the tenth day following the day on which such Public Disclosure is first made by the Corporation.

(c) In no event shall an adjournment, postponement or deferral, or Public Disclosure of an adjournment, postponement or deferral, of an annual or special meeting commence a new time period (or extend any time period) for the giving of the Notice of Nomination.

(f) The Notice of Nomination shall set forth:

(i) the Stockholder Information with respect to each Nominating Stockholder and Stockholder Associated Person (except that references to the “Proponent” in Section 2.2(d)(i) to (iii) shall instead refer to the “Nominating Stockholder” for purposes of this Section 3.3(f)(i));

(ii) a representation that each Stockholder nominating a Stockholder Nominee is a holder of record of stock of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such nomination;

(iii) all information regarding each Stockholder Nominee and Stockholder Associated Person that would be required to be disclosed in a solicitation of proxies subject to Section 14 of the Exchange Act;

(iv) the written consent of each Stockholder Nominee to being named in a proxy statement as a nominee and to serve if elected and a completed signed questionnaire, representation and agreement required by Section 3.4;

(v) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among a Nominating Stockholder, Stockholder Associated Person or their respective associates, or others acting in concert therewith, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Nominating Stockholder, Stockholder Associated Person or any person acting in concert therewith, were the “registrant” for purposes of such rule and the Stockholder Nominee were a director or executive of such registrant;

(vi) a representation as to whether the Nominating Stockholders intends (A) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation’s outstanding capital stock required to approve the nomination or (B) otherwise to solicit proxies from stockholders in support of such nomination;
(vii) all other information that would be required to be filed with the SEC if the Nominating Stockholders and Stockholder Associated Persons were participants in a solicitation subject to Section 14 of the Exchange Act; and

(viii) a representation that the Nominating Stockholders shall provide any other information reasonably requested by the Corporation.

(g) The Nominating Stockholders shall also provide any other information reasonably requested by the Corporation within ten Business Days after the Corporation makes such request.

(h) In addition, the Nominating Stockholder shall affirm as true and correct the information provided to the Corporation in the Notice of Nomination or at the Corporation’s request pursuant to Section 3.3(g) (and shall update or supplement such information as needed so that such information shall be true and correct) as of (i) the record date for the meeting, (ii) the date that is ten calendar days before the first anniversary date of the Corporation’s proxy statement released to Stockholders in connection with the previous year’s annual meeting (in the case of an annual meeting) or 50 days before the date of the meeting (in the case of a special meeting) and (iii) the date that is ten Business Days before the date of the meeting or any adjournment or postponement thereof. Such affirmation, update and/or supplement must be delivered personally or mailed to, and received at the Office of the Corporation, addressed to the Secretary, by no later than (1) five Business Days after the applicable date specified in clause (i) or (ii) of the foregoing sentence (in the case of the affirmation, update and/or supplement required to be made as of those dates), and (2) not later than seven Business Days before the date for the meeting (in the case of the affirmation, update and/or supplement required to be made as of ten Business Days before the meeting or any adjournment or postponement thereof).

(i) The person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting, that the nomination was not made in accordance with the procedures set forth in this Section 3.3, and, if he or she should so determine, he or she shall so declare to the meeting and the defective nomination shall be disregarded.

(j) If the Stockholder (or a qualified representative of the Stockholder) does not appear at the applicable Stockholder meeting to nominate the Stockholder Nominees, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 3.3, to be considered a qualified representative of the Stockholder, a person must be a duly authorized officer, manager or partner of such Stockholder or must be authorized by a writing executed by such Stockholder or an electronic transmission delivered by such Stockholder to act for such Stockholder as proxy at the meeting of Stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of Stockholders.
Nothing in this Section 3.3 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.

3.4 Nominee Qualifications. Unless the Board determines otherwise or the Stockholders Agreement provides otherwise (as long as such agreement is in effect), to be eligible to be a nominee for election or reelection as a Director, the Stockholder Nominee must deliver (in accordance with the time periods prescribed for delivery of notice under Section 3.3) to the Secretary at the Office of the Corporation (a) a completed and signed written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person will act or vote as a Director on any issue or question (a “Voting Commitment”) that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such person’s ability to comply with such person’s fiduciary duties as a Director under applicable Law, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a Director that has not been disclosed therein and (iii) will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading and other policies and guidelines of the Corporation that are applicable to Directors and (b) such person’s written consent to being named as a Stockholder Nominee and to serving as a Director if elected; provided, however, that notwithstanding anything in these By-laws to the contrary, unless the Stockholder Agreement provides otherwise (as long as such agreement is in effect), the provisions of this Section 3.4 shall not apply to any Director nominated pursuant to the terms of the Stockholders Agreement.

3.5 Newly Created Directorships and Vacancies. Subject to the Stockholders Agreement and the rights of holders of any series of preferred stock to elect Directors under specific circumstances, any newly created directorships resulting from an increase in the authorized number of Directors and any vacancies occurring in the Board, may be filled solely by the affirmative votes of a majority of the remaining members of the Board, although less than a quorum, or a sole remaining Director. A Director so elected shall be elected to hold office until the earlier of the expiration of the term of office of the Director whom he or she has replaced, a successor is elected and qualified or the Director’s death, resignation, disqualification or removal.

3.6 Resignation. Any Director may resign at any time by notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect at the date of receipt of such notice or at such later time as is therein specified, and, unless otherwise specified in such resignation, the acceptance of such resignation shall not be necessary to make it effective.
3.7 **Compensation.** Each Director, in consideration of his or her service as such, shall be entitled to receive from the Corporation such amount per annum or such fees (payable in cash or equity) for attendance at Directors’ meetings, or both, as the Board may from time to time determine, together with reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in connection with the performance of his or her duties. Each Director who shall serve as a member of any committee of Directors in consideration of serving as such shall be entitled to such additional amount per annum or such fees for attendance at committee meetings, or both, as the Board may from time to time determine, together with reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in the performance of his or her duties. Nothing contained in this Section 3.7 shall preclude any Director from serving the Corporation or its subsidiaries in any other capacity and receiving proper compensation therefor.

3.8 **Regular Meetings.** Regular meetings of the Board may be held without notice at such times and at such places within or without the State of Delaware as may be determined from time to time by the Board or its Chairperson.

3.9 **Special Meetings.** Special meetings of the Board may be held at such times and at such places within or without the State of Delaware as may be determined by the Chairperson or the President on at least 24 hours’ notice to each Director given by one of the means specified in Section 3.12 hereof other than by mail or on at least three days’ notice if given by mail. Special meetings shall be called by the Chairperson, President or Secretary in like manner and on like notice on the written request of any two or more Directors.

3.10 **Telephone Meetings.** Board or Board committee meetings may be held by means of telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation by a Director in a meeting pursuant to this Section 3.10 shall constitute presence in person at such meeting.

3.11 **Adjourned Meetings.** A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. At least 24 hours’ notice of any adjourned meeting of the Board shall be given to each Director whether or not present at the time of the adjournment; provided, however, that notice of the adjourned meeting need not be given if (a) the adjournment is for 24 hours or less and (b) the time, place, if any, and means of remote communication, if any, are announced at the meeting at which the adjournment is taken. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

3.12 **Notice Procedure.** Subject to Sections 3.9 and 3.13 hereof, whenever notice is required to be given to any Director by applicable Law, the Certificate
3.13 **Waiver of Notice.** Whenever the giving of any notice to Directors is required by applicable Law, the Certificate of Incorporation or these By-laws, a written waiver signed by the Director, or a waiver by electronic transmission by such Director, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except when the Director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special Board or committee meeting need be specified in any waiver of notice.

3.14 **Organization.** At each meeting of the Board, the Chairperson or, in his or her absence, another Director selected by the Board shall preside. The Secretary shall act as secretary at each meeting of the Board. If the Secretary is absent from any meeting of the Board, an Assistant Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all Assistant Secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

3.15 **Quorum of Directors.** The presence of a majority of the total number of Directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board; provided, however, that in no case shall a quorum consist of less than one-third of the total number of Directors that the Corporation would have if there were no vacancies on the Board.

3.16 **Action by Majority Vote.** Except as otherwise expressly required by these By-laws or the Certificate of Incorporation, the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board; provided, that to the extent one or more Directors recuses himself or herself from an act, the act of a majority of the remaining Directors then in office shall be the act of the Board.

3.17 **Action Without Meeting.** Unless otherwise restricted by these By-laws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all Directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board or committee.
ARTICLE IV

COMMITTEES OF THE BOARD

The provisions of this Article IV shall be subject in all respects to the terms of the Stockholders Agreement (so long as such Stockholders Agreement remains in effect). The Board may designate one or more committees in accordance with Section 141(c) of the DGCL. Unless the Board provides otherwise, at all meetings of such committee, a majority of the then authorized number of members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board provides otherwise, each committee designated by the Board may make, alter and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article III.

ARTICLE V

OFFICERS

5.1 Positions; Election. The officers of the Corporation shall be a Chairperson, Chief Executive Officer, President, Secretary, Treasurer and any other officers as the Board may elect from time to time, who shall exercise such powers and perform such duties as shall be determined by the Board from time to time. Any number of offices may be held by the same person.

5.2 Term of Office. Each officer of the Corporation shall hold office until such officer’s successor is elected and qualifies or until such officer’s earlier death, resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the date of receipt of such notice or at such later time as is therein specified. The resignation of an officer shall be without prejudice to the contract rights of the Corporation, if any. Any officer may be removed at any time with or without cause by the Board. Any vacancy occurring in any office of the Corporation may be filled by the Board. The election or appointment of an officer shall not of itself create contract rights.

5.3 Chairperson. The Chairperson shall preside at all meetings of the Board and shall exercise such powers and perform such other duties as shall be determined from time to time by the Board.

5.4 Chief Executive Officer. The Chief Executive Officer shall have general supervision over, and direction of, the business and affairs of the Corporation, subject, however, to the control of the Board and of any duly authorized committee of the Board. The Chief Executive Officer shall preside at all meetings of the Stockholders and
at all meetings of the Board at which the Chairperson and the Vice Chairperson (if there be one) are not present. The Chief Executive Officer may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by resolution of the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by applicable Law otherwise to be signed or executed and, in general, the Chief Executive Officer shall perform all duties incident to the office of Chief Executive Officer of a corporation and such other duties as may be determined from time to time by the Board.

5.5 President. The President shall have general supervision over the business of the Corporation and other duties incident to the office of President, and any other duties as may from time to time be assigned to the President by the Chief Executive Officer (if the President and Chief Executive Officer are not the same person) or the Board and subject to the control of the Chief Executive Officer (if the President and Chief Executive Officer are not the same person) and the Board in each case. The President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by applicable Law otherwise to be signed or executed.

5.6 Secretary. The Secretary shall attend all meetings of the Board and of the Stockholders, record all the proceedings of the meetings of the Board and of the Stockholders in a book to be kept for that purpose and perform like duties for committees of the Board, when required. The Secretary shall give, or cause to be given, notice of all special meetings of the Board and of the Stockholders and perform such other duties as may be prescribed by the Board, the Chief Executive Officer or the President. The Secretary shall have custody of the corporate seal of the Corporation, and the Secretary or an Assistant Secretary, shall have authority to affix the same on any instrument that may require it, and when so affixed, the seal may be attested by the signature of the Secretary or by the signature of such Assistant Secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the same by such officer’s signature. The Secretary or an Assistant Secretary may also attest all instruments signed by the President, the Chief Executive Officer or any other officer of the Corporation. The Secretary shall have charge of all the books, records and papers of the Corporation relating to its organization and management, see that the reports, statements and other documents required by applicable Law are properly kept and filed and, in general, perform all duties incident to the office of Secretary of a corporation and such other duties as may from time to time be assigned to the Secretary by the Board, the Chief Executive Officer or the President.

5.7 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds, securities and notes of the Corporation, receive and give receipts for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys and valuable effects in the name and to the credit of the
Corporation in such depositaries as may be designated by the Board, against proper vouchers, cause such funds to be disbursed by checks or drafts on the authorized depositaries of the Corporation signed in such manner as shall be determined by the Board and be responsible for the accuracy of the amounts of all moneys so disbursed, regularly enter or cause to be entered in books or other records maintained for the purpose full and adequate account of all moneys received or paid for the account of the Corporation, have the right to require from time to time reports or statements giving such information as the Treasurer may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same, render to the Chief Executive Officer, President or the Board, whenever the Chief Executive Officer, President or the Board shall require the Treasurer so to do, an account of the financial condition of the Corporation and of all financial transactions of the Corporation, disburse the funds of the Corporation as ordered by the Board and, in general, perform all duties incident to the office of Treasurer of a corporation and such other duties as may from time to time be assigned to the Treasurer by the Board, the Chief Executive Officer or the President.

5.8 Assistant Secretaries and Assistant Treasurers. Assistant Secretaries and Assistant Treasurers shall perform such duties as shall be assigned to them by the Secretary or by the Treasurer, respectively, or by the Board, the Chief Executive Officer or the President.

ARTICLE VI
GENERAL PROVISIONS

6.1 Certificates Representing Shares. The shares of stock of the Corporation shall be represented by certificates or all of such shares shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock, or a combination of both. If shares are represented by certificates, such certificates shall be in the form approved by the Board. The certificates representing shares of stock of each class shall be signed by, or in the name of, the Corporation by any two authorized officers of the Corporation. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

6.2 Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agents and registry offices or agents at such place or places as may be determined from time to time by the Board.

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

6.4 **Form of Records.** Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be maintained on any information storage device or method; provided that the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to applicable Law.

6.5 **Seal.** The Corporation may have a corporate seal, which shall be in such form as may be approved from time to time by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

6.6 **Fiscal Year.** The fiscal year of the Corporation shall be determined by the Board.

6.7 **Amendments.** These By-laws may be altered, amended or repealed in accordance with the Certificate of Incorporation and the DGCL, subject to the Stockholders Agreement (as long as such agreement is in effect).

6.8 **Conflict with Applicable Law or Certificate of Incorporation.** These By-laws are adopted subject to any applicable Law and the Certificate of Incorporation. Whenever these By-laws may conflict with any applicable Law or the Certificate of Incorporation, such conflict shall be resolved in favor of such Law or the Certificate of Incorporation.
February 27, 2017

J.Jill, Inc.
4 Batterymarch Park
Quincy, MA 02169

Registration Statement on Form S-1
(Registration No. 333-215993)

Ladies and Gentlemen:

We have acted as special counsel to J.Jill, Inc., a Delaware corporation (the “Company”), in connection with the Registration Statement on Form S-1, as amended (the “Registration Statement”), of the Company, filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the “Act”), and the rules and regulations thereunder (the “Rules”). You have asked us to furnish our opinion as to the legality of the securities being registered under the Registration Statement. The Registration Statement relates to the registration under the Act of up to 13,416,667 shares (the “Shares”) of the Company’s common stock, par value $0.01 per share (the “Common Stock”), that may be offered by a certain stockholder of the Company (including shares that may be sold by such stockholder upon exercise of the underwriters’ over-allotment option).
In connection with the furnishing of this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents (collectively, the “Documents”):

1. the Registration Statement; and

2. the form of the Underwriting Agreement (the “Underwriting Agreement”), included as Exhibit 1.1 to the Registration Statement.

In addition, we have examined (i) such corporate records of the Company that we have considered appropriate, including a copy of the certificate of incorporation, as amended, and by-laws, as amended, of the Company, certified by the Company as in effect on the date of this letter, and copies of resolutions of the board of directors of the Company and resolutions of the general partner of a certain stockholder relating to the sale of the Shares, certified by the Company, and (ii) such other certificates, agreements and documents that we deemed relevant and necessary as a basis for the opinions expressed below. We have also relied upon the factual matters contained in the representations and warranties of the Company made in the Documents and upon certificates of public officials and the officers of the Company.

In our examination of the documents referred to above, we have assumed, without independent investigation, the genuineness of all signatures, the legal capacity of all individuals who have executed any of the documents reviewed by us, the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as certified, photostatic, reproduced or conformed copies of valid existing agreements or other documents, the authenticity of all the latter documents and that the statements regarding matters of fact in the certificates, records, agreements, instruments and documents that we have examined are accurate and complete.
Based upon the above, and subject to the stated assumptions, exceptions and qualifications, we are of the opinion that the Shares have been duly authorized by all necessary corporate action on the part of the Company and are validly issued, fully paid and non-assessable.

The opinion expressed above is limited to the General Corporation Law of the State of Delaware. Our opinion is rendered only with respect to the laws, and the rules, regulations and orders under those laws, that are currently in effect.

We hereby consent to use of this opinion as an exhibit to the Registration Statement and to the use of our name under the heading “Legal Matters” contained in the prospectus included in the Registration Statement. In giving this consent, we do not thereby admit that we come within the category of persons whose consent is required by the Act or the Rules.

Very truly yours,

/s/ Paul, Weiss, Rifkind, Wharton & Garrison LLP

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
INDEMNIFICATION AGREEMENT

by and between

JJILL, INC.

and

[ ]

as Indemnitee

Dated as of , 2017
<table>
<thead>
<tr>
<th>ARTICLE</th>
<th>SECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DEFINITIONS</td>
</tr>
<tr>
<td>2</td>
<td>INDEMNITY IN THIRD-PARTY PROCEEDINGS</td>
</tr>
<tr>
<td>3</td>
<td>INDEMNITY IN PROCEEDINGS BY OR IN THE RIGHT OF THE COMPANY</td>
</tr>
<tr>
<td>4</td>
<td>INDEMNIFICATION FOR EXPENSES OF A PARTY WHO IS WHOLLY OR PARTLY SUCCESSFUL</td>
</tr>
<tr>
<td>5</td>
<td>INDEMNIFICATION FOR EXPENSES OF A WITNESS</td>
</tr>
<tr>
<td>6</td>
<td>ADDITIONAL INDEMNIFICATION, HOLD HARMLESS AND EXONERATION RIGHTS</td>
</tr>
<tr>
<td>7</td>
<td>CONTRIBUTION IN THE EVENT OF JOINT LIABILITY</td>
</tr>
<tr>
<td>8</td>
<td>EXCLUSIONS</td>
</tr>
<tr>
<td>9</td>
<td>ADVANCES OF EXPENSES; SELECTION OF LAW FIRM</td>
</tr>
<tr>
<td>10</td>
<td>PROCEDURE FOR NOTIFICATION; DEFENSE OF CLAIM; SETTLEMENT</td>
</tr>
<tr>
<td>11</td>
<td>PROCEDURE UPON APPLICATION FOR INDEMNIFICATION</td>
</tr>
<tr>
<td>12</td>
<td>PRESUMPTIONS AND EFFECT OF CERTAIN PROCEEDINGS</td>
</tr>
<tr>
<td>13</td>
<td>REMEDIES OF INDEMNITEE</td>
</tr>
<tr>
<td>14</td>
<td>SECURITY</td>
</tr>
<tr>
<td>15</td>
<td>NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE; PRIMACY OF INDEMNIFICATION; SUBROGATION</td>
</tr>
<tr>
<td>16</td>
<td>ENFORCEMENT AND BINDING EFFECT</td>
</tr>
<tr>
<td>17</td>
<td>MISCELLANEOUS</td>
</tr>
</tbody>
</table>
INDEMNIFICATION AGREEMENT

INDEMNIFICATION AGREEMENT, dated effective as of [                 ], 2017 (this “ Agreement ”), by and between J.Jill, Inc., a Delaware corporation (the “ Company ”), and [                 ] (“ Indemnitee ”). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in Article I.

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the fullest extent permitted by law;

WHEREAS, the Company and Indemnitee further recognize the substantial increase in corporate litigation in general, subjecting directors, officers, employees, agents and fiduciaries to expensive litigation risks at the same time as the availability and scope of coverage of liability insurance provide increasing challenges for the Company;

WHEREAS, the Company’s Certificate of Incorporation (as the same may be amended and/or restated from time to time, the “ Certificate of Incorporation ”) requires indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to applicable provisions of the Delaware General Corporation Law (“ DGCL ”);

WHEREAS, the Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts providing for indemnification may be entered into between the Company and members of the board of directors of the Company (the “ Board ”), executive officers and other key employees of the Company;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation and any resolutions adopted pursuant thereto and shall not be deemed a substitute therefor nor to diminish or abrogate any rights of Indemnitee thereunder (regardless of, among other things, any amendment to or revocation of governing documents or any change in the composition of the Board or any Corporate Transaction); and

WHEREAS, Indemnitee will serve or continue to serve as a director, officer or key employee of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is otherwise terminated by the Company.

NOW, THEREFORE, in consideration of the promises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:
ARTICLE I

DEFINITIONS

As used in this Agreement:

1.1. “Affiliate” shall have the meaning set forth in Rule 405 under the Securities Act of 1933, as amended (as in effect on the date hereof).

1.2. “Agreement” shall have the meaning set forth in the preamble.

1.3. “Beneficial Owner” and “Beneficial Ownership” shall have the meaning set forth in Rule 13d-3 under the Exchange Act (as in effect on the date hereof).

1.4. “Board” shall have the meaning set forth in the recitals.

1.5. “By-Laws” shall mean the Company’s By-Laws (as the same may be amended and/or restated from time to time).

1.6. “Certificate of Incorporation” shall have the meaning set forth in the recitals.

1.7. “Change in Control” shall mean, and shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(a) Acquisation of Stock by Third Party. Any Person other than a Permitted Holder is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding Voting Securities, unless (i) the change in the relative Beneficial Ownership of the Company’s securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors or (ii) such acquisition was approved in advance by the Continuing Directors and such acquisition would not constitute a Change in Control under part (c) of this definition;

(b) Change in Board of Directors. Individuals who, as of the date hereof, constitute the Board, and any new director whose appointment or election by the Board or nomination for election by the Company’s stockholders was approved or recommended by a vote of at least a majority of the directors then still in office who were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended by the directors referred to in this clause (b) (collectively, the “Continuing Directors”), cease for any reason to constitute at least a majority of the members of the Board;

(c) Corporate Transactions. The effective date of a reorganization, merger or consolidation of the Company (in each case, a “Corporate Transaction”), unless following such Corporate Transaction: (i) all or substantially all of the individuals and entities who were the Beneficial Owners of Voting Securities of the Company
immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding Voting Securities of the Company or other Person resulting from such Corporate Transaction (including, without limitation, a corporation or other Person that as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership of Voting Securities immediately prior to such Corporate Transaction; (ii) no Person (excluding any corporation resulting from such Corporate Transaction or the Permitted Holders) is the Beneficial Owner, directly or indirectly, of 50% or more of the combined voting power of the then outstanding Voting Securities of the Company or other Person resulting from such Corporate Transaction, except to the extent that such ownership existed prior to such Corporate Transaction; and (iii) at least a majority of the board of directors of the Company or other Person resulting from such Corporate Transaction were Continuing Directors at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction; or

(d) Other Events. The approval by the stockholders of the Company of a plan of complete liquidation or dissolution of the Company or the consummation of an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Company of all or substantially all of the Company’s assets, other than such sale or other disposition by the Company of all or substantially all of the Company’s assets to a Person, at least 50% of the combined voting power of the Voting Securities of which are Beneficially Owned by (i) the stockholders of the Company immediately prior to such sale or (ii) the Permitted Holders.

1.8. “Company” shall have the meaning set forth in the preamble and shall also include, in addition to the resulting corporation or other entity, any constituent corporation (including, without limitation, any constituent of a constituent) absorbed in a consolidation or merger that, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that if Indemnitee is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation or other entity as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

1.9. “Continuing Directors” shall have the meaning set forth in Section 1.7(b).

1.10. “Corporate Status” shall describe the status as such of a person who is or was a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of the Company or of any other Enterprise which such person is or was serving at the request of the Company.

1.11. “Corporate Transaction” shall have the meaning set forth in Section 1.7(c).
1.12. “Delaware Court” shall mean the Court of Chancery of the State of Delaware.

1.13. “DGCL” shall have the meaning set forth in the recitals.

1.14. “Disinterested Director” shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

1.15. “Enterprise” shall mean the Company and any other corporation, constituent corporation (including, without limitation, any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its wholly owned Subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent.


1.17. “Expenses” shall include all reasonable and documented attorneys’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or negotiating for the settlement of, responding to or objecting to a request to provide discovery in, or otherwise participating in, any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments, fines or penalties against Indemnitee.

1.18. “Indemnification Arrangements” shall have the meaning set forth in Section 15.2.

1.19. “Indemnity” shall have the meaning set forth in the preamble.

1.20. “Indemnitee-Related Entities” shall mean any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Company, any other Enterprise controlled by the Company or the insurer under and pursuant to an insurance policy of the Company or any such controlled Enterprise) from whom an Indemnitee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Company or any other Enterprise controlled by the Company may also have an indemnification or advancement obligation.

1.21. “Independent Counsel” shall mean a law firm, or a member of a law firm, that is of outstanding reputation, experienced in matters of corporation law and neither is as of
the date of selection of such firm, nor has been during the period of three years immediately preceding the date of selection of such firm, retained to represent:

(a) the Company or Indemnitee in any material matter (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements); or (b) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto. For purposes of this definition, a “material matter” shall mean any matter for which billings exceeded or are expected to exceed $100,000.


1.23. “Person” shall have the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act (as in effect on the date hereof); provided, however, that the term “Person” shall exclude: (a) the Company; (b) any Subsidiaries of the Company; and (c) any employee benefit plan of the Company or a Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Subsidiary of the Company or of a corporation or other entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

1.24. “Proceeding” shall include any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, including, without limitation, any and all appeals, whether brought by or in the right of the Company or otherwise and whether of a civil (including, without limitation, intentional or unintentional tort claims), criminal, administrative or investigative nature, whether formal or informal, in which Indemnitee was, is, will or might be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by or omission by Indemnitee, or of any action or omission on Indemnitee’s part while acting as a director or officer of the Company, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other Enterprise; in each case whether or not acting or serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement or Section 145 of the DGCL; including one pending on or before the date of this Agreement but excluding one initiated by Indemnitee to enforce Indemnitee’s rights under this Agreement or Section 145 of the DGCL.

1.25. “Related Party” shall mean, with respect to any Person, (a) any controlling stockholder, controlling member, general partner, Subsidiary, spouse or immediate family
member (in the case of an individual) of such Person, (b) any estate, trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners or owners of which consist solely of one or more Permitted Holders and/or such other Persons referred to in the immediately preceding clause (a), or (c) any executor, administrator, trustee, manager, director or other similar fiduciary of any Person referred to in the immediately preceding clause (b), acting solely in such capacity.

1.26. “Section 409A.” shall have the meaning set forth in Section 17.2.

1.27. “Subsidiary.” with respect to any Person, shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by that Person.

1.28. “Voting Securities.” shall mean any securities of the Company (or a surviving entity as described in the definition of a “Change in Control”) that vote generally in the election of directors (or similar body).

1.29. References to “fines.” shall include any excise tax or penalty assessed on Indemnitee with respect to any employee benefit plan; references to “other enterprise” shall include employee benefit plans; references to “serving at the request of the Company.” shall include any service as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner “not opposed to the best interests of the Company.” as referred to in this Agreement.

1.30. The phrase “to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law.” shall include, but not be limited to: (a) to the fullest extent authorized or permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL and (b) to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

ARTICLE 2

INDEMNITY IN THIRD-PARTY PROCEEDINGS

Subject to Article 8, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Article 2 if Indemnitee is, was or is threatened to be made a party to or a participant (as a witness or otherwise) in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Subject to Article 8, to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties and, subject to Section 10.3, amounts paid in settlement actually and
reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that such conduct was unlawful.

ARTICLE 3

INDEMNITY IN PROCEEDINGS BY OR IN THE RIGHT OF THE COMPANY

Subject to Article 8, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Article 3 if Indemnitee is, was or is threatened to be made a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Subject to Article 8, to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law, Indemnitee shall be indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Article 3 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged (and not subject to further appeal) by a court of competent jurisdiction to be liable to the Company, except to the extent that the Delaware Court or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

ARTICLE 4

INDEMNIFICATION FOR EXPENSES OF A PARTY WHO IS WHOLLY OR PARTLY SUCCESSFUL

Notwithstanding any other provisions of this Agreement, to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection therewith. For the avoidance of doubt, if Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, then the Company shall indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with each resolved claim, issue or matter, whether or not Indemnitee was wholly or partly successful; provided that Indemnitee shall only be entitled to indemnification for Expenses with respect to unsuccessful claims under this Article 4 to the extent Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that such conduct was unlawful. For purposes of this Article 4 and without limitation, the
termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, or by settlement, shall be deemed to be a successful result as to such claim, issue or matter.

ARTICLE 5

INDEMNIFICATION FOR EXPENSES OF A WITNESS

Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee’s Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection therewith.

ARTICLE 6

ADDITIONAL INDEMNIFICATION, HOLD HARMLESS AND EXONERATION RIGHTS

In addition to and notwithstanding any limitations in Articles 2, 3 or 4, but subject to Article 8, the Company shall indemnify, hold harmless and exonerate Indemnitee to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) law if Indemnitee is, was or is threatened to be made a party to or a participant in, any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines, penalties and, subject to Section 10.3, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with the Proceeding. No indemnity shall be available under this Article 6 on account of Indemnitee’s conduct that constitutes a breach of Indemnitee’s duty of loyalty to the Company or its stockholders or is an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law.

ARTICLE 7

CONTRIBUTION IN THE EVENT OF JOINT LIABILITY

7.1. To the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) law, if the indemnification rights provided for in this Agreement are unavailable to Indemnitee in whole or in part for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for judgments, liabilities, fines, penalties, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.
7.2. The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

7.3. The Company hereby agrees to fully indemnify, hold harmless and exonerate Indemnitee from any claims for contribution which may be brought by officers, directors or employees of the Company (other than Indemnitee) who may be jointly liable with Indemnitee.

ARTICLE 8
EXCLUSIONS

8.1. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity, contribution or advancement of Expenses in connection with any claim made against Indemnitee:

(a) except as provided in Section 15.4, for which payment has actually been made to or on behalf of Indemnitee under any insurance policy of the Company or its Subsidiaries or other indemnity provision of the Company or its Subsidiaries, except with respect to any excess beyond the amount paid under any insurance policy, contract, agreement, other indemnity provision or otherwise; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (or any similar successor statute) or similar provisions of state statutory law or common law; or

(c) in connection with any Proceeding (or any part of any Proceeding) initiated or brought voluntarily by Indemnitee, including, without limitation, any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, other than a Proceeding initiated by Indemnitee to enforce its rights under this Agreement, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) or (ii) the Company provides the indemnification payment, in its sole discretion, pursuant to the powers vested in the Company under applicable law; or

(d) for the payment of amounts required to be reimbursed to the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, as amended, or any similar successor statute; or

(e) for any payment to Indemnitee that is determined to be unlawful by a final judgment or other adjudication of a court or arbitration, arbitral or administrative body of competent jurisdiction as to which there is no further right or option of appeal or the time within which an appeal must be filed has expired without such filing and under the procedures and subject to the presumptions of this Agreement; or
(f) in connection with any Proceeding initiated by Indemnitee to enforce its rights under this Agreement if a court of competent jurisdiction determines by final judicial decision that each of the material assertions made by Indemnitee in such Proceeding was not made in good faith or was frivolous.

The exclusion in Section 8.1(c) shall not apply to counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee.

ARTICLE 9
ADVANCES OF EXPENSES; SELECTION OF LAW FIRM

9.1. Subject to Article 8, the Company shall, unless prohibited by applicable law, advance the Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding within ten business days after the receipt by the Company of a statement or statements requesting such advances, together with a reasonably detailed written explanation of the basis therefor and an itemization of legal fees and disbursements in reasonable detail, from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Indemnitee shall qualify for advances, to the fullest extent permitted by this Agreement, solely upon the execution and delivery to the Company of an undertaking providing that Indemnitee undertakes to repay the advance to the extent that it is ultimately determined, by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal, that Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement or pursuant to applicable law. This Section 9.1 shall not apply to any claim made by Indemnitee for which an indemnification payment is excluded pursuant to Article 8.

9.2. If the Company shall be obligated under Section 9.1 hereof to pay the Expenses of any Proceeding against Indemnitee, then the Company shall be entitled to assume the defense of such Proceeding upon the delivery to Indemnitee of written notice of its election to do so. If the Company elects to assume the defense of such Proceeding, then unless the plaintiff or plaintiffs in such Proceeding include one or more Persons holding, together with his, her or its Affiliates, in the aggregate, a majority of the combined voting power of the Company’s then outstanding Voting Securities, the Company shall assume such defense using a single law firm (in addition to local counsel) selected by the Company representing Indemnitee and other present and former directors or officers of the Company. The retention of such law firm by the Company shall be subject to prior written approval by Indemnitee, which approval shall not be unreasonably withheld, delayed or conditioned. If the Company elects to assume the defense of such Proceeding and the plaintiff or plaintiffs in such Proceeding include one or more Persons holding, together with his, her or its Affiliates, in the aggregate, a majority of the combined voting power of the Company’s then outstanding Voting Securities, then the Company shall assume such defense using a single law firm (in addition to local counsel) selected by Indemnitee and any other present or former directors or officers of the Company who are parties to such Proceeding. After (x) in the case of retention of any such law firm selected by the Company, delivery of the required notice to Indemnitee, approval of such law firm by Indemnitee and the retention of such law firm by the Company, or (y) in the case of retention of any such law firm selected by Indemnitee, the completion of such retention, the Company will not be liable to
Indemnitee under this Agreement for any Expenses of any other law firm incurred by Indemnitee after the date that such first law firm is retained by the Company with respect to the same Proceeding; provided, that in the case of retention of any such law firm selected by the Company (a) Indemnitee shall have the right to retain a separate law firm in any such Proceeding at Indemnitee’s sole expense; and (b) if (i) the retention of a law firm by Indemnitee has been previously authorized by the Company in writing, (ii) Indemnitee shall have reasonably concluded that (1) there may be a conflict of interest between either (x) the Company and Indemnitee or (y) Indemnitee and another present or former director or officer of the Company also represented by such law firm in the conduct of any such defense, or (2) there may be defenses available to Indemnitee that are incompatible or inconsistent with those available to the Company or another present or former director represented by such law firm in the conduct of such defense, or (iii) the Company shall not, in fact, have retained a law firm to prosecute the defense of such Proceeding within thirty days, then the reasonable Expenses of a single law firm retained by Indemnitee shall be at the expense of the Company. Notwithstanding anything else to the contrary in this Section 9.2, the Company will not be entitled without the written consent of the Indemnitee to assume the defense of any Proceeding brought by or in the right of the Company.

ARTICLE 10
PROCEDURE FOR NOTIFICATION; DEFENSE OF CLAIM; SETTLEMENT

10.1. Indemnitee shall, as a condition precedent to Indemnitee’s right to be indemnified under this Agreement, give the Company notice in writing promptly of any claim made against Indemnitee for which indemnification will or could be sought under this Agreement; provided, however, that a delay in giving such notice shall not deprive Indemnitee of any right to be indemnified under this Agreement unless, and then only to the extent that, such delay is materially prejudicial to the defense of such claim. The omission or delay to notify the Company will not relieve the Company from any liability for indemnification which it may have to Indemnitee otherwise than under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

10.2. The Company will be entitled to participate in the Proceeding at its own expense.

10.3. The Company shall have no obligation to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any claim effected without the Company’s prior written consent, provided the Company has not breached its obligations hereunder. The Company shall not settle any claim, including, without limitation, any claim in which it takes the position that Indemnitee is not entitled to indemnification in connection with such settlement, nor shall the Company settle any claim which would impose any fine or obligation on Indemnitee or attribute to Indemnitee any admission of liability, without Indemnitee’s prior written consent. Neither the Company nor Indemnitee shall unreasonably withhold, delay or condition their consent to any proposed settlement.
ARTICLE 11

PROCEDURE UPON APPLICATION FOR INDEMNIFICATION

11.1. Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 10.1, a determination, if required by applicable law, with respect to Indemnitee’s entitlement thereto shall be made in the specific case: (a) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (b) if a Change in Control shall not have occurred, (i) by a majority vote of the Disinterested Directors (provided there is a minimum of three Disinterested Directors), even though less than a quorum of the Board, (ii) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors (provided there is a minimum of three Disinterested Directors), even though less than a quorum of the Board, or (iii) if there are less than three Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten business days after such determination and any future amounts due to Indemnitee shall be paid in accordance with this Agreement. Indemnitee shall cooperate with the Person making such determination with respect to Indemnitee’s entitlement to indemnification, including, without limitation, providing to such Person upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination, provided, that nothing contained in this Agreement shall require Indemnitee to waive any privilege Indemnitee may have. Any costs or expenses (including, without limitation, reasonable attorneys’ fees and disbursements) incurred by Indemnitee in so cooperating with the Person making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee’s entitlement to indemnification), and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

11.2. If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 11.1 hereof, the Independent Counsel shall be selected as provided in this Section 11.2. If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten business days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of “Independent Counsel” as defined in Article 1 of this Agreement, and the objection shall be set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court or arbitrator has determined that such objection is without
merit. If, within twenty days after submission by Indemnitee of a written request for indemnification pursuant to Section 10.1 hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may seek arbitration for resolution of any objection which shall have been made by the Company or Indemnitee to the other’s selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the arbitrator or by such other person as the arbitrator shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 11.1 hereof. Such arbitration referred to in the previous sentence shall be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association, and Article 13 hereof shall apply in respect of such arbitration and the Company and Indemnitee. Upon the due commencement of any judicial proceeding pursuant to Section 13.1 of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

ARTICLE 12

PRESUMPTIONS AND EFFECT OF CERTAIN PROCEEDINGS

12.1. In making a determination with respect to entitlement to indemnification hereunder, the Person making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10.1 of this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its Board, its Independent Counsel and its stockholders) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification or advancement of expenses is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its Board, its Independent Counsel and its stockholders) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

12.2. If the Person empowered or selected under Article 11 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within thirty days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (a) an intentional misstatement by Indemnitee of a material fact, or an intentional omission of a material fact necessary to make Indemnitee’s statement not materially misleading, in connection with the request for indemnification, or (b) a final judicial determination that any or all such indemnification is expressly prohibited under applicable law; provided, however, that such thirty-day period may be extended for a reasonable time, not to exceed an additional fifteen days, if the Person making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.
12.3. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement (with or without court approval), conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee’s conduct was unlawful.

12.4. For purposes of any determination of good faith pursuant to this Agreement, Indemnitee shall be deemed to have acted in good faith if, among other things, Indemnitee’s action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise, its board of directors, any committee of the board of directors or any director, or on information or records given or reports made to the Enterprise, its board of directors, any committee of the board of directors or any director, by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise, its board of directors, any committee of the board of directors or any director. The provisions of this Section 12.4 shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement. In any event, it shall be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

12.5. The knowledge and/or actions, or failure to act, of any other director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

12.6. The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

ARTICLE 13

REMEDIES OF INDEMNITEE

13.1. In the event that (a) a determination is made pursuant to Article 11 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement,
(b) advancement of Expenses, to the fullest extent permitted by applicable law, is not timely made pursuant to Article 9 of this Agreement, (c) no determination of entitlement to indemnification shall have been made pursuant to Section 11.1 of this Agreement within thirty days after receipt by the Company of the request for indemnification and of reasonable documentation and information which Indemnitee may be called upon to provide pursuant to Section 11.1, (d) payment of indemnification is not made pursuant to Articles 4, 5, 6 or the last sentence of Section 11.1 of this Agreement within ten business days after receipt by the Company of a written request therefor, (e) a contribution payment is not made in a timely manner pursuant to Article 7 of this Agreement, (f) payment of indemnification pursuant to Article 3 or 6 of this Agreement is not made within ten business days after a determination has been made that Indemnitee is entitled to indemnification or (g) the Company or any representative thereof takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any Proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of Indemnitee’s entitlement to such indemnification, contribution or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Delaware law (without regard to its conflict of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee’s right to seek any such adjudication or award in arbitration. The award rendered by such arbitration will be final and binding upon the parties hereto, and final judgment on the arbitration award may be entered in any court of competent jurisdiction.

13.2. In the event that a determination shall have been made pursuant to Section 11.1 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Article 13 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Article 13, Indemnitee shall be presumed to be entitled to receive advances of Expenses under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 11.1 of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Article 13, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Article 9 until a final determination is made with respect to Indemnitee’s entitlement to indemnification (as to which all rights of appeal shall have been exhausted or lapsed).

13.3. If a determination shall have been made pursuant to Section 11.1 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Article 13, absent (a) an intentional misstatement by Indemnitee of a material fact or an intentional omission of a material fact necessary to make Indemnitee’s statement not materially misleading, in connection with the request for indemnification or (b) a prohibition of such indemnification under applicable law.
13.4. The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Article 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

13.5. The Company shall indemnify and hold harmless Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten days after the Company’s receipt of such written request) pay to Indemnitee, to the fullest extent permitted by applicable law, such Expenses which are incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee (a) to enforce his or her rights under, or to recover damages for breach of, this Agreement or any other indemnification, advancement or contribution agreement or provision of the Certificate of Incorporation, or the By-Laws now or hereafter in effect; or (b) for recovery or advances under any insurance policy maintained by any person for the benefit of Indemnitee, regardless of the outcome and whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement, contribution or insurance recovery, as the case may be (unless such judicial proceeding or arbitration was not brought by Indemnitee in good faith).

13.6. Interest shall be paid by the Company to Indemnitee at the legal rate under Delaware law for amounts which the Company indemnifies, or is obliged to indemnify, for the period commencing with the date on which Indemnitee requests indemnification, contribution, reimbursement or advancement of any Expenses and ending with the date on which such payment is made to Indemnitee by the Company.

ARTICLE 14
SECURITY

Notwithstanding anything herein to the contrary, to the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company’s obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

ARTICLE 15
NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE; PRIMACY OF INDEMNIFICATION; SUBROGATION

15.1. The rights of Indemnitee as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-Laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in applicable law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Certificate of Incorporation, the By-Laws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred
is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

15.2. The DGCL and the Certificate of Incorporation permit the Company to purchase and maintain insurance or furnish similar protection or make other arrangements, including, but not limited to, providing a trust fund, letter of credit or surety bond (“Indemnification Arrangements”) on behalf of Indemnitee against any liability asserted against Indemnitee or incurred by or on behalf of Indemnitee or in such capacity as a director, officer, employee or agent of the Company, or arising out of his or her status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability under the provisions of this Agreement or under the DGCL, as it may then be in effect. The purchase, establishment and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such Indemnification Arrangement.

15.3. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, trustees, partners, managing members, fiduciaries, employees or agents of the Company or of any other Enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, trustee, partner, managing member, fiduciary, employee or agent under such policy or policies. If, at the time the Company receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness or otherwise), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

15.4. The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of Expenses and/or insurance provided by the Indemnitee-Related Entities. The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Indemnitee-Related Entities to advance Expenses or to provide indemnification for the same Expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of Expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law and as required by the terms of this Agreement and the Certificate of Incorporation or the By-Laws (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Indemnitee-Related Entities and (iii) that it irrevocably waives, relinquishes and releases the Indemnitee-Related Entities from any and all claims against the Indemnitee-Related Entities for
contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Indemnitee-Related Entities on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall reduce or otherwise alter the rights of Indemnitee or the obligations of the Company hereunder. Under no circumstance shall the Company be entitled to any right of subrogation or contribution by the Indemnitee-Related Entities. In the event that any of the Indemnitee-Related Entities shall make any advancement or payment on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company, the Indemnitee-Related Entity making such payment shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company, and Indemnitee shall execute all papers reasonably required and take all action reasonably necessary to secure such rights, including, without limitation, execution of such documents as are necessary to enable the Indemnitee-Related Entities to bring suit to enforce such rights. The Company and Indemnitee agree that the Indemnitee-Related Entities are express third party beneficiaries of the terms of this Section 15.4, entitled to enforce this Section 15.4 as though each of the Indemnitee-Related Entities were a party to this Agreement.

15.5. Except as provided in Section 15.4, in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee (other than against the Indemnitee-Related Entities), who shall execute all papers reasonably required and take all action reasonably necessary to secure such rights, including, without limitation, execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

15.6. Except as provided in Section 15.4, the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

15.7. Except as provided in Section 15.4, the Company’s obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification payments or advancement of Expenses from such Enterprise. Notwithstanding any other provision of this Agreement to the contrary, (a) Indemnitee shall have no obligation to reduce, offset, allocate, pursue or apportion any indemnification advancement, contribution or insurance coverage among multiple parties possessing such duties to Indemnitee prior to the Company’s satisfaction and performance of all its obligations under this Agreement, and (b) the Company shall perform fully its obligations under this Agreement without regard to whether Indemnitee holds, may pursue or has pursued any indemnification, advancement, contribution or insurance coverage rights against any person or entity other than the Company.
ARTICLE 16

ENFORCEMENT AND BINDING EFFECT

16.1. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as a director, officer or key employee of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve as a director, officer or key employee of the Company.

16.2. This Agreement shall be effective as of the date set forth on the first page and may apply to acts or omissions of Indemnitee which occurred prior to such date if Indemnitee was an officer, director, employee or other agent of the Company, or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, at the time such act or omission occurred.

16.3. The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult to prove, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking, among other things, injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including, without limitation, temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of such a bond or undertaking.

ARTICLE 17

MISCELLANEOUS

17.1. Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee’s assigns, heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect successor by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

17.2. Section 409A. It is intended that any indemnification payment or advancement of Expenses made hereunder shall be exempt from Section 409A of the Internal
Revenue Code of 1986, as amended, and the guidance issued thereunder ("Section 409A"). Notwithstanding the foregoing, if any indemnification payment or advancement of Expenses made hereunder shall be determined to be “nonqualified deferred compensation” within the meaning of Section 409A, then (i) the amount of the indemnification payment or advancement of Expenses during one taxable year shall not affect the amount of the indemnification payments or advancement of Expenses during any other taxable year, (ii) the indemnification payments or advancement of Expenses must be made on or before the last day of the Indemnitee’s taxable year following the year in which the expense was incurred and (iii) the right to indemnification payments or advancement of Expenses hereunder is not subject to liquidation or exchange for another benefit.

17.3. **Severability.** In the event that any provision of this Agreement is determined by a court to require the Company to do or to fail to do an act which is in violation of applicable law, such provision (including, without limitation, any provision within a single Article, Section, paragraph or sentence) shall be limited or modified in its application to the minimum extent necessary to avoid a violation of law, and, as so limited or modified, such provision and the balance of this Agreement shall be enforceable in accordance with their terms to the fullest extent permitted by law.

17.4. **Entire Agreement.** Without limiting any of the rights of Indemnitee under the Certificate of Incorporation or By-Laws, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

17.5. **Modification, Waiver and Termination.** No supplement, modification, termination, cancellation or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee’s Corporate Status prior to such amendment, alteration or repeal. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

17.6. **Notices.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) if delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed or (b) mailed by certified or registered mail with postage prepaid on the third business day after the date on which it is so mailed:

(i) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide in writing to the Company.
If to the Company, to:

J.Jill, Inc.
4 Batterymarch Park
Quincy, MA 02169
Attn: Chief Financial Officer
Telephone: (617) 376-4300

or to any other address as may have been furnished to Indemnitee in writing by the Company.

17.7. **Applicable Law.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. If, notwithstanding the foregoing sentence, a court of competent jurisdiction shall make a final determination that the provisions of the law of any state other than Delaware govern indemnification by the Company of Indemnitee, then the indemnification provided under this Agreement shall in all instances be enforceable to the fullest extent permitted under such law, notwithstanding any provision of this Agreement to the contrary.

17.8. **Identical Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

17.9. **Headings.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

17.10. **Representation by Counsel.** Each of the parties has been represented by and has had an opportunity to consult legal counsel in connection with the negotiation and execution of this Agreement. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or arbitrator or any governmental authority by reason of such party having drafted or being deemed to have drafted such provision.

17.11. **Period of Limitations.** No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against Indemnitee, Indemnitee’s spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

17.12. **Additional Acts.** If for the validation of any of the provisions in this Agreement any act, resolution, approval or other procedure is required, the Company undertakes to cause such act, resolution, approval or other procedure to be affected or adopted in a manner that will enable the Company to fulfill its obligations under this Agreement.

[Signature page follows]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the day and year first above written.

COMPANY:

J.JILL, INC.

By: __________________________
   Name: _______________________
   Title: _______________________

INDEMNITEE:

By: __________________________
   Name: _______________________
   Address: _______________________

[Signature page to Indemnification Agreement]
REGISTRATION RIGHTS AGREEMENT

BY AND AMONG

JJILL, INC.

AND

CERTAIN STOCKHOLDERS

DATED AS OF [●], 2017
# TABLE OF CONTENTS

**ARTICLE I EFFECTIVENESS**
- Section 1.1 Effectiveness 1

**ARTICLE II DEFINITIONS**
- Section 2.1 Definitions 1
- Section 2.2 Other Interpretive Provisions 5

**ARTICLE III REGISTRATION RIGHTS**
- Section 3.1 Demand Registration 6
- Section 3.2 Shelf Registration 8
- Section 3.3 Piggyback Registration 11
- Section 3.4 Lock-Up Agreements 14
- Section 3.5 Registration Procedures 14
- Section 3.6 Underwritten Offerings 20
- Section 3.7 No Inconsistent Agreements; Additional Rights 21
- Section 3.8 Registration Expenses 22
- Section 3.9 Indemnification 22
- Section 3.10 Rules 144 and 144A and Regulation S 25
- Section 3.11 Existing Registration Statements 26

**ARTICLE IV MISCELLANEOUS**
- Section 4.1 Authority; Effect 26
- Section 4.2 Notices 26
- Section 4.3 Termination and Effect of Termination 27
- Section 4.4 Permitted Transferees 27
- Section 4.5 Remedies 28
- Section 4.6 Amendments 28
- Section 4.7 Governing Law 28
- Section 4.8 Consent to Jurisdiction 28
- Section 4.9 WAIVER OF JURY TRIAL 29
- Section 4.10 Merger; Binding Effect, Etc. 29
- Section 4.11 Counterparts 29
- Section 4.12 Severability 30
- Section 4.13 No Recourse 30
This REGISTRATION RIGHTS AGREEMENT (as it may be amended from time to time in accordance with the terms hereof, this “Agreement”), dated as of [●], 2017, is made by and among:

i. J.Jill, Inc., a Delaware corporation (the “Company”);

ii. TI IV J Jill Holdings, LP, a Delaware limited partnership (“TI IV J Jill Holdings”);

iii. JJ Holdings GP, LLC, a Delaware limited liability company (together with TI IV J Jill Holdings and their Permitted Transferees that become party hereto, the “Qualified Holder”);

iv. the other Persons who execute the signature pages hereto under the heading “Additional Holders” (the “Other Holders”); and

v. such other Persons, if any, that from time to time become party hereto as holders of Registrable Securities pursuant to Section 4.4 in their capacity as Permitted Transferees (together with the Qualified Holder and the Other Holders, the “Holders”).

RECITALS

WHEREAS, as of the date hereof, the Holders own shares of the Company’s common stock, par value $0.01 per share (the “Common Stock”); and

WHEREAS, the parties believe that it is in the best interests of the Company and the other parties hereto to set forth their agreements regarding registration rights with respect to the Common Stock and certain other matters following the initial public offering (the “IPO”) by the Company of its shares of the Common Stock.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and agreements of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

EFFECTIVENESS

Section 1.1 Effectiveness. This Agreement shall become effective upon the closing of the IPO.

ARTICLE II

DEFINITIONS

Section 2.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

“Adverse Disclosure” means public disclosure of material non-public information that, in the good faith judgment of the Board of Directors of the Company, after consultation with
outside counsel to the Company: (i) would be required to be made in any Registration Statement filed with the SEC by the Company so that such Registration Statement, from and after its effective date, does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) would not be required to be made at such time but for the filing, effectiveness or continued use of such Registration Statement; and (iii) the Company has a bona fide business purpose for not disclosing publicly.

“Affiliate” means, with respect to any specified Person, (a) any Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person or (b) in the event that the specified Person is a natural Person, a Member of the Immediate Family of such Person; provided, that the Company and each of its subsidiaries shall be deemed not to be Affiliates of the Qualified Holder. As used in this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“Agreement” shall have the meaning set forth in the preamble to this Agreement.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City of New York, and on which the SEC is open for business.

“Common Stock” shall have the meaning set forth in the recitals to this Agreement.

“Company” shall have the meaning set forth in the preamble to this Agreement.

“Demand Notice” shall have the meaning set forth in Section 3.1.3.

“Demand Registration” shall have the meaning set forth in Section 3.1.1(a).

“Demand Registration Request” shall have the meaning set forth in Section 3.1.1(a).

“Demand Registration Statement” shall have the meaning set forth in Section 3.1.1(c).

“Demand Suspension” shall have the meaning set forth in Section 3.1.6.

“Demanding Holder” means a Qualified Holder after exercising its right to include its Registrable Securities in a Demand Registration pursuant to Section 3.1.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

“FINRA” means the Financial Industry Regulatory Authority.

“Holders” shall have the meaning set forth in the preamble to this Agreement.
“**IPO**” shall have the meaning set forth in the recitals to this Agreement.

“**Issuer Free Writing Prospectus**” means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act, relating to an offer of the Registrable Securities.

“**Issuer Shares**” means the shares of Common Stock or other equity securities of the Company, and any securities into which such shares of Common Stock or other equity securities shall have been changed or any securities resulting from any reclassification or recapitalization of such shares of Common Stock or other equity securities.

“**Loss**” shall have the meaning set forth in Section 3.9.1.

“**Member of the Immediate Family**,” means, with respect to any Person who is a natural person, (a) each parent, spouse (but not including a former spouse or a spouse from whom such Person is legally separated) or child (including those adopted) of such individual and (b) each trustee, solely in his or her capacity as trustee, for a trust naming only one or more of the Persons listed in sub-clause (a) as beneficiaries.

“**Other Holders**” shall have the meaning set forth in the preamble to this Agreement.

“**Participation Conditions**” shall have the meaning set forth in Section 3.2.5(b).

“**Permitted Transferee**” shall have the meaning set forth in Section 4.4.

“**Person**” means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

“**Piggyback Notice**” shall have the meaning set forth in Section 3.3.1.

“**Piggyback Registration**” shall have the meaning set forth in Section 3.3.1.

“**Potential Takedown Participant**” shall have the meaning set forth in Section 3.2.5(b).

“**Pro Rata Portion**” means, with respect to each Holder requesting that its shares be registered pursuant to a Demand Registration or sold in a Public Offering, a number of such shares equal to the aggregate number of Registrable Securities to be registered in such Demand Registration or sold in such Public Offering (excluding any shares to be registered or sold for the account of the Company) multiplied by a fraction, the numerator of which is the aggregate number of Registrable Securities held by such Holder, and the denominator of which is the aggregate number of Registrable Securities held by all Holders requesting that their Registrable Securities be registered in such Demand Registration or sold in such Public Offering.

“**Prospectus**” means (i) the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including post-effective amendments, and all other material incorporated by reference in such prospectus, and (ii) any Issuer Free Writing Prospectus.
“Public Offering” means the offer and sale of Registrable Securities for cash pursuant to an effective Registration Statement under the Securities Act (other than a Registration Statement on Form S-4 or Form S-8 or any successor form).

“Qualified Holder” shall have the meaning set forth in the preamble to this Agreement.

“Registrable Securities” means (i) all shares of Common Stock owned by the Holders, whether now held or hereinafter acquired, including any shares of Common Stock issuable or issued upon exercise, conversion or exchange of any option, warrant or convertible security and (ii) all shares of Common Stock directly or indirectly issued or issuable with respect to the securities referred to in clause (i) above by way of unit or stock dividend or unit or stock split, or in connection with a combination of units or shares, recapitalization, merger, consolidation or other reorganization. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (x) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such Registration Statement, (y) such securities shall have been Transferred to the public pursuant to Rule 144, or (z) such securities shall have ceased to be outstanding.

“Registration” means registration under the Securities Act of the offer and sale to the public of any Issuer Shares under a Registration Statement. The terms “register,” “registered” and “registering” shall have correlative meanings.

“Registration Expenses” shall have the meaning set forth in Section 3.8.

“Registration Statement” means any registration statement of the Company filed with, or to be filed with, the SEC under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement other than a registration statement (and related Prospectus) filed on Form S-4 or Form S-8 or any successor form thereto.

“Representatives” means, with respect to any Person, any of such Person’s Affiliates and such Person’s and its Affiliates’ respective officers, directors, employees, agents, attorneys, accountants, actuaries, consultants, equity financing partners or financial advisors or other Person associated with, or acting on behalf of, such Person.

“Requisite Investor Approval” means the approval of the Qualified Holder; provided, that, for purposes of this definition, the Qualified Holder shall be deemed to have approved an action to the extent that the Qualified Holder or its Permitted Transferees holding a majority of the Issuer Shares held by the Qualified Holder and its Permitted Transferees vote in favor of, or provide their written consent to, such action.

“Rule 144” means Rule 144 under the Securities Act (or any successor Rule).

“SEC” means the Securities and Exchange Commission or any successor agency having jurisdiction under the Securities Act.
“Securities Act” means the Securities Act of 1933, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

“Shelf Period” shall have the meaning set forth in Section 3.2.3.

“Shelf Registration” shall have the meaning set forth in Section 3.2.1(a).

“Shelf Registration Notice” shall have the meaning set forth in Section 3.2.2.

“Shelf Registration Request” shall have the meaning set forth in Section 3.2.1(a).

“Shelf Registration Statement” shall have the meaning set forth in Section 3.2.1(a).

“Shelf Suspension” shall have the meaning set forth in Section 3.2.4.

“Shelf Takedown Notice” shall have the meaning set forth in Section 3.2.5(b).

“Shelf Takedown Request” shall have the meaning set forth in Section 3.2.5(a).

“Shelf Suspension” shall have the meaning set forth in the preamble to this Agreement.

“Transfer” means, with respect to any Registrable Security, any interest therein, or any other securities or equity interests, a direct or indirect transfer, distribution, sale, exchange, assignment, pledge, hypothecation or other encumbrance or other disposition thereof, including the grant of an option or other right, whether directly or indirectly, whether voluntarily, involuntarily, by operation of law, pursuant to judicial process or otherwise. “Transferred” shall have a correlative meaning.

“Underwritten Shelf Takedown” means an underwritten Public Offering pursuant to an effective Shelf Registration Statement.

“WKSI” means any Securities Act registrant that is a well-known seasoned issuer as defined in Rule 405 under the Securities Act at the most recent eligibility determination date specified in paragraph (2) of that definition.

Section 2.2 Other Interpretive Provisions. (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words “hereof”, “herein”, “hereunder” and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and any subsection and section references are to this Agreement unless otherwise specified.

(c) The term “including” is not limiting and means “including without limitation.”

(d) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.
(c) Whenever the context requires, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

ARTICLE III
REGISTRATION RIGHTS

The Company will perform and comply, and cause each of its subsidiaries to perform and comply, with such of the following provisions as are applicable to it. Each Holder will perform and comply with such of the following provisions as are applicable to such Holder.

Section 3.1 Demand Registration.

Section 3.1.1. Request for Demand Registration.

(a) Following the effective date of this Agreement, any one or more Qualified Holders shall have the right to make a written request from time to time (a “Demand Registration Request”) to the Company for Registration of all or part of the Registrable Securities held by such the Qualified Holders. Any such Registration pursuant to a Demand Registration Request shall hereinafter be referred to as a “Demand Registration.”

(b) Each Demand Registration Request shall specify (x) the kind and aggregate amount (or maximum amount or desired range) of Registrable Securities to be registered, and (y) the intended method or methods of disposition thereof.

(c) Upon receipt of the Demand Registration Request, the Company shall as promptly as practicable file a Registration Statement (a “Demand Registration Statement”) relating to such Demand Registration, and use its reasonable best efforts to cause such Demand Registration Statement to be promptly declared effective under the Securities Act.

Section 3.1.2. Limitation on Demand Registrations. The Company shall not be obligated to take any action to effect any Demand Registration (i) less than one hundred and eighty (180) days following the effectiveness of the IPO (unless otherwise consented to by the Company’s Board of Directors) or (ii) if a Demand Registration was declared effective or an Underwritten Shelf Takedown was consummated within the preceding ninety (90) days (unless otherwise consented to by the Company’s Board of Directors).

Section 3.1.3. Demand Notice. Promptly upon receipt of a Demand Registration Request pursuant to Section 3.1.1 (but in no event more than two (2) Business Days thereafter), the Company shall deliver a written notice (a “Demand Notice”) of any such Demand Registration Request to all other Qualified Holders, if any, and the Demand Notice shall offer each such Qualified Holder the opportunity to include in the Demand Registration that number of Registrable Securities as each such Qualified Holder may request in writing. The Company shall include in the Demand Registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within two (2) Business Days after the date that the Demand Notice was delivered.
Section 3.1.4. Demand Withdrawal. A Demanding Holder that has requested its Registrable Securities be included in a Demand Registration pursuant to Section 3.1.3 may withdraw all or any portion of its Registrable Securities included in a Demand Registration from such Demand Registration at any time prior to the effectiveness of the applicable Demand Registration Statement. Upon receipt of a notice to such effect from a Demanding Holder (or if there is more than one Demanding Holder, from all such Demanding Holders) with respect to all of the Registrable Securities included by such Demanding Holder(s) in such Demand Registration, the Company shall cease all efforts to secure effectiveness of the applicable Demand Registration Statement.

Section 3.1.5. Effective Registration. The Company shall use reasonable best efforts to cause the Demand Registration Statement to become effective and remain effective for not less than one hundred eighty (180) days (or such shorter period as will terminate when all Registrable Securities covered by such Demand Registration Statement have been sold or withdrawn), or, if such Demand Registration Statement relates to an underwritten Public Offering, such longer period as in the opinion of counsel for the underwriter or underwriters a Prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer.

Section 3.1.6. Delay in Filing; Suspension of Registration. If the filing, initial effectiveness or continued use of a Demand Registration Statement at any time would require the Company to make an Adverse Disclosure, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, the Demand Registration Statement (a “Demand Suspension”); provided, however, that the Company shall not be permitted to exercise a Demand Suspension for a period exceeding thirty (30) days on any one occasion or for more than ninety (90) days in the aggregate during any twelve (12)-month period. In the case of a Demand Suspension, the Holders agree to suspend use of the applicable Prospectus in connection with any sale or purchase, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall immediately notify the Holders in writing upon the termination of any Demand Suspension, amend or supplement the Prospectus, if necessary, so it does not contain any untrue statement or omission and furnish to the Holders such numbers of copies of the Prospectus as so amended or supplemented as the Holders may reasonably request. The Company shall, if necessary, supplement or make amendments to the Demand Registration Statement, if required by the registration form used by the Company for the Demand Registration or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Holders of a majority of Registrable Securities that are included in such Demand Registration Statement.

Section 3.1.7. Priority of Securities Registered Pursuant to Demand Registrations. If the managing underwriter or underwriters of a proposed underwritten Public Offering of the Registrable Securities included in a Demand Registration, advise
the Company in writing that, in its or their opinion, the number of securities requested to be included in such Demand Registration exceeds the number that can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, then the securities to be included in such Registration shall be in the case of any Demand Registration (x) first, allocated to each Demanding Holder that has requested to participate in such Demand Registration an amount equal to the lesser of (i) the number of such Registrable Securities requested to be registered or sold by such Demanding Holder, and (ii) a number of such shares equal to such Demanding Holder’s Pro Rata Portion, and (y) second, and only if all the securities referred to in clause (x) have been included, the number of other securities that, in the opinion of such managing underwriter or underwriters can be sold without having such adverse effect. In the event that any Holders have requested pursuant to Section 3.3.1 to have Registrable Securities included in such Public Offering, the priority with respect to such Holders shall be determined in accordance with Section 3.3.2.

Section 3.1.8. Resale Rights. In the event that a Qualified Holder requests to participate in a Registration pursuant to this Section 3.1 in connection with a distribution of Registrable Securities to its partners or members, the Registration shall provide for resale by such partners or members, if requested by such Qualified Holder.

Section 3.2 Shelf Registration.

Section 3.2.1. Request for Shelf Registration.

(a) Upon the written request of one or more Qualified Holders from time to time following the effective date of this agreement (a “Shelf Registration Request”), the Company shall promptly file with the SEC a shelf Registration Statement pursuant to Rule 415(a)(1)(x) under the Securities Act (“Shelf Registration Statement”) relating to the offer and sale of Registrable Securities by any Holders thereof from time to time in accordance with the methods of distribution elected by such Holders and set forth in the Shelf Registration Statement and the Company shall use its reasonable best efforts to cause such Shelf Registration Statement to promptly become effective under the Securities Act. Any such Registration pursuant to a Shelf Registration Request shall hereinafter be referred to as a “Shelf Registration.”

(b) If on the date of the Shelf Registration Request: (i) the Company is a WKSI, then the Shelf Registration Request may request Registration of an unspecified amount of Registrable Securities; and (ii) the Company is not a WKSI, then the Shelf Registration Request shall specify the aggregate amount of Registrable Securities to be registered. The Company shall provide to any Holder, at such Holder’s request, the information necessary to determine the Company’s status as a WKSI upon request.
Section 3.2.2. **Shelf Registration Notice.** Promptly upon receipt of a Shelf Registration Request (but in no event more than two (2) Business Days thereafter), the Company shall deliver a written notice (a “Shelf Registration Notice”) of any such request to all other Holders, which notice shall specify, if applicable, the amount of Registrable Securities to be registered, and the Shelf Registration Notice shall offer each such Holder the opportunity to include in the Shelf Registration that number of Registrable Securities as each such Holder may request in writing. The Company shall include in such Shelf Registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within two (2) Business Days after the date that the Shelf Registration Notice has been delivered.

Section 3.2.3. **Continued Effectiveness.** The Company shall use its reasonable best efforts to keep such Shelf Registration Statement continuously effective under the Securities Act in order to permit the Prospectus forming part of the Shelf Registration Statement to be usable by Holders until the earlier of: (i) the date as of which all Registrable Securities have been sold pursuant to the Shelf Registration Statement or another Registration Statement filed under the Securities Act (but in no event prior to the applicable period referred to in Section 4(a)(3) of the Securities Act and Rule 174 thereunder); and (ii) the date as of which all included securities have otherwise ceased to be Registrable Securities (such period of effectiveness, the “Shelf Period”). Subject to Section 3.2.4, the Company shall be deemed not to have used its reasonable best efforts to keep the Shelf Registration Statement effective during the Shelf Period if the Company voluntarily takes any action or omits to take any action that would result in Holders of the Registrable Securities covered thereby not being able to offer and sell any Registrable Securities pursuant to such Shelf Registration Statement during the Shelf Period, unless such action or omission is required by applicable law. The Company shall not include in a Shelf Registration Statement any securities to be offered and sold for the Company’s own account without Requisite Investor Approval.

Section 3.2.4. **Suspension of Registration.** If the continued use of such Shelf Registration Statement at any time would require the Company to make an Adverse Disclosure, the Company may, upon giving prompt written notice of such action to the Holders, suspend use of the Shelf Registration Statement (a “Shelf Suspension”); provided, however, that the Company shall not be permitted to exercise a Shelf Suspension for a period exceeding thirty (30) days on any one occasion or for more than ninety (90) days in the aggregate during any twelve (12)-month period. In the case of a Shelf Suspension, the Holders agree to suspend use of the applicable Prospectus and in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall immediately notify the Holders in writing upon the termination of any Shelf Suspension, amend or supplement the Prospectus, if necessary, so it does not contain any untrue statement or omission and furnish to the Holders such numbers of copies of the Prospectus as so amended or supplemented as the Holders may reasonably request. The Company shall, if necessary, supplement or make amendments to the Shelf Registration Statement, if required by the registration form used by the Company for the Shelf Registration Statement or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Holders.
Section 3.2.5. Shelf Takedown.

(a) At any time during which the Company has an effective Shelf Registration Statement, but subject to Section 3.2.4, by notice to the Company specifying the intended method or methods of disposition thereof, a Qualified Holder may make a written request (a “Shelf Takedown Request”) to the Company to effect a Public Offering, including an Underwritten Shelf Takedown, of all or a portion of the Qualified Holder’s Registrable Securities that are covered by such Shelf Registration Statement (stating the approximate number or range of the Registrable Securities to be included in the Public Offering), and as soon as practicable the Company shall amend or supplement the Shelf Registration Statement for such purpose.

(b) Promptly upon receipt of a Shelf Takedown Request (but in no event more than two (2) Business Days thereafter) for any Underwritten Shelf Takedown, the Company shall deliver a notice (a “Shelf Takedown Notice”) to each other Holder with Registrable Securities covered by the applicable Shelf Registration Statement, or to all other Holders if such Registration Statement is undesignated (each a “Potential Takedown Participant”). The Shelf Takedown Notice shall offer each such Potential Takedown Participant the opportunity to include in any Underwritten Shelf Takedown that number of Registrable Securities as each such Potential Takedown Participant may request in writing. The Company shall include in the Underwritten Shelf Takedown all such Registrable Securities with respect to which the Company has received written requests for inclusion therein no later than 9:00 a.m., New York City time, on the second business day immediately following the Shelf Takedown Notice Delivery Time; it being understood that for the purposes of this Section 3.2.5, the “Shelf Takedown Notice Delivery Time” shall be deemed to be the date of delivery of such notice if it is delivered to Holders at or prior to 12:00 p.m. New York City time and shall be deemed to be the business day immediately following delivery of such notice if it is delivered to Holders after 12:00 p.m. New York City time. Subject to Section 3.2.6, any Potential Takedown Participant’s participation in an Underwritten Shelf Takedown shall be on the same terms as the Holders who made the Shelf Takedown Request. Any Potential Takedown Participant’s request to participate in an Underwritten Shelf Takedown shall be binding on the Potential Takedown Participant, except that such participation may be conditioned on the Underwritten Shelf Takedown being completed within ten (10) Business Days of its acceptance at a price per share (after giving effect to any underwriters’ discounts or commissions) to such Potential Takedown Participant of not less than ninety percent (90%) of the closing price for the shares on their principal
trading market on the Business Day immediately prior to such Potential Takedown Participant’s election to participate (the “Participation Conditions”). Notwithstanding the delivery of any Shelf Takedown Notice, but subject to the Participation Conditions (to the extent applicable), all determinations as to whether to complete any Underwritten Shelf Takedown and as to the timing, manner, price and other terms of any Underwritten Shelf Takedown contemplated by this Section 3.2.5 shall be determined by the Holders of a majority of the Registrable Securities offered by the Holders who made the applicable Shelf Takedown Request.

(c) The Company shall not be obligated to take any action to effect any Underwritten Shelf Takedown if a Demand Registration or an Underwritten Shelf Takedown was consummated within the preceding ninety (90) days (unless otherwise consented to by the Company’s Board of Directors).

Section 3.2.6. Priority of Securities Sold Pursuant to Shelf Takedowns. If the managing underwriter or underwriters of a proposed Underwritten Shelf Takedown pursuant to Section 3.2.5 advise the Company in writing that, in its or their opinion, the number of securities requested to be included in the proposed Underwritten Shelf Takedown exceeds the number that can be sold in such Underwritten Shelf Takedown without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the number of Registrable Securities to be included in such offering shall be (x) first, allocated to each Holder that has requested to participate in such Underwritten Shelf Takedown an amount equal to the lesser of (i) the number of such Registrable Securities requested to be registered or sold by such Holder, and (ii) a number of such shares equal to such Holder’s Pro Rata Portion, and (y) second, and only if all the securities referred to in clause (x) have been included, the number of other securities that, in the opinion of such managing underwriter or underwriters can be sold without having such adverse effect; provided, however, that Registrable Securities held by a Qualified Holder shall not be subject to reduction pursuant to this Section 3.2.6 without its prior consent.

Section 3.2.7. Resale Rights. In the event that a Holder elects to request a Registration pursuant to this Section 3.2 in connection with a distribution of Registrable Securities to its partners or members, the Registration shall provide for resale by such partners or members, if requested by the Holder.

Section 3.3 Piggyback Registration.

Section 3.3.1. Participation. If the Company at any time proposes to file a Registration Statement under the Securities Act or to conduct a Public Offering with respect to any offering of its equity securities for its own account or for the account of any other Persons (other than (i) a Registration under Section 3.2 of which the Holder has received a Shelf Registration Notice pursuant to Section 3.2.2, (ii) a Registration on Form S-4 or Form S-8 or any successor form to such Forms, (iii) a Registration of securities solely relating to an offering and sale to employees or directors of the Company or its
subsidiaries pursuant to any employee stock plan or other employee benefit plan arrangement or (iv) pursuant to a rights offering), then, as soon as practicable (but in no event less than two (2) Business Days prior to the proposed date of filing of such Registration Statement or, in the case of any such Public Offering, the anticipated pricing or trade date), the Company shall give written notice (a “Piggyback Notice”) of such proposed filing or Public Offering to all Holders, and such Piggyback Notice shall offer the Holders the opportunity to register under such Registration Statement, or to sell in such Public Offering, such number of Registrable Securities as each such Holder may request in writing (a “Piggyback Registration”). Subject to Section 3.3.2, the Company shall include in such Registration Statement or in such Public Offering as applicable, all such Registrable Securities that are requested to be included therein within three (3) Business Days after the receipt by such Holder of any such notice; provided, however, that if at any time after giving written notice of its intention to register or sell any securities and prior to the effective date of the Registration Statement filed in connection with such Registration, or the pricing or trade date of such Public Offering, the Company shall determine for any reason not to register or sell or to delay Registration or the sale of such securities, the Company shall give written notice of such determination to each Holder and, thereupon, (i) in the case of a determination not to register or sell, shall be relieved of its obligation to register or sell any Registrable Securities in connection with such Registration or Public Offering (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of any Holders entitled to request that such Registration or sale be effected as a Demand Registration under Section 3.1 or an Underwritten Shelf Takedown under Section 3.2, as the case may be, and (ii) in the case of a determination to delay Registration or sale, in the absence of a request for a Demand Registration or an Underwritten Shelf Takedown, as the case may be, shall be permitted to delay registering or selling any Registrable Securities, for the same period as the delay in registering or selling such other securities. If the offering pursuant to such Registration Statement or Public Offering is to be underwritten, then each Holder making a request for a Piggyback Registration pursuant to this Section 3.3.1 shall, and the Company shall make such arrangements with the managing underwriter or underwriters so that each such Holder may, participate in such underwritten offering. If the offering pursuant to such Registration Statement or Public Offering is to be on any other basis, then each Holder making a request for a Piggyback Registration pursuant to this Section 3.3.1 shall, and the Company shall make such arrangements so that each such Holder may, participate in such offering on such basis. Any Holder shall have the right to withdraw all or part of its request for inclusion of its Registrable Securities in a Piggyback Registration by giving written notice to the Company of its request to withdraw; provided, that such request must be made in writing prior to the effectiveness of such Registration Statement or, in the case of a Public Offering, at least two (2) Business Days prior to the earlier of the anticipated filing of the “red herring” Prospectus, if applicable, and the anticipated pricing or trade date.

Section 3.3.2. Priority of Piggyback Registration.

(A) If the registration or Public Offering referred to in the first sentence of Section 3.3.1. is to be a registration or Public Offering on behalf of the Company, and the managing underwriter or underwriters of any proposed offering of

12
Registrable Securities included in a Piggyback Registration informs the Company and the participating Holders in writing that, in its or their opinion, the number of securities that such Holders and any other Persons intend to include in such offering exceeds the number that can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, then the securities to be included in such Registration shall be (i) first, one hundred percent (100%) of the securities that the Company proposes to sell, (ii) second, and only if all the securities referred to in clause (i) have been included, the number of Registrable Securities that, in the opinion of such managing underwriter or underwriters, can be sold without having such adverse effect, with such number to be allocated among the Holders that have requested to participate in such Registration based on an amount equal to the lesser of (i) the number of such Registrable Securities requested to be sold by such Holder, and (ii) a number of such shares equal to such Holder’s Pro Rata Portion and (iii) third, and only if all of the Registrable Securities referred to in clause (ii) have been included in such Registration, any other securities eligible for inclusion in such Registration.

(B) If the registration or Public Offering referred to in the first sentence of Section 3.3.1. is to be a registration or Public Offering on behalf of a Demanding Holder, and the managing underwriter or underwriters of any proposed offering of Registrable Securities included in a Piggyback Registration informs the Demanding Holder and the participating Holders in writing that, in its or their opinion, the number of securities that such Holders and any other Persons intend to include in such offering exceeds the number that can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, then the securities to be included in such Registration shall be (i) first, one hundred percent (100%) of the Registrable Securities that the Demanding Holders propose to sell, (ii) second, and only if all the securities referred to in clause (i) have been included, the number of Registrable Securities that, in the opinion of such managing underwriter or underwriters, can be sold without having such adverse effect, with such number to be allocated among the other Holders that have requested to participate in such Registration based on an amount equal to the lesser of (i) the number of such Registrable Securities requested to be sold by such Holder, and (ii) a number of such shares equal to such Holder’s Pro Rata Portion, (iii) third, and only if all of the Registrable Securities referred to in clause (ii) have been included in such Registration, the number of securities that the Company proposes to sell that, in the opinion of such managing underwriter or underwriters, can be sold without having such adverse effect and (iv) fourth, and only if all of the securities referred to in clauses (ii) and (iii) have been included in such Registration, any other securities eligible for inclusion in such Registration.

Section 3.3.3. No Effect on Other Registrations. No Registration of Registrable Securities effected pursuant to a request under this Section 3.3 shall be deemed to have been effected pursuant to Sections 3.1 and 3.2 or shall relieve the Company of its obligations under Sections 3.1 and 3.2.
Section 3.4  **Lock-Up Agreements.** In connection with each Registration or sale of Registrable Securities pursuant to Section 3.1, 3.2 or 3.3 conducted as an underwritten Public Offering, each Holder agrees, if requested and without regard to whether or not such Holder has elected to participate in such Public Offering, to become bound by and to execute and deliver a “lock-up” agreement with the underwriter(s) of such Public Offering in the same form as is entered into by the Holders participating in such Public Offering.

Section 3.5  **Registration Procedures.**

Section 3.5.1.  **Requirements.** In connection with the Company’s obligations under Sections 3.1, 3.2 and 3.3, the Company shall use its reasonable best efforts to effect such Registration and to permit the sale of such Registrable Securities in accordance with the intended method or methods of distribution thereof as expeditiously as reasonably practicable, and in connection therewith the Company shall:

(a) prepare the required Registration Statement, including all exhibits and financial statements required under the Securities Act to be filed therewith, and, before filing a Registration Statement or Prospectus or any amendments or supplements thereto, (x) furnish to the underwriters, if any, and to the Holders of the Registrable Securities covered by such Registration Statement, copies of all documents prepared to be filed, which documents shall be subject to the review of such underwriters and such Holders and their respective counsel, (y) make such changes in such documents concerning the Holders prior to the filing thereof as such Holders, or their counsel, may reasonably request and (z) except in the case of a Registration under Section 3.3, not file any Registration Statement or Prospectus or amendments or supplements thereto to which the participating Holders, or the underwriters, if any, shall reasonably object;

(b) prepare and file with the SEC such amendments and post-effective amendments to such Registration Statement and supplements to the Prospectus as may be (x) reasonably requested by any participating Holder (to the extent such request relates to information relating to such Holder), or (y) necessary to keep such Registration Statement effective for the period of time required by this Agreement, and comply with provisions of the applicable securities laws with respect to the sale or other disposition of all securities covered by such Registration Statement during such period in accordance with the intended method or methods of disposition by the sellers thereof set forth in such Registration Statement;

(c) notify the participating Holders and the managing underwriter or underwriters, if any, and (if requested) confirm such notice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company (a) when the applicable Registration Statement or any amendment thereto has been filed or becomes effective, and when the applicable Prospectus or any
amendment or supplement thereto has been filed, (b) of any written comments by the SEC, or any request by the SEC or other federal or state governmental authority for amendments or supplements to such Registration Statement or such Prospectus, or for additional information (whether before or after the effective date of the Registration Statement) or any other correspondence with the SEC relating to, or which may affect, the Registration, (c) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or any order by the SEC or any other regulatory authority preventing or suspending the use of any preliminary or final Prospectus or the initiation or threatening of any proceedings for such purposes, (d) if, at any time, the representations and warranties of the Company in any applicable underwriting agreement cease to be true and correct in all material respects and (e) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(d) promptly notify each selling Holder and the managing underwriter or underwriters, if any, when the Company becomes aware of the happening of any event as a result of which the applicable Registration Statement or the Prospectus included in such Registration Statement (as then in effect) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of such Prospectus or any preliminary Prospectus, in light of the circumstances under which they were made) not misleading, when any Issuer Free Writing Prospectus includes information that may conflict with the information contained in the Registration Statement, or, if for any other reason it shall be necessary during such time period to amend or supplement such Registration Statement or Prospectus in order to comply with the Securities Act and, as promptly as reasonably practicable thereafter, prepare and file with the SEC, and furnish without charge to the selling Holders and the managing underwriter or underwriters, if any, an amendment or supplement to such Registration Statement or Prospectus, which shall correct such misstatement or omission or effect such compliance;

(e) to the extent the Company is eligible under the relevant provisions of Rule 430B under the Securities Act, if the Company files any Shelf Registration Statement, and to the extent requested by the Holders whose Registrable Securities are included in such Shelf Registration Statement, the Company shall include in such Shelf Registration Statement such disclosures as may be required by Rule 430B under the Securities Act (referring to the unnamed selling security holders in a generic manner by identifying the initial offering of the securities by the Holders) in order to ensure that the Holders may be added to such Shelf Registration Statement at a later time through the filing of a Prospectus supplement rather than a post-effective amendment;
(f) use its reasonable best efforts to prevent, or obtain the withdrawal of, any stop order or other order or notice preventing or suspending the use of any preliminary or final Prospectus;

(g) promptly incorporate in a Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment such information as the managing underwriter or underwriters and the Holders of a majority of Registrable Securities being sold agree should be included therein relating to the plan of distribution with respect to such Registrable Securities; and make all required filings of such Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment as soon as reasonably practicable after being notified of the matters to be incorporated in such Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment;

(h) furnish to each selling Holder and each underwriter, if any, without charge, as many conformed copies as such Holder or underwriter may reasonably request of the applicable Registration Statement and any amendment or post-effective amendment or supplement thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(i) deliver to each selling Holder and each underwriter, if any, without charge, as many copies of the applicable Prospectus (including each preliminary prospectus) and any amendment or supplement thereto and such other documents as such Holder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities by such Holder or underwriter (it being understood that the Company shall consent to the use of such Prospectus or any amendment or supplement thereto by each of the selling Holders and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto);

(j) on or prior to the date on which the applicable Registration Statement becomes effective, use its reasonable best efforts to register or qualify, and cooperate with the selling Holders, the managing underwriter or underwriters, if any, and their respective counsel, in connection with the Registration or qualification of such Registrable Securities for offer and sale under the securities or “Blue Sky” laws of each state and other jurisdiction as any such selling Holder or managing underwriter or underwriters, if any, or their respective counsel reasonably request in writing and do any and all other acts or things reasonably necessary or advisable to keep such Registration or qualification in effect for such period as required by Section 3.1 or Section 3.2, as applicable, provided, that the Company shall not be required to qualify generally to do business.
in any jurisdiction where it is not then so qualified or to take any action which would subject it to taxation or general service of process in any such jurisdiction where it is not then so subject;

(k) cooperate with the selling Holders and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates (or dematerialized evidence of ownership) representing Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations and registered in such names as the applicable Holder or managing underwriters may request at least two (2) Business Days prior to any delivery of such Registrable Securities;

(l) use its reasonable best efforts to cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter or underwriters, if any, to consummate the disposition of such Registrable Securities;

(m) not later than the effective date of the applicable Registration Statement, provide a CUSIP number for all Registrable Securities and make all arrangements necessary for the Registrable Securities to be eligible for deposit with The Depository Trust Company;

(n) make such representations and warranties to the Holders whose Registrable Securities are being registered, and their underwriters or agents, if any, in form, substance and scope as are customarily made by issuers in public offerings similar to the offering then being undertaken;

(o) enter into such customary agreements (including underwriting and indemnification agreements) and take all such other actions as the participating Holders or the managing underwriter or underwriters, if any, reasonably request in order to expedite or facilitate the Registration and disposition of such Registrable Securities;

(p) in the case of an underwritten Public Offering, obtain for delivery to the Holders participating in such Public Offering and to the underwriter or underwriters, if any, an opinion or opinions (including a “negative assurance” or “disclosure letter”) from counsel for the Company dated the date of each closing under the underwriting agreement, in customary form, scope and substance, which opinions shall be reasonably satisfactory to such Holders or underwriters, as the case may be, and their respective counsel;

(q) in the case of an underwritten Public Offering, obtain for delivery to the Company and the managing underwriter or underwriters, with copies to the Holders participating in the Public Offering or sale, a comfort letter
from the Company’s independent certified public accountants or independent auditors (and, if necessary, any other independent certified public accountants or independent auditors of any subsidiary of the Company or any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) and a letter from any other expert named in the Registration Statement in customary form and covering such matters of the type customarily covered by such letters as the managing underwriter or underwriters reasonably request, dated the date of execution of the underwriting agreement and brought down to the date of each closing under the underwriting agreement;

(r) cooperate with each seller of Registrable Securities and each underwriter, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(s) use its reasonable best efforts to comply with all applicable securities laws and, if a Registration Statement was filed, make available to its security holders, as soon as reasonably practicable, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder;

(t) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by the applicable Registration Statement from and after a date not later than the effective date of such Registration Statement;

(u) use its best efforts to cause all Registrable Securities covered by the applicable Registration Statement to be listed on each securities exchange on which any of the Company’s equity securities are then listed or quoted and on each inter-dealer quotation system on which any of the Company’s equity securities are then quoted;

(v) make available upon reasonable notice at reasonable times and for reasonable periods for inspection by a representative appointed by the majority of the Holders covered by the applicable Registration Statement, by any underwriter participating in any disposition to be effected pursuant to such Registration Statement and by any attorney, accountant or other agent retained by such Holders or any such underwriter, all pertinent financial and other records and pertinent corporate documents and properties of the Company, and cause all of the Company’s officers, directors and employees and the independent public accountants who have certified its financial statements to make themselves available to discuss the business of the Company and to supply all information reasonably requested by any such Person in connection with such Registration Statement; provided, however, that any such Person gaining access to
information regarding the Company pursuant to this Section 3.5.1 (v) shall agree to hold in strict confidence and shall not make any disclosure or use any information regarding the Company that the Company determines in good faith to be confidential, and of which determination such Person is notified, unless (a) the release of such information is requested or required (by deposition, interrogatory, requests for information or documents by a governmental entity, subpoena or similar process), (b) disclosure of such information, in the opinion of counsel to such Person, is otherwise required by law, (c) such information is or becomes publicly known other than through a breach of this Agreement or any other agreement of which such Person has knowledge, (d) such information is or becomes available to such Person on a non-confidential basis from a source other than the Company or (e) such information is independently developed by such Person;

(w) in the case of a marketed Public Offering, cause the senior executive officers of the Company to participate in the customary “road show” presentations that may be reasonably requested by the managing underwriter or underwriters in any such offering and otherwise to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto;

(x) take no direct or indirect action prohibited by Regulation M under the Exchange Act;

(y) take all reasonable action to ensure that any Issuer Free Writing Prospectus utilized in connection with any Registration complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related Prospectus, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(z) take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Securities in accordance with the terms of this Agreement.

Section 3.5.2. Company Information Requests. The Company may require each seller of Registrable Securities as to which any Registration or sale is being effected to furnish to the Company such information regarding the distribution of such securities and such other information relating to such Holder and its ownership of Registrable Securities as the Company may from time to time reasonably request in writing and the Company may exclude from such Registration or sale the Registrable Securities of any such Holder who unreasonably fails to furnish such information within a reasonable time after receiving such request. Each Holder agrees to furnish such information to the Company and to cooperate with the Company as reasonably necessary to enable the Company to comply with the provisions of this Agreement.
Section 3.5.3. Discontinuing Registration. Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3.5.1(d), such Holder will forthwith discontinue disposition of Registrable Securities pursuant to such Registration Statement until such Holder’s receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3.5.1(d) or until such Holder is advised in writing by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus, or any amendments or supplements thereto, and if so directed by the Company, such Holder shall deliver to the Company (at the Company’s expense) all copies, other than permanent file copies then in such Holder’s possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the period during which the applicable Registration Statement is required to be maintained effective shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of Registrable Securities covered by such Registration Statement either receives the copies of the supplemented or amended Prospectus contemplated by Section 3.5.1(d) or is advised in writing by the Company that the use of the Prospectus may be resumed.

Section 3.6 Underwritten Offerings.

Section 3.6.1. Shelf and Demand Registration. If requested by the underwriters for any underwritten Public Offering, pursuant to a Registration or sale under Sections 3.1 or 3.2, the Company shall enter into an underwriting agreement with such underwriters, such agreement to be reasonably satisfactory in substance and form to each of the Company, the participating Holders and the underwriters, and to contain such representations and warranties by the Company and such other terms as are generally prevailing in agreements of that type, including indemnities no less favorable to the recipient thereof than those provided in Section 3.9. The Holders of the Registrable Securities proposed to be distributed by such underwriters shall cooperate with the Company in the negotiation of the underwriting agreement and shall give consideration to the reasonable suggestions of the Company regarding the form thereof. Such Holders shall be parties to such underwriting agreement, which underwriting agreement shall: (i) contain such representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such Holders as are customarily made by issuers to selling stockholders in public offerings similar to the applicable offering; and (ii) provide that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also shall be conditions precedent to the obligations of such Holders. Any such Holder shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder, such Holder’s title to the Registrable Securities, such Holder’s intended method of distribution and any other representations required to be made by the Holder under applicable law, and the aggregate amount of the liability of such Holder shall not exceed such Holder’s net proceeds from such offering.
Section 3.6.2. Piggyback Registrations. If the Company proposes to register or sell any of its securities under the Securities Act as contemplated by Section 3.3 and such securities are to be distributed through one or more underwriters, the Company shall, if requested by any Holder pursuant to Section 3.3 and, subject to the provisions of Section 3.3.2, use its reasonable best efforts to arrange for such underwriters to include on the same terms and conditions that apply to the other sellers in such Registration or sale all the Registrable Securities to be offered and sold by such Holder among the securities of the Company to be distributed by such underwriters in such Registration or sale. The Holders of Registrable Securities to be distributed by such underwriters shall be parties to the underwriting agreement between the Company and such underwriters, which underwriting agreement shall (i) contain such representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such Holders as are customarily made by issuers to selling stockholders in public offerings similar to the applicable offering and (ii) provide that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also shall be conditions precedent to the obligations of such Holders. Any such Holder shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder, such Holder’s title to the Registrable Securities and such Holder’s intended method of distribution or any other representations required to be made by the Holder under applicable law, and the aggregate amount of the liability of such Holder shall not exceed such Holder’s net proceeds from such offering.

Section 3.6.3. Participation in Underwritten Registrations. Subject to the provisions of Section 3.6.1 and Section 3.6.2 above, no Person may participate in any underwritten Public Offering, hereunder unless such Person (i) agrees to sell such Person’s securities on the basis provided in any underwriting arrangements approved by the Persons entitled to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

Section 3.6.4. Selection of Underwriters. In the case of an underwritten Public Offering, under Sections 3.1 or 3.2, the managing underwriter or underwriters to administer the offering shall be determined by the Qualified Holder(s) if any Qualified Holder is participating in such Public Offering, or by the Holders of a majority of the Registrable Securities included in such Public Offering if no Qualified Holder is participating in such Public Offering; provided, that such underwriter or underwriters shall be reasonably acceptable to the Company.

Section 3.7. No Inconsistent Agreements; Additional Rights. Neither the Company nor any of its subsidiaries shall hereafter enter into, and neither the Company nor any of its subsidiaries is currently a party to, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders by this Agreement. Without Requisite Investor Approval, neither the Company nor any of its subsidiaries shall enter into any agreement granting
registration or similar rights to any Person, and the Company hereby represents and warrants that, as of the date hereof, no registration or similar rights have been granted to any other Person other than pursuant to this Agreement.

Section 3.8 Registration Expenses. All expenses incident to the Company’s performance of or compliance with this Agreement shall be paid by the Company, including (i) all registration and filing fees, and any other fees and expenses associated with filings required to be made with the SEC or FINRA, (ii) all fees and expenses in connection with compliance with any securities or “Blue Sky” laws (including reasonable fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Registrable Securities), (iii) all printing, duplicating, word processing, messenger, telephone, facsimile and delivery expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing Prospectuses), (iv) all fees and disbursements of counsel for the Company and of all independent certified public accountants or independent auditors of the Company and any subsidiaries of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance), (v) Securities Act liability insurance or similar insurance if the Company so desires or the underwriters so require in accordance with then-customary underwriting practice, (vi) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or quotation of the Registrable Securities on any inter-dealer quotation system, (vii) all applicable rating agency fees with respect to the Registrable Securities, (viii) all reasonable fees and disbursements of counsel for the Holders (who shall be selected by the Qualified Holders if any Qualified Holder is participating in the relevant Registration, or by the Holders of a majority of the Registrable Securities included in the relevant Registration if no Qualified Holder is participating), (ix) all reasonable fees and disbursements of underwriters customarily paid by issuers or sellers of securities, (x) all fees and expenses incurred in connection with the distribution or Transfer of Registrable Securities to or by a Holder or its Permitted Transferees, (xi) all fees and expenses of any special experts or other Persons retained by the Company in connection with any Registration or sale, (xii) all of the Company’s internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties) and (xiii) all expenses related to the “roadshow” for any underwritten Public Offering (including the reasonable out-of-pocket expenses of the Qualified Holder), including all travel, meals and lodging. All such expenses are referred to herein as “Registration Expenses.” The Company shall not be required to pay any fees and disbursements to underwriters not customarily paid by the issuers of securities in an offering similar to the applicable offering, including underwriting discounts and commissions and transfer taxes, if any, attributable to the sale of Registrable Securities.

Section 3.9 Indemnification.

Section 3.9.1. Indemnification by the Company. The Company shall indemnify and hold harmless, to the full extent permitted by law, each Holder, each shareholder, member, limited or general partner thereof, each shareholder, member, limited or general partner of each such shareholder, member, limited or general partner, each of their respective Affiliates, officers, directors, shareholders, employees, advisors, and agents and each Person who controls (within the meaning of the Securities Act or the Exchange Act) such Persons and each of their respective Representatives from and against any and
all losses, penalties, judgments, suits, costs, claims, damages, liabilities and expenses, joint or several (including reasonable costs of investigation and legal expenses) (each, a “Loss” and collectively, “Losses”) arising out of or based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement under which such Registrable Securities are registered or sold under the Securities Act (including any final, preliminary or summary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein) or any other disclosure document produced by or on behalf of the Company or any of its subsidiaries including any report and other document filed under the Exchange Act, (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or preliminary Prospectus, in light of the circumstances under which they were made) not misleading or (iii) any violation or alleged violation by the Company or any of its subsidiaries of any federal, state, foreign or common law rule or regulation applicable to the Company or any of its subsidiaries and relating to action or inaction in connection with any such registration, disclosure document or other document or report; provided, that no selling Holder shall be entitled to indemnification pursuant to this Section 3.9.1 in respect of any untrue statement or omission contained in or omitted from any information furnished in writing by such selling Holder to the Company specifically for inclusion in a Registration Statement that has not been corrected in a subsequent writing prior to or concurrently with the sale of the Registrable Securities to the Person asserting the claim. This indemnity shall be in addition to any liability the Company may otherwise have. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder or any indemnified party and shall survive the Transfer of such securities by such Holder. The Company shall also indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who controls such Persons (within the meaning of the Securities Act and the Exchange Act) to the same extent as provided above with respect to the indemnification of the indemnified parties.

Section 3.9.2. Indemnification by the Selling Holders. Each selling Holder agrees (severally and not jointly) to indemnify and hold harmless, to the fullest extent permitted by law, the Company, its directors and officers and each Person who controls the Company (within the meaning of the Securities Act or the Exchange Act) from and against any Losses resulting from (i) any untrue statement of a material fact in any Registration Statement under which such Registrable Securities were registered or sold under the Securities Act (including any final, preliminary or summary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein) or (ii) any omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or preliminary Prospectus, in light of the circumstances under which they were made) not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission is contained in or omitted from any information furnished in writing by such selling Holder to the Company specifically for inclusion in such Registration Statement that has not been corrected in a subsequent writing prior to or concurrently with the sale of the Registrable Securities to the Person asserting the claim. In no event shall the liability of any selling Holder hereunder be greater in amount than
the dollar amount of the net proceeds received by such Holder from the sale of Registrable Securities giving rise to such indemnification obligation less any amounts paid by such Holder pursuant to Section 3.9.4 and any amounts paid by such Holder as a result of liabilities incurred under the underwriting agreement, if any, related to such sale. The Company shall be entitled to receive indemnities from underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, to the same extent as provided above (with appropriate modification) with respect to information furnished in writing by such Persons specifically for inclusion in any Prospectus or Registration Statement.

Section 3.9.3. **Conduct of Indemnification Proceedings.** Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that any delay or failure to so notify the indemnifying party shall relieve the indemnifying party of its obligations hereunder only to the extent, if at all, that it is actually and materially prejudiced by reason of such delay or failure) and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided, however, that any Person entitled to indemnification hereunder shall have the right to select and employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (i) the indemnifying party has agreed in writing to pay such fees or expenses, (ii) the indemnifying party shall have failed to assume the defense of such claim within a reasonable time after receipt of notice of such claim from the Person entitled to indemnification hereunder and employ counsel reasonably satisfactory to such Person, (iii) the indemnified party has reasonably concluded (based upon advice of its counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, or (iv) in the reasonable judgment of any such Person (based upon advice of its counsel) a conflict of interest may exist between such Person and the indemnifying party with respect to such claims (in which case, if the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person). If the indemnifying party assumes the defense, the indemnifying party shall not have the right to settle such action without the consent of the indemnified party. No indemnifying party shall consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of an unconditional release from all liability in respect to such claim or litigation without the prior written consent of such indemnified party. If such defense is not assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its prior written consent, but such consent may not be unreasonably withheld. It is understood that the indemnifying party or parties shall not, except as specifically set forth in this Section 3.9.3, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements or other charges of more than one separate firm admitted to practice in such jurisdiction at any one time unless (x) the employment of more than one counsel has been authorized in writing by the indemnifying party or parties, (y) an indemnified party has reasonably concluded (based on the advice of
counsel) that there may be legal defenses available to it that are different from or in addition to those available to the other indemnified parties or (z) a conflict or potential conflict exists or may exist (based upon advice of counsel to an indemnified party) between such indemnified party and the other indemnified parties, in each of which cases the indemnifying party shall be obligated to pay the reasonable fees and expenses of such additional counsel or counsels.

Section 3.9.4. **Contribution.** If for any reason the indemnification provided for in Section 3.9.1 and Section 3.9.2 is unavailable to an indemnified party (other than as a result of exceptions contained in Section 3.9.1 and Section 3.9.2) or insufficient in respect of any Losses referred to therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party or parties on the other hand in connection with the acts, statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. In connection with any Registration Statement filed with the SEC by the Company, the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just or equitable if contribution pursuant to this Section 3.9.4 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 3.9.4. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The amount paid or payable by an indemnified party as a result of the Losses referred to in Sections 3.9.1 and 3.9.2 shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 3.9.4, in connection with any Registration Statement filed by the Company, a selling Holder shall not be required to contribute any amount in excess of the dollar amount of the net proceeds received by such holder under the sale of Registrable Securities giving rise to such contribution obligation less any amounts paid by such Holder pursuant to Section 3.9.2 and any amounts paid by such Holder as a result of liabilities incurred under the underwriting agreement, if any, related to such sale. If indemnification is available under this Section 3.9, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Sections 3.9.1 and 3.9.2 hereof without regard to the provisions of this Section 3.9.4. The remedies provided for in this Section 3.9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

Section 3.10 **Rules 144 and 144A and Regulation S.** The Company shall file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such
reports, it will, upon the request of any Holder, make publicly available such necessary information for so long as necessary to permit sales that would otherwise be permitted by this Agreement pursuant to Rule 144, Rule 144A or Regulation S under the Securities Act, as such Rules may be amended from time to time or any similar rule or regulation hereafter adopted by the SEC), and the Company will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without Registration under the Securities Act in transactions that would otherwise be permitted by this Agreement and within the limitation of the exemptions provided by (i) Rules 144, 144A or Regulation S under the Securities Act, as such rules may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements and, if not, the specifics thereof.

Section 3.11 Existing Registration Statements. Notwithstanding anything herein to the contrary and subject to applicable law and regulation, the Company may satisfy any obligation hereunder to file a Registration Statement or to have a Registration Statement become effective by a specified date by designating, by notice to the Holders, a Registration Statement that previously has been filed with the SEC or become effective, as the case may be, as the relevant Registration Statement for purposes of satisfying such obligation, and all references to any such obligation shall be construed accordingly; provided, that such previously filed Registration Statement may be amended or, subject to applicable securities laws, supplemented to add the number of Registrable Securities, and, to the extent necessary, to identify as selling stockholders those Holders requesting the filing of a Registration Statement pursuant to the terms of this Agreement. To the extent this Agreement refers to the filing or effectiveness of other Registration Statements by or at a specified time and the Company has, in lieu of then filing such Registration Statements or having such Registration Statements become effective, designated a previously filed or effective Registration Statement as the relevant Registration Statement for such purposes, in accordance with the preceding sentence, such references shall be construed to refer to such designated Registration Statement, as amended.

ARTICLE IV
MISCELLANEOUS

Section 4.1 Authority; Effect. Each party hereto represents and warrants to and agrees with each other party that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized on behalf of such party and do not violate any agreement or other instrument applicable to such party or by which its assets are bound. This Agreement does not, and shall not be construed to, give rise to the creation of a partnership among any of the parties hereto, or to constitute any of such parties members of a joint venture or other association. The Company and its subsidiaries shall be jointly and severally liable for all obligations of each such party pursuant to this Agreement.

Section 4.2 Notices. Any notices, requests, demands and other communications required or permitted in this Agreement shall be effective if in writing and (i) delivered personally, (ii) sent by facsimile or e-mail, or (iii) sent by overnight courier, in each case, addressed as follows:

26
If to the **Company** to:

| J.Jill, Inc. |
| 4 Batterymarch Park |
| Quincy, Massachusetts 02169 |
| Attention: General Counsel |
| E-mail: Vijay.Moses@jjill.com |

with a copy (which shall not constitute notice) to:

| Paul, Weiss, Rifkind, Wharton & Garrison LLP |
| 1285 Avenue of the Americas |
| New York, New York 10019 |
| Attention: Raphael M. Russo |
| Ariel J. Deckelbaum |
| Facsimile: (212) 757-3990 |
| E-mail: rrusso@paulweiss.com |

If to the **Qualified Holder** to:

| c/o TowerBrook Capital Partners L.P. |
| Park Avenue Tower |
| 65 East 55th Street |
| New York, New York 10022 |
| Attention: General Counsel |
| Facsimile: (917) 591-4789 |
| E-mail: Michael.Recht@towerbrook.com |
| Glenn.Miller@towerbrook.com |

Unless otherwise specified herein, such notices or other communications shall be deemed effective (i) on the date received, if personally delivered, (ii) on the date received if delivered by facsimile or e-mail on a Business Day, or if not delivered on a Business Day, on the first Business Day thereafter and (iii) two (2) Business Days after being sent by overnight courier. Each of the parties hereto shall be entitled to specify a different address by giving notice as aforesaid to each of the other parties hereto.

Section 4.3 **Termination and Effect of Termination.** This Agreement shall terminate upon the date on which no Holder holds any Registrable Securities, except for the provisions of Sections 3.9 and 3.10, which shall survive any such termination. No termination under this Agreement shall relieve any Person of liability for breach prior to termination. In the event this Agreement is terminated, each Person entitled to indemnification rights pursuant to Section 3.9 hereof shall retain such indemnification rights with respect to any matter that (i) may be an indemnified liability thereunder and (ii) occurred prior to such termination.

Section 4.4 **Permitted Transferees.** The rights of a Holder hereunder may be assigned (but only with all related obligations as set forth below) in connection with a Transfer of Registrable Securities effected in accordance with the terms of this Agreement to a Person who,
if not already a Holder, has delivered to the Company a written acknowledgment and agreement in form and substance reasonably satisfactory to the Company that such Person will be bound by, and will be a party to, this Agreement (a “Permitted Transferee”). A Permitted Transferee to whom rights are transferred pursuant to this Section 4.4 may not again transfer those rights to any other Permitted Transferee, other than as provided in this Section 4.4. For the avoidance of doubt, this Section 4.4 shall not permit the Transfer of any Registrable Securities that is otherwise prohibited under any other agreement, plan or award document relating to such Registrable Securities.

Section 4.5 Remedies. The parties to this Agreement shall have all remedies available at law, in equity or otherwise in the event of any breach or violation of this Agreement or any default hereunder. The parties acknowledge and agree that in the event of any breach of this Agreement, in addition to any other remedies that may be available, each of the parties hereto shall be entitled to specific performance of the obligations of the other parties hereto and, in addition, to such other equitable remedies (including preliminary or temporary relief) as may be appropriate in the circumstances. No delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any such delay, omission nor waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

Section 4.6 Amendments. This Agreement may not be orally amended, modified, extended or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be amended, modified, extended or terminated, and the provisions hereof may be waived, only by an agreement in writing signed by the Company and Qualified Holder(s) constituting Requisite Investor Approval. Each such amendment, modification, extension or termination shall be binding upon each party hereto and each other Holder. In addition, each party hereto may waive any right hereunder by an instrument in writing signed by such party.

Section 4.7 Governing Law. This Agreement and all claims arising out of or based upon this Agreement or relating to the subject matter hereof shall be governed by and construed in accordance with the domestic substantive laws of the State of New York without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

Section 4.8 Consent to Jurisdiction. Each party to this Agreement, by its execution hereof, (i) hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the County of New York in the State of New York for the purpose of any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof, (ii) hereby waives to the extent not prohibited by applicable law, and agrees not to assert, and agrees not to allow any of its subsidiaries to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above-named courts is improper, or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court and (iii) hereby agrees not to commence or
maintain any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof or thereof other than before one of the above-named courts nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation to any court other than one of the above-named courts whether on the grounds of inconvenient forum or otherwise. Notwithstanding the foregoing, to the extent that any party hereto is or becomes a party in any litigation in connection with which it may assert indemnification rights set forth in this Agreement, the court in which such litigation is being heard shall be deemed to be included in clause (i) above. Notwithstanding the foregoing, any party to this Agreement may commence and maintain an action to enforce a judgment of any of the above-named courts in any court of competent jurisdiction. Each party hereto hereby consents to service of process in any such proceeding in any manner permitted by New York law, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 4.2 hereof is reasonably calculated to give actual notice.

Section 4.9 WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTIES HERETO THAT THIS SECTION 4.9 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 4.9 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

Section 4.10 Merger; Binding Effect, Etc. This Agreement constitutes the entire agreement of the parties with respect to its subject matter, supersedes all prior or contemporaneous oral or written agreements or discussions with respect to such subject matter, and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors and permitted assigns. Except as otherwise expressly provided herein, no Holder or other party hereto may assign any of its respective rights or delegate any of its respective obligations under this Agreement without the prior written consent of the other parties hereto, and any attempted assignment or delegation in violation of the foregoing shall be null and void.

Section 4.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one instrument.
Section 4.12  **Severability.** In the event that any provision hereof would, under applicable law, be invalid or unenforceable in any respect, such provision shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law. The provisions hereof are severable, and in the event any provision hereof should be held invalid or unenforceable in any respect, it shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section 4.13  **No Recourse.** Notwithstanding anything that may be expressed or implied in this Agreement, the Company and each Holder covenant, agree and acknowledge that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any current or future director, officer, employee, general or limited partner or member of any Holder or of any Affiliate or assignee thereof, as such, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of any Holder or any current or future member of any Holder or any current or future director, officer, employee, partner or member of any Holder or of any Affiliate or assignee thereof, as such, for any obligation of any Holder under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

[Signature pages follow]
IN WITNESS WHEREOF, each of the undersigned has duly executed this Agreement (or caused this Agreement to be executed on its behalf by its officer or representative thereunto duly authorized) as of the date first above written.

J.Jill, Inc.

By: 

Name: 
Title: 

[Signature Page to Registration Rights Agreement]
TI IV Jill Holdings, LP

By:

Name: ____________________________
Title: ____________________________

JJ Holdings GP, LLC

By:

Name: ____________________________
Title: ____________________________

[Signature Page to Registration Rights Agreement]
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (this “Agreement”), entered into as of March 30, 2015 (the “Signing Date”), between JJill Topco Holdings, LP (the “Parent”), and PAULA BENNETT (“Executive” and, together with Parent, the “Parties”), amends and restates in its entirety, effective as of the Effective Date (defined below), that certain employment agreement dated March 30, 2012, by and among Jill Intermediate LLC (“Jill Intermediate”), Jill Acquisition LLC (the “Company”), and Executive (the “Prior Agreement”). In addition, JJ Holdings GP, LLC (“Parent GP”), and JJill Holdings, Inc. (“Buyer”), each join this Agreement, and Parent shall cause Jill Intermediate to join this Agreement as soon as practicable following the Effective Date (as defined below), and shall be Parties hereto, for the limited purposes set forth in paragraph 22. As soon as practicable following the Effective Date, Parent shall cause the Company to join this Agreement and become a Party hereto.

RECITALS

WHEREAS, pursuant to the Membership Interest Purchase Agreement entered into on the Signing Date, by and among Buyer, Jill Intermediate, the members of Jill Intermediate and JJ Holding Company Limited (the “Purchase Agreement”), the parties to the Purchase Agreement have agreed to consummate the transactions set forth therein, upon the terms and subject to the conditions of the Purchase Agreement (the “Transaction”);

WHEREAS, in connection with the execution and delivery of the Purchase Agreement, the Parties wish to enter into this Agreement to amend and restate the Prior Agreement to, among other things, set forth the terms and conditions of Executive’s continued employment with the Company commencing on the date on which the Transaction closes (the “Effective Date”), including, without limitation, the terms and conditions of Executive’s retirement from the Company, which the Parties anticipate will occur at some time during the period of Parent’s indirect ownership of the Company;

WHEREAS, to secure Executive’s skills and services, for the benefit of Parent GP, Parent, the Company, and their respective direct or indirect subsidiaries, whether existing on the Effective Date or thereafter acquired or formed (collectively, the “J.Jill Companies”), the Company desires to continue to employ Executive and Executive desires to accept such continued employment with the Company and to provide such skills and services to the J.Jill Companies, on the terms and conditions set forth herein; and

WHEREAS, the Prior Agreement shall continue to govern the terms of Executive’s employment with the Company and Jill Intermediate through the date immediately preceding the Effective Date.

NOW, THEREFORE, in consideration of the mutual promises, terms, covenants, and conditions set forth in this Agreement, and the performance of each, the
Parties, and for the limited purposes set forth herein, Parent, Parent GP, and Jill Intermediate, intending to be legally bound, agree as follows:

**AGREEMENTS**

1. **Term.** The term of this Agreement shall begin on the Effective Date and shall continue until Executive’s employment with the Company ends in accordance with paragraph 6 below (such period, the “Term”). In the event that the Transaction does not close, this Agreement shall automatically terminate, and cease to have any further force or effect, on the date on which the Purchase Agreement terminates in accordance with its terms, and in such event, notwithstanding anything contained herein, no party hereto shall have any liability or obligation hereunder.

2. **Position and Duties.**

   (a) **Position and Duties at the Company.** During the Term, Executive shall be employed as Chief Executive Officer (“CEO”) of the Company and, until such time as the Company hires a new President (the “New President”), Executive shall also be employed as President of the Company. During the Term, Executive shall be the senior-most executive officer of the Company.

   (b) **Position and Duties at the Parent and Intermediary Entities.** During the Term until such time as either (x) the Parent is no longer the ultimate parent of the Company (or the successor to the Company’s business) as the result of an Approved Partnership Sale (as such term is defined in that certain Amended and Restated Agreement of Limited Partnership of Parent to be executed by the parties thereto in the form attached hereto, as such may be further amended from time to time in accordance therewith (the “Parent LPA.”)) or (y) as a result of a Public Offering (as such term is defined in the Parent LPA), the equity securities of the Buyer or any of its subsidiaries or successors become listed on an established securities market (such entity whose securities become listed, the “IPO Entity.”) (either of (x) and (y), a “Parent Separation”), Executive shall serve as the CEO and the senior-most executive officer of Parent and, prior to a Parent Separation, any intermediary entities between the Company and the Parent, and until a New President is hired by Parent, Executive shall serve as President of Parent and any intermediary entities between the Company and the Parent, including, without limitation, the Buyer. In all events, during the Term and on or following a Public Offering, Executive shall be the CEO and the senior-most executive of the IPO Entity.

   (c) **Reporting and Board Duties.** During the Term, Executive shall serve as a member of, and shall report directly to, the Board of Directors of Parent GP (the “GP Board.”) and, to the extent designated by the GP Board, Executive shall report to the board of directors of Buyer; provided, that following a Parent Separation, Executive shall cease to be a member of the GP Board and shall report solely to the board of directors of the Company and, if applicable, its ultimate parent company; provided, further that following a Public Offering during the Term, Executive shall also be nominated for election as a member of, and shall report directly to, the board of directors of the IPO Entity. As used herein, the term “Board” shall be deemed to refer to the GP
Board prior to a Parent Separation and after a Parent Separation, the Company and, if applicable, the ultimate parent of the Company, including on or after a Public Offering, the board of directors of the IPO Entity. During the Term, the GP Board may also require Executive to serve as a member of the board of directors of Buyer and/or any other subsidiary of Parent, in each case without additional compensation.

(d) **Scope of Duties.** During the Term, Executive shall have such responsibilities, duties, and authorities as are commensurate with the position of CEO and, if applicable, President of a company the size and nature of the Company and as may be assigned by the Board consistent with such positions. During the Term, all executive officers of the Company and, prior to a Parent Separation, of Parent (including any New President) and any intermediary entities, including, without limitation, the Buyer, and on and after a Parent Separation, the ultimate parent of the Company (including, if applicable, the IPO Entity), shall report directly to Executive or her designee; provided, however, that Parent, Buyer, and the Company shall each be permitted to hire (i) a Non-Executive Chairman and (ii) a chief legal/compliance officer, each of whom may report directly to the Board or its designee. Executive shall fulfill her duties and responsibilities in a reasonable and appropriate manner and in compliance with the Company’s policies and practices and applicable law.

(e) **Standard of Performance.** During the Term, Executive shall devote her full business time and attention to the business and affairs of the J.Jill Companies and shall not be engaged in or employed by or provide services to any other business enterprise without the written approval of the Board; provided, however, that Executive may manage her personal affairs, finances, and investments, may participate in charitable and not-for-profit activities, and may serve on those industry boards and advisory groups (and retain any compensation from same) set forth on Annex A attached hereto as of the Signing Date, all without the necessity of obtaining Board approval, and may serve on industry boards and advisory groups not listed on Annex A (and retain any compensation from same) subject to the Board’s consent (which consent shall not be unreasonably withheld), so long as such service does not create an actual or potential conflict of interest with, or interfere with the performance of, Executive’s duties hereunder or conflict with Executive’s covenants under paragraph 7, 8 or 10 of this Agreement, in each case as determined in the sole judgment of the Board.

3. **Compensation.** For all services rendered by Executive (including her agreement to the covenants contained in paragraphs 7(b)-(d) through 10 of this Agreement), the Company shall compensate Executive as follows:

(a) **Base Salary.** As of the Effective Date, the gross annual salary payable to Executive shall be Seven Hundred Thousand Dollars ($700,000.00) per year, which shall be paid in substantially equal installments on a regular basis in accordance with the Company’s standard payroll procedures, but not less than monthly (the “**Base Salary**”). During the Term, the Base Salary shall be reviewed by the Board (or the appropriate committee of the Board) annually at the same time as other executive reviews and shall be subject to increase (but not decrease) by the Board (or the appropriate committee of the Board) in its discretion. After any such increase, “**Base Salary**” for purposes of this Agreement shall mean such increased amount.
(b) **Annual Bonus.** For all of 2015 (without proration) and subsequent fiscal years ending during the Term, Executive shall be eligible for an annual bonus as set forth herein (the “**Annual Bonus**”). The Annual Bonus shall be determined by the Board based upon the Company’s achievement of financial and other goals to be determined annually by the Board, in consultation with Executive, which goals shall, except as otherwise agreed by the Board and Executive, apply for all senior executives of the Company who are participants in the Annual Bonus plan. For 2015, the Annual Bonus shall be determined based on the EBITDA goals already approved by the board of directors of Jill Intermediate and/or the Company prior to the Signing Date, including the amount of the Annual Bonus achievable based on actual results in comparison to the targets. Executive’s target Annual Bonus shall be equal to one hundred percent (100%) of Executive’s Base Salary (the “**Target Bonus**”), and if all performance objectives for the applicable performance year are obtained or exceeded, the Executive shall receive no less than the Target Bonus. In addition, Executive shall have an opportunity under the terms of the Annual Bonus to receive an Annual Bonus in excess of the Target Bonus as set forth in the applicable Annual Bonus plan. Executive’s target bonus opportunity as a percentage of Base Salary shall be reviewed by the Board (or the appropriate committee of the Board) annually at the same time as the review of Executive’s Base Salary and shall be subject to increase (but not decrease) by the Board (or the appropriate committee of the Board) in its discretion. After any such increase, “**Target Bonus**” for purposes of this Agreement shall mean such increased amount. The Annual Bonus awarded for a fiscal year shall be determined by the Board after the end of such fiscal year and shall be paid in cash and in accordance with the Company’s customary practices for payment of annual bonuses to senior executive employees in the calendar year following, and not within, the fiscal year for which the Annual Bonus is earned, but in all events no later than the earlier of (i) seventy-five (75) days after the later of (x) the close of the fiscal year for which the Annual Bonus was earned and (y) the completion of such fiscal year’s financial audit or (ii) April 15 of such calendar year; provided, however, that except as otherwise provided in this Agreement, Executive must be employed through the end of the applicable fiscal year to be entitled to receive the Annual Bonus.

(c) **Benefits and Perquisites.** During the Term, Executive shall be entitled to participate in the employee benefit plans and programs of the Company in accordance with the terms of such plans and programs and shall be entitled to the same perquisites as are made available to other senior executive employees of the Company.

(d) **Vacation.** During the Term, Executive shall be entitled to not less than four (4) weeks of paid vacation during each calendar year (pro-rated for any partial calendar year of employment) in accordance with the Company’s policies and practices for senior executive employees of the Company.

(e) **Class A Common Units.** As of the Effective Date, Executive shall be entitled to receive an allocation of Class A Common Units of Parent pursuant to a Grant Agreement in the form attached hereto and the Parent agrees to execute such Grant Agreement as of the Effective Date (the “**Grant Agreement**”).
4. **Expense Reimbursement**. During the Term, the Company shall reimburse Executive for (or, at the Company’s option, pay) all business travel and other out-of-pocket expenses reasonably incurred by Executive in the performance of her duties under this Agreement. All reimbursable expenses shall be appropriately documented by Executive upon submission of any request for reimbursement in a manner consistent with the Company’s expense reporting policies and applicable federal and state tax recordkeeping requirements. The amount of expenses eligible for reimbursement during any taxable year of Executive under this Agreement will not affect the expenses eligible for reimbursement in any other taxable year of Executive, and Executive’s right to reimbursement of expenses is not subject to liquidation or exchange for another benefit. The Company shall also pay directly to the Executive’s counsel the legal fees incurred in connection with the review of this Agreement, its Exhibits and related documentation, subject to a cap of $25,000.

5. **Place of Performance**. During the Term, Executive shall carry out her duties and responsibilities under this Agreement principally in and from the Company’s offices in the Quincy, Massachusetts, area. Executive understands that her position will involve substantial travel and agrees to undertake such travel as may be necessary or desirable in the performance of her duties and responsibilities under this Agreement.

6. **Termination; Rights on Termination**. Executive’s employment and the Term may be ended in any one of the ways set forth in sub-paragraphs 6(a)-6(e). Except as otherwise may be agreed between the applicable J.Jill Companies and Executive at the time such employment ends, upon Executive’s separation from employment with the Company she shall be deemed to have resigned from any and all offices and directorships she then holds relating to any J.Jill Company and, if requested by the Company, Executive shall deliver written instruments of resignation evidencing such resignations.

(a) **Termination by the Company for Cause**. The Board may terminate the Term and Executive’s employment hereunder for Cause (as defined below) effective immediately upon provision of notice to Executive that her employment has been terminated for Cause, subject to any applicable cure periods described below; provided that any termination for Cause after the consummation a Public Offering shall require a majority vote of the Board. For purposes of this Agreement, “Cause” shall mean any of the following: (i) Executive’s willful breach of any provision of paragraph 7(b)-(d), 8 or 10 of this Agreement; (ii) Executive’s willful failure to follow a lawful directive of the Board; (iii) Executive’s willful or gross neglect in the performance or nonperformance of any of her duties or responsibilities hereunder; (iv) Executive’s dishonesty with respect to any material matter arising in the performance of her duties for any J.Jill Company that results in material injury to the financial condition or business reputation of any J.Jill Company, or Executive’s fraud or willful misconduct in connection with her duties for any J.Jill Company; (v) Executive’s use of alcohol or
drugs in a manner that materially interferes with the performance of her duties for any JJill Company; or (vi) Executive’s conviction of or plea of no contest to any misdemeanor involving theft, fraud, dishonesty, or act of moral turpitude or to any felony. In the event of a breach or failure described in clauses (i), (ii), (iii), (iv), or (v) the Board shall provide Executive with notice of the facts and circumstances which constitute such breach or failure and, if curable, shall provide Executive a ten (10) day period in which to cure such breach or failure and shall not terminate Executive for Cause if Executive cures such breach or failure within such ten (10) day period. In the event that the Term and Executive’s employment hereunder are terminated by the Board for Cause, no compensation or benefits shall be payable to Executive after the date of such termination, except as provided for in paragraph 6(f)(i).

(b) *Termination for Executive’s Death or Disability.* The Term and Executive’s employment hereunder shall terminate automatically upon Executive’s death during the Term. If the Disability (as defined herein) of Executive has occurred during the Term, the Company may provide Executive with written notice of the termination of the Term and Executive’s employment hereunder. In such event, the Term and Executive’s employment hereunder shall terminate effective on the thirtieth (30th) day following receipt of such notice by Executive. In the event that the Term and Executive’s employment hereunder are terminated due to Executive’s death or Disability, no compensation or benefits shall be payable to Executive or her estate after the date of such termination, except as provided for in paragraph 6(f)(i). For purposes of this Agreement, “Disability” shall mean either (i) Executive’s inability to perform the essential duties and responsibilities of her position (even with reasonable accommodation taken into account) by reason of Executive’s mental or physical disability, illness, or impairment that has already lasted for a period of ninety (90) or more days during any twelve (12) month period, or (ii) Executive’s inability to perform the essential duties and responsibilities of her position (even with reasonable accommodation taken into account) by reason of Executive’s mental or physical disability, illness, or impairment that can be expected to result in death or that can be expected to last for a period of ninety (90) or more days during any twelve (12) month period, as determined by a physician selected by the Company and reasonably agreeable to Executive.

(c) *Termination due to Mandatory Retirement.* At any time during the Term, the Company may, without Cause and for any reason whatsoever, require Executive to mandatorily retire from her employment with the Company and to terminate the Term hereunder, effective upon the expiration of a notice period of no less than thirty (30) days set forth in a written notice delivered to Executive by the Company (such termination, a “Mandatory Retirement”); provided, that the notice period stated above may, upon consultation with the Board, be waived by Executive, in which case such Mandatory Retirement shall be effective immediately upon the Board’s acceptance of Executive’s waiver of the notice period. In the event that the Term and Executive’s employment hereunder are terminated as a result of a Mandatory Retirement, no compensation or benefits shall be payable to Executive except as provided for in paragraph 6(f)(iii).
(d) **Termination by Executive For Good Reason.** Executive may terminate the Term and her employment hereunder for Good Reason (as defined below). “Good Reason” shall mean, without Executive’s prior written consent (i) a material reduction in Executive’s duties and responsibilities; provided, that Executive hereby acknowledges that the hiring of (x) a President who reports to Executive or her designees and is granted customary duties and responsibilities commensurate with the title of President and/or (y) a chief legal/compliance officer reporting to the Board shall not constitute Good Reason pursuant to this clause (i); (ii) removal of Executive as CEO or President of the Company or Parent or failure to elect or reelect (or removal of) Executive as a member of the Board; provided, that neither (x) the hiring by the Company and/or Parent of a New President pursuant to paragraph 2 of this Agreement who reports to Executive, nor (y) the removal of Executive from the GP Board or, as CEO or the senior-most executive officer of Parent, in each case following a Parent Separation shall constitute Good Reason pursuant to this clause (ii); (iii) a reduction of Base Salary or Target Bonus opportunity; (iv) Executive’s no longer serving as the senior most executive officer in Parent, or the Company; (v) a change in reporting structure such that Executive no longer reports to the Board; (vi) the failure of any executive officer of the Company or Parent, other than the chief legal/compliance officer, to report directly to Executive or her designee; (vii) a material breach of the Grant Agreement by Parent, (viii) the relocation of Executive’s principal work location outside of the Quincy, Massachusetts, area; (ix) following a Parent Separation, Executive is not the senior-most executive of the entity that directly or indirectly owns 100% of the Company’s securities and/or assets; provided, however, Executive shall not be entitled to resign for Good Reason unless (A) Executive gives the Board a written statement of the basis for Executive’s belief that Good Reason exists, (B) such written statement is provided not later than ninety (90) days after the later of Executive’s knowledge of the existence of the condition that Executive believes forms the basis for resignation for Good Reason or the occurrence of such condition (which for any event that has a materiality standard shall be measured from the last event giving rise to the event(s) being material), (C) Executive gives the Board at least thirty (30) days after receipt of such written statement to cure the basis for such belief (the “Cure Period”), and (D) the Board does not cure the basis for such belief within the Cure Period. In the event that the Term and Executive’s employment hereunder are terminated by Executive for Good Reason, no compensation or benefits shall be payable to Executive except as provided for in paragraph 6(f)(iii). For the avoidance of doubt, Executive hereby acknowledges and agrees that the consummation of the Transaction shall not constitute “Good Reason” pursuant to the Prior Agreement or this Agreement.

(e) **Termination by Executive Without Good Reason or due to Voluntary Retirement.** Executive may resign or terminate her employment hereunder without Good Reason on at least either (i) thirty (30) days’ prior written notice to the Board for any resignation or termination without Good Reason (other than a Voluntary Retirement) or (ii) six (6) months’ prior written notice to the Board of a Voluntary Retirement; provided, that the notice period stated above may be waived by the Board in its absolute discretion, in which case, such resignation or termination shall be effective immediately upon the Board’s receipt of notice thereof from Executive. In the event that the Term and Executive’s employment hereunder are terminated by Executive without
Good Reason (other than a Voluntary Retirement), no compensation or benefits shall be payable to Executive after the date of such termination, except as provided for in paragraph 6(f)(i). In the event of Executive’s Voluntary Retirement during the Term, no compensation or benefits shall be payable to Executive after the date of such termination, except as provided for in paragraph 6(f)(ii). For purposes of this Agreement, Executive’s “Voluntary Retirement” shall mean (i) Executive’s voluntary resignation of her employment, other than for Good Reason, on no less than six (6) months’ prior written notice, to be effective on or after the 30-month anniversary of the Effective Date (or such other earlier date determined by the Board to be Executive’s retirement date if the Board waives the six (6) month prior notice requirement).

(f) Payments Due Upon Termination.

(i) Upon a termination of the Term and Executive’s employment hereunder (A) by reason of Executive’s death, (B) due to Executive’s Disability, (C) by the Company for Cause, or (D) by Executive without Good Reason (and not due to a Voluntary Retirement), Executive (or her estate, if applicable) shall be entitled to receive (1) any Base Salary payable to Executive pursuant to paragraph 3(a) of this Agreement, accrued up to and including the date on which Executive’s employment is terminated, less required statutory deductions, paid in accordance with the Company’s standard payroll procedures; (2) any payments, benefits and rights under any employee benefit and equity plans, programs or agreements of any J.Jill Company to which Executive is entitled upon termination of her employment with the Company (including, without limitation, under this Agreement, but excluding any benefit plans or programs providing for cash severance benefits, or the Grant Agreement), in accordance with the terms and conditions of the applicable employee benefit or equity plans, programs or agreements of any J.Jill Company; (3) reimbursement for any unreimbursed business expenses under paragraph 4 of this Agreement incurred by Executive prior to her date of termination, paid in accordance with the Company’s reimbursement policies and procedures; (4) except in the case of Executive’s termination for Cause, payment of any unpaid Annual Bonus earned for any fiscal year which has been completed prior to Executive’s date of termination, paid in accordance with paragraph 3(b) of this Agreement; and (5) continuation of any rights Executive may have under paragraph 18 of this Agreement (collectively, the “Accrued Obligations”). For the avoidance of doubt, upon termination of Executive’s employment for any reason, Executive’s rights with respect to her equity interests in the Parent (or any successor thereto) shall be governed by the terms of the Grant Agreement and Parent LPA, as applicable.

(ii) Upon a termination of the Term and Executive’s employment hereunder due to Executive’s Voluntary Retirement, and provided that Executive satisfies the requirements set forth in paragraph 6(g) of this Agreement, Executive shall be entitled to receive (1) the Accrued Obligations, and (2) payment of any Annual Bonus for the fiscal year of such termination, prorated based on the number of days Executive was actively employed by the Company during such fiscal year and determined as if Executive had remained actively employed through the payment date (with any personal non-financial performance goals deemed to be achieved at 100%), payable at the time any such Annual Bonus would otherwise be paid in accordance with paragraph 3(b) of this Agreement.
In the event that the Term and Executive’s employment hereunder are terminated due to Mandatory Retirement or by Executive for Good Reason, and provided that Executive satisfies the requirements set forth in paragraph 6(g) of this Agreement, then Executive shall be paid or be entitled to receive the Accrued Obligations, and (1) an Annual Bonus for the year of termination based on the actual bonus Executive would have received had she remained employed for the full performance period and through the date of payment (with any personal non-financial performance goals deemed achieved at 100%), payable in accordance with paragraph 3(b) of this Agreement, and (2) to the extent that such termination occurs prior to the 30-month anniversary of the Effective Date, (A) continued payment of Executive’s Base Salary during the eighteen (18) month period after the effective date of such termination (such period, the “Continuation Period”), and (B) during the Continuation Period, or, if shorter, until coverage is obtained from another employer (which coverage Executive shall promptly disclose to the Company), to the extent permitted by applicable law, Executive shall also receive a continuation of the medical and dental coverage to which Executive was entitled under paragraph 3(c) immediately prior to such termination (including dependent coverage), at the same premium cost to Executive as determined immediately prior to such termination; provided, that any right Executive has to COBRA under Employer’s group health plan will run concurrently with the continuation of coverage provided herein, and, provided further, that any Company-paid premiums shall be reported as taxable income to Executive. Notwithstanding the foregoing, Executive shall not be entitled to the amounts and benefits set forth in clauses (1) and (2) above following a Mandatory Retirement or termination by Executive for Good Reason if in connection with such retirement or termination of employment, Parent GP and Executive enter into a written agreement memorializing the terms of Executive’s continued GP Board service, except as may expressly be provided in such agreement.

Post-Employment Covenants; Release. Notwithstanding any provision of this Agreement to the contrary, the payment of any amount or provision of any benefit pursuant to paragraph 6(f)(ii) or 6(f)(iii) of this Agreement (other than items (1), (2), (3), and (5) set forth in the definition of Accrued Obligations) (collectively, the “Severance Benefits”) shall be conditioned upon (i) Executive’s not violating any of her obligations under paragraph 7(b)-(d), 8(d) or 10 of this Agreement, (ii) Executive’s not materially violating any of her obligations under paragraph 8(c) or 9 of this Agreement, (iii) Executive’s execution, delivery to the Board, and non-revocation of a general release of the J.Jill Companies and their respective affiliates and their respective employees, officers, directors, owners and members from any and all claims, obligations and liabilities of any kind whatsoever, including, without limitation, those arising from or in connection with Executive’s employment or termination of employment with the Company, Executive’s service as a director or officer of any J.Jill Company or removal therefrom, or this Agreement (including, without limitation, civil rights claims), in the form attached hereto (modified as necessary to conform to then-existing legal requirements) (the “Release”), and (iv) the expiration of any revocation period contained in such Release; provided, that Executive shall not be treated as incurring a violation.
described in clause (i) or (ii) above unless the Company provides Executive with written notice of the facts and circumstances that constitute such violation and, if curable, provides Executive a ten (10) day period in which to cure such violation and such violation is not cured within such ten (10) day period. If Executive fails to execute the Release in a timely manner so as to permit any revocation period to expire prior to the end of the sixty (60) day period immediately following Executive’s termination of employment, or timely revokes her acceptance of such Release following its execution, Executive shall not be entitled to any of the Severance Benefits. Further, to the extent that any of the Severance Benefits constitutes “nonqualified deferred compensation” for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), any payment of any amount or provision of any benefit otherwise scheduled to occur prior to the sixtieth (60th) day following the date of Executive’s termination of employment hereunder, but for the condition on executing the Release as set forth herein, shall not be made until the first regularly scheduled payroll date following such sixtieth (60th) day, after which any remaining Severance Benefits shall thereafter be provided to Executive according to the applicable schedule set forth herein.

(h) **Provisions that Survive Termination or Expiration of Agreement.** All rights and obligations of the Parties under this Agreement shall cease as of the effective date of termination of Executive’s employment under this Agreement, except that (i) the Company’s obligations under paragraphs 6, 17 and 18 of this Agreement, (ii) Buyer’s, Parent’s, and Parent GP’s obligations under paragraphs 6(k) and 18 of this Agreement and the Parent’s obligations under the Grant Agreement, and (iii) Executive’s obligations under paragraphs 7(b)-(d), 8, 9, 10, 16 and 17 of this Agreement shall, in each of clauses (i), (ii), and (iii) above, survive such termination in accordance with their terms.

(i) **No Mitigation; Right to Offset.** In the event of any termination of Executive’s employment under this Agreement for any reason, Executive shall not be under any duty to mitigate damages by seeking subsequent employment, and the Company’s obligation to make any payments hereunder shall not be subject to offset for any reason other than for any debts or expenses that Executive owes to the Company. All payments and benefits payable under this Agreement are gross payments subject to applicable taxes and withholdings.

(j) **Compliance with Code Section 409A.**

(i) To the extent this Agreement is subject to Section 409A of the Code (“Section 409A”), the Parties intend all payments under this Agreement to comply with the requirements of Section 409A, and this Agreement shall, to the extent practical, be operated and administered to effectuate such intent. In furtherance thereof, if payment or provision of any amount or benefit hereunder at the time specified in this Agreement would subject such amount or benefit to any additional tax under Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or the provision of such amount or benefit could be made without incurring such additional tax (including paying any severance that is delayed in a lump sum upon the earliest possible payment.
date which is consistent with Section 409A). In addition, to the extent that any regulations or guidance issued under Section 409A (after application of the previous provision of this paragraph) would subject Executive to the payment of interest or any additional tax under Section 409A, the Parties agree, to the extent reasonably possible, to amend this Agreement in order to avoid the imposition of any such interest or additional tax under Section 409A, which amendment shall have the minimum economic effect necessary on Executive and be reasonably determined in good faith by the Parties; provided however, that the Parties shall not be required to substitute a cash payment for any non-cash benefit herein.

(ii) A termination of Executive’s employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that are considered nonqualified deferred compensation under Section 409A upon or following a termination of Executive’s employment, unless such termination is also a “separation from service” within the meaning of Section 409A and the payment thereof prior to a “separation from service” would violate Section 409A. For purposes of any such provision of this Agreement relating to any such payments or benefits, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.”

(iii) For purposes of Section 409A, Executive’s right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., “payment shall be made within thirty (30) days following the date of termination”), the actual date of payment within the specified period shall be within the sole discretion of the Company; provided that if the payment date can fall in one of two calendar years it shall be paid in the second calendar year.

(iv) With respect to any payment under this Agreement constituting nonqualified deferred compensation subject to Section 409A, (A) all expenses or other reimbursements provided herein shall be payable in accordance with the Company’s policies in effect from time to time, but in any event shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Executive; (B) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year; and (C) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(v) If Executive is deemed on the date of termination to be a “specified employee” within the meaning of that term under Section 409A, then with regard to any payment or the provision of any benefit under this Agreement that is considered nonqualified deferred compensation under Section 409A payable on account of a “separation from service,” such payment or benefit shall be made or provided on the first business day following the earlier of (A) the expiration of the six (6)-month period measured from the date of such “separation from service” of Executive, and (B) the date of Executive’s death (the “Delay Period”). Upon the expiration of the Delay Period, all
payments and benefits delayed pursuant to this paragraph 6(j) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump sum on the first business day following the Delay Period, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(k) **Compliance with Code Section 280G.** If a change in control of Parent, Buyer, or the Company occurs prior to the date on which either Parent’s, Buyer’s, or the Company’s stock becomes publicly traded and if any payments, benefits or entitlements provided to Executive under this Agreement, its Exhibits or otherwise would constitute a “parachute payment” for purposes of Section 280G of the Code and such payments would be eligible for exemption under Section 280G(b)(5) of the Code, Parent, Buyer, or the Company, as applicable, agrees to use commercially reasonable efforts to seek the requisite stockholder vote of the payments pursuant to Section 280G of the Code and Executive agrees to cooperate therein. Notwithstanding any provision of this Agreement to the contrary, if any amounts or benefits to be paid or provided under this Agreement or otherwise would cause payments or benefits (or other compensation) to not be fully deductible by Parent, Buyer, or the Company or their respective affiliates for federal income tax purposes because of Section 280G of the Code, or any successor provision thereto (or that would subject Executive to the excise tax imposed by Section 4999 of the Code, or any successor provision thereto), such payments and benefits (and other compensation) will be reduced to the extent necessary such that no portion of such payments or benefits (or other compensation) will be subject to the excise tax imposed by Section 4999 of the Code, or any successor provision thereto; provided, that such a reduction will be made only if, by reason of such reduction, Executive’s net after-tax benefit exceeds the net after-tax benefit she would realize if such reduction were not made. The determination of whether any such payments or benefits to be provided under this Agreement or otherwise would not be so deductible (or whether Executive would be subject to such excise tax) shall be made at the expense of Parent, Buyer, or the Company, as applicable, if requested by either Executive or Parent, Buyer, or the Company, as applicable, by a firm of independent accountants or a law firm selected by the Board and reasonably acceptable to Executive. Any such reduction of such payments and benefits (and other compensation) shall be made by reducing the payments and benefits due to Executive under this Agreement or otherwise in the following order: (i) payments under paragraph 6(f)(iii)(2)(A) of this Agreement, as applicable, in inverse order from the last date of payment, (ii) the payment under paragraph 6(f)(ii)(2) or (f)(iii)(1) as applicable, (iv) all other payments and benefits under paragraph 6(f)(iii) of this Agreement, as applicable, in inverse order from the last date the payment or benefit is to be paid or provided, (v) payments and benefits under paragraph 6(f)(i)(4) of this Agreement, and (vi) any other payments and benefits due to Executive that constitute a “parachute payment” for purposes of Section 280G of the Code, with any cash payments being reduced first before any non-cash payments in inverse order from the last date of payment.
7. **Executive Covenants.**

(a) The Parties acknowledge and agree that during her employment with the J.Jill Companies, she will perform each of the following duties except as otherwise set forth herein: (1) have the primary duty of managing the day-to-day operations of the J.Jill Companies; (2) customarily and regularly direct the work of all executives of the J.Jill Companies (including the New President); and (3) have the authority to hire or fire other employees of the Company or have particular weight given to her suggestions and recommendations as to the hiring, firing, advancement, promotion, or any other change of status of other employees of the Company. Executive further acknowledges and agrees that by reason of the J.Jill Companies’ investment of time, training, money, trust, exposure to the public, or exposure to customers, vendors, or other business relationships, she will gain (1) a high level of notoriety, fame, reputation, or public persona as the J.Jill Companies’ representative or spokesperson, or (2) a high level of influence or credibility with the J.Jill Companies’ respective customers, vendors, or other business relationships. Executive further acknowledges and agrees that she will be intimately involved in the planning for or direction of the business of the J.Jill Companies, and that she has or will obtain selective or specialized skills, knowledge, abilities, or customer contacts or information by reason of working for the J.Jill Companies.

(b) During Executive’s employment with the J.Jill Companies and for a period of eighteen (18) months thereafter (the “Noncompetition Restricted Period”), Executive shall not, either directly or indirectly, for herself or on behalf of or in conjunction with any other person, company, partnership, corporation, business, group, or other entity (each, a “Person”) engage, within the Territory (as described below), as an officer, director, owner, partner, member, joint venturer, or in a managerial capacity (whether as an employee, independent contractor, agent, representative, or consultant), in any business engaged in the Business of the J.Jill Companies (as defined below).

(c) During Executive’s employment with the J.Jill Companies and for a period of twenty-four (24) months thereafter (the “Nonsolicitation Restricted Period”), Executive shall not, either directly or indirectly, for herself or on behalf of or in conjunction with any Person, cause any Person to solicit or attempt to solicit, recruit or attempt to recruit, any employee or contract worker of the Company or any employee of the Associated Companies (as defined below) with whom Executive had material business contact during the course of her employment with the J.Jill Companies to end his or her relationship with the J.Jill Companies.

(d) In addition, in furtherance of the Company’s reasonable efforts to safeguard Confidential Information (defined below), Executive agrees that, during Executive’s employment with the J.Jill Companies and during the Noncompetition Restricted Period, Executive shall not serve as a council member or participate in any similar capacity for Gerson Lehrman Group, Inc., Coleman Research, GuidePoint Global, or any other firm the primary purpose of which is to connect its clients with executives or industry specialists (whether through in-person meetings, telephone conversations, on-line forums or other mediums) as a means for its clients to conduct primary research on a particular company, industry or business sector.
(e) For purposes of paragraphs 7 through 10:

(i) The “Territory” shall be defined as the United States of America and any other territory where Executive is working at the time of Executive’s termination of employment with the J.Jill Companies; which Executive acknowledges and agrees is the territory in which she is providing services to the J.Jill Companies pursuant to this Agreement.

(ii) The “Associated Companies” shall mean the J.Jill Companies and any company in which any J.Jill Company has a twenty percent or greater ownership interest.

(iii) The “Business of the J.Jill Companies” shall be defined as a women’s retail, catalog, phone and/or internet apparel business (regardless of its form of organization, and including a division of a general retailer, such as a department store, if the division is engaged in a specialty retail or specialty catalog business for women, including, for purposes of illustration, but not limited to, ANN INC. and its subsidiaries, Chico’s FAS, Inc. and its subsidiaries, Coldwater Creek Inc., Eddie Bauer LLC, Inc., Eileen Fisher Inc. and its subsidiaries, Nordstrom Inc., Sundance Catalog, L.L. Bean, Inc., Lands’ End, The Talbots, Inc., and The Gap, Inc.). Notwithstanding the foregoing, “Business of the J.Jill Companies” shall not include any affiliate, subsidiary or division of any Person engaged in women’s retail, catalog, phone and/or internet apparel business if (A) such affiliate, subsidiary or division is not itself engaged in a women’s retail, catalog, phone and/or internet apparel business, and (B) Executive does not provide services to any entity engaged in a women’s retail, catalog, phone and/or internet apparel business.

(f) The covenants in this paragraph 7 are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of this paragraph 7 relating to the time period, scope, or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

(g) All of the covenants in this paragraph 7 shall be construed as an agreement independent of any other provisions in this Agreement, and the existence of any claim or cause of action Executive may have against any J.Jill Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by such J.Jill Company of such covenants.

(h) Executive has carefully read and considered the provisions of this paragraph 7 and, having done so, agrees that the restrictive covenants in this paragraph 7 impose a fair and reasonable restraint on Executive and are reasonably required to protect the interests of the J.Jill Companies and their respective officers, directors, employees, and equityholders.
Executive agrees to disclose in advance the existence and terms of the restrictions and covenants contained in this paragraph 7 to any employer or other service recipient by whom Executive may be employed or retained during the Noncompetition Restricted Period and/or the Nonsolicitation Restricted Period, as applicable.

8. **Trade Secrets and Confidential Information**

   (a) For purposes of this paragraph, “Confidential Information” means any data or information (other than Trade Secrets) that is valuable to the Company or the Associated Companies (or, if owned by someone else, is valuable to that third party) and not generally known to the public or to competitors in the industry, including, but not limited to, any nonpublic information (regardless of whether in writing or retained as personal knowledge) pertaining to research and development; product costs, designs and processes; equityholder information; pricing, cost, or profit factors; quality programs; annual budget and long-range business plans; marketing plans and methods; contracts and bids; business ideas and methods, store concepts, inventions, innovations, developments, graphic designs, website designs, patterns, specifications, procedures, databases and personnel. “Trade Secret” means trade secret as defined by applicable state law. In the absence of such a definition, Trade Secret means information including, but not limited to, any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertenable by proper means by, other persons who can derive economic value from its disclosure or use and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

   (b) Executive acknowledges that in the course of her employment with the J.Jill Companies, she has received or will receive and has had or will have access to Confidential Information and Trade Secrets of the Company and the Associated Companies, and that unauthorized or improper use or disclosure by Executive of such Confidential Information or Trade Secrets will cause serious and irreparable harm to the J.Jill Companies. Accordingly, Executive is willing to enter into the covenants contained in paragraphs 7, 8, 9 and 10 of this Agreement in order to provide the J.Jill Companies with what Executive considers to be reasonable protection for their respective interests.

   (c) Executive hereby agrees to hold in confidence all Confidential Information of the Company and the Associated Companies that came into her knowledge during her employment by the J.Jill Companies and will not disclose, publish or make use of such Confidential Information without the prior written consent of the Board for as long as the information remains Confidential Information.

   (d) Executive hereby agrees to hold in confidence all Trade Secrets of the Company and the Associated Companies that came into her knowledge during her employment by the Company and shall not disclose, publish, or make use of at any time after the date hereof such Trade Secrets without the prior written consent of the Board for as long as the information remains a Trade Secret.
(e) Notwithstanding the foregoing, the provisions of this paragraph 8 will not apply to (i) information required to be disclosed by Executive in the ordinary course of her duties hereunder, or required to be disclosed by law, judicial (including arbitration or mediation) or governmental proceedings, (ii) any litigation, arbitration or mediation involving this Agreement, its Annex, any of its Exhibits or any other agreement to which the Company or any of its affiliates and Executive are parties, or (iii) Confidential Information or Trade Secrets that otherwise becomes generally known in the industry or to the public through no act of Executive or any person or entity acting by or on Executive’s behalf.

(f) The Parties agree that the restrictions stated in this paragraph 8 are in addition to and not in lieu of protections afforded to trade secrets and confidential information under applicable state and federal law. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting any J.Jill Company’s rights under applicable state or federal law to protect their respective trade secrets and confidential information.

9. **Return of Company Property.** All records, designs, patents, business plans, financial statements, manuals, memoranda, customer lists, computer data, customer information, and other property or information delivered to or compiled by Executive by or on behalf of the Company, the Associated Companies, of their respective representatives, vendors or customers shall be and remain the property of the Company, and be subject at all times to its discretion and control. Upon the reasonable request of the Company and, in any event, upon the termination of Executive’s employment with the J.Jill Companies, Executive shall deliver all such materials to the Company. Notwithstanding the foregoing, Executive shall be entitled to retain her personal non-business related papers and any information relating to her compensation hereunder or status as an equityholder in Parent.

10. **Work Product and Inventions.**

   (a) **Works.** Executive acknowledges that Executive’s work on and contributions to documents, programs, methodologies, protocols, and other expressions in any tangible medium (including, without limitation, all business ideas and methods, store concepts, inventions, innovations, developments, graphic designs (such as catalog designs, in-store signage and posters), web site designs, patterns, specifications, procedures or processes, market research, databases, works of authorship, products, and other works of creative authorship) which have been or will be prepared by Executive, or to which Executive has contributed or will contribute, in connection with Executive’s services to any J.Jill Company (collectively, “Works”), are and will be within the scope of Executive’s employment and part of Executive’s duties and responsibilities. Executive’s work on and contributions to the Works will be rendered and made by Executive for, at the instigation of, and under the overall direction of any J.Jill Company, and are and at all times shall be regarded, together with the Works, as “work made for
hire” as that term is used in the United States Copyright Laws. However, to the extent that any court or agency should conclude that the Works (or any of them) do not constitute or qualify as a “work made for hire”, Executive hereby assigns, grants, and delivers exclusively and throughout the world to the Company all rights, titles, and interests in and to any such Works, and all copies and versions, including all copyrights and renewals. Executive agrees to cooperate with the Company and to execute and deliver to the Company and its successors and assigns, any assignments and documents the Company requests for the purpose of establishing, evidencing, and enforcing or defending its complete, exclusive, perpetual, and worldwide ownership of all rights, titles, and interests of every kind and nature, including all copyrights, in and to the Works, and Executive constitutes and appoints the Board as its agent to execute and deliver any assignments or documents Executive fails or refuses to execute and deliver, this power and agency being coupled with an interest and being irrevocable; provided that after the termination of Executive’s employment hereunder, the Company shall reimburse Executive for all reasonable out of pocket expenses incurred by Executive in rendering such services as are approved by the Board. Without limiting the preceding provisions of this paragraph 10(a), Executive agrees that the Company may edit and otherwise modify, and use, publish and otherwise exploit, the Works in all media and in such manner as the Company, in its sole discretion, may determine.

(b) Inventions and Ideas. Executive shall disclose promptly to the Board (which shall receive it in confidence), and only to the Board, any invention or idea of Executive in any way connected with Executive’s services or related to the Business of the J.Jill Companies, any J.Jill Company’s research or development, or demonstrably anticipated research or development (developed alone or with others), conceived or made during the Term or within three (3) months thereafter and hereby assigns to the Company any such invention or idea. Executive agrees to cooperate with the Company and sign all papers deemed necessary by the Company to obtain, maintain, protect and defend patents covering such inventions and ideas and to confirm the Company’s exclusive ownership of all rights in such inventions, ideas and patents, and irrevocably appoints the Board as its agent to execute and deliver any assignments or documents Executive fails or refuses to execute and deliver promptly, this power and agency being coupled with an interest and being irrevocable; provided that after the termination of Executive’s employment hereunder, the Company shall reimburse Executive for all reasonable out of pocket expenses incurred by Executive in rendering such services as are approved by the Board. This constitutes the Company’s written notification that this assignment does not apply to an invention for which no equipment, supplies, facility or trade secret information of any J.Jill Company was used and which was developed entirely on Executive’s own time, unless (a) the invention relates (i) directly to the Business of the J.Jill Companies, or (ii) any J.Jill Company’s actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by Executive for any J.Jill Company.

11. No Prior Agreements. Executive hereby represents and warrants to the Company that the execution of this Agreement by Executive and her employment by the J.Jill Companies and the performance of her duties hereunder will not violate or be a breach of any agreement with any former employer, client, or any other person or entity.
12. **Assignment; Binding Effect.** Executive understands that she has been selected for employment by the J.Jill Companies on the basis of her personal qualifications, experience, and skills. Executive agrees, therefore, that she cannot assign all or any portion of her performance under this Agreement. The Company and Parent may each assign this Agreement to the purchaser of substantially all of the assets of the Company, or to any other J.Jill Company, provided that any such assignment does not adversely affect Executive’s financial rights and duties under this Agreement or the Grant Agreement, expand any restrictive covenant hereunder or impair her rights to resign for Good Reason. Subject to the preceding two sentences, as of the Signing Date, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties (including, for the avoidance of doubt, by Executive against Parent GP and the Buyer with respect to Section 22) and their respective heirs, legal representatives, successors, and assigns. In the event of Executive’s death while any payment, benefit or entitlement is due to her hereunder or otherwise, such payment, benefit or entitlement shall be paid to her spouse (or if such spouse is not alive, to her estate).

13. **Complete Agreement; Waiver; Amendment.** This Agreement shall be binding on the Parties as of the Signing Date, but shall not amend or supersede the Prior Agreement until the Effective Date. Except as otherwise provided in this Agreement, as of the Effective Date, Executive has no oral representations, understandings, or agreements with any of the J.Jill Companies or any of its officers, directors, or representatives covering the same subject matter as this Agreement (including, without limitation, the restrictive covenants contained in paragraphs 7(b)-(d) through 10 of this Agreement); other than the provisions of the Purchase Agreement for which Executive is a third-party beneficiary, the Parent LPA, the Amended and Restated Limited Liability Company Agreement of Parent GP to be executed by the parties thereto in the form attached hereto, as such may be further amended from time to time in accordance therewith, and the Subscription and Rollover Agreement by and among the Parent, the Buyer, JJIP, LLC, and Executive dated as of March 30, 2015. Except as otherwise provided in this Agreement, including the preceding sentence, as of the Effective Date, this Agreement, the Release and the Grant Agreement are the final, complete, and exclusive statement of expression of the agreement between Parent GP, Parent, Buyer, Jill Intermediate, the Company, and Executive with respect to the subject matter hereof (including, without limitation, the restrictive covenants contained in paragraphs 7(b)-(d) through 10 of this Agreement), and cannot be varied, contradicted, or supplemented by evidence of any prior or contemporaneous oral or written agreements (including without limitation the Prior Agreement). This written Agreement may not be later modified except by a further writing signed by (i) a duly authorized officer of the Company or a member of the Board (in each case other than Executive) and (ii) Executive, and no term of this Agreement may be waived except by a writing signed by the party waiving the benefit of such term.
14. **Notice.** Whenever any notice is required hereunder, it shall be given in writing addressed as follows:

To the Parent:  
J Jill Topco Holdings, LP  
c/o TowerBrook Capital Partners L.P.  
Park Avenue Tower  
65 East 55th Street, 27th Floor  
New York, NY 10022  
Attn: General Counsel | North America

To any other J Jill Company:  
c/o Jill Acquisition LLC  
4 Batterymarch Park  
Quincy, MA 02169  
Attn: General Counsel

To Executive, to the most recent address the Company has on file for Executive.

15. **Severability: Headings.** If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. This severability provision shall be in addition to, and not in place of, the provisions of paragraph 7(f) of this Agreement. The paragraph and section headings are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent of the Agreement or of any part thereof.

16. **Equitable Remedy.** Because of the difficulty of measuring economic losses to the J Jill Companies as a result of a breach of the covenants set forth in paragraphs 7(b)-(d) through 10 of this Agreement, and because of the immediate and irreparable damage that would be caused to the J Jill Companies for which monetary damages would not be a sufficient remedy, it is hereby agreed that in addition to all other remedies that may be available to the J Jill Companies, at law or in equity, each J Jill Company shall be entitled to seek specific performance and any injunctive or other equitable relief as a remedy for any breach or threatened breach by Executive of any provision of paragraphs 7(b)-(d) through 10 of this Agreement. Each J Jill Company may seek temporary and/or permanent injunctive relief for an alleged violation of paragraphs 7(b)-(d), 8, 9 and/or 10 of this Agreement without the necessity of first arbitrating the matter pursuant to paragraph 17 of this Agreement and without the necessity of posting a bond.

17. **Arbitration.** Except for an action by any J Jill Company for injunctive relief as described in paragraph 16 of this Agreement, any disputes or controversies arising under or related to this Agreement or Executive’s employment with the Company will be settled by binding arbitration in Wilmington, Delaware through the use of and in accordance with the applicable rules of the American Arbitration Association relating to arbitration of commercial disputes (“AAA”) and pursuant to the Federal Arbitration Act. One neutral arbitrator shall hear the dispute. The determination and findings of such arbitrator will be binding on all parties and may be enforced, if necessary, in any court of competent jurisdiction. The arbitrator shall be mutually
acceptable to the parties and need not be selected from the AAA’s roster of arbitrators if the parties can agree otherwise. If the parties are unable to agree on an arbitrator, then the arbitrator shall be selected pursuant to the AAA’s rules. Except as prohibited by applicable law, each party shall be liable for its or her own legal fees and expenses, and shall split equally all arbitration and administration fees, as well as all fees and expenses of the arbitrator. Notwithstanding the foregoing, disputes or controversies relating to Executive’s status as, or rights arising as, an equityholder of Parent shall be governed by the terms of the Grant Agreement, the Parent LPA, and related documents.

18. **Indemnification/D&O Liability Insurance**, In addition to any rights to be indemnified and covered under directors’ and officers’ liability insurance policies pursuant to the Purchase Agreement, Parent GP, Parent, Buyer, and the Company shall indemnify Executive (and her legal representatives, heirs or other successors) to the fullest extent permitted by applicable law or, if greater, pursuant to Parent GP’s, Parent’s, Buyer’s, or the Company’s corporate documents in effect as of the Effective Date (or pursuant to any amendments thereafter which are favorable to Executive), as applicable, against all reasonable costs, charges and expenses incurred or sustained by Executive (or her legal representatives, heirs or other successors), including the reimbursement of reasonable costs and expenses of legal counsel, in connection with any action, suit or proceeding to which Executive (or her legal representatives, heir or other successors) may be made a party by reason of Executive’s being or having been an officer, director or employee of any J.Jill Company or her serving or having served as a director, officer or employee of another enterprise at the request of Parent GP, Parent, Buyer, or the Company; provided that neither Parent GP, Parent, Buyer, nor the Company shall indemnify Executive for any costs, charges or expenses incurred or sustained by Executive as a result of any act or omission described in paragraph 6(a)(i)-(vi) of this Agreement. In addition, during the Term and for six (6) years thereafter, Executive shall be covered, at the Company’s expense, by officer and director liability insurance in amounts and on terms no less favorable to her in any respect than the coverage afforded to other executives and/or directors of Parent GP, Parent, Buyer, or the Company.

19. **Parent, Parent GP, Jill Intermediate, Buyer, and Company Representations**, Parent, Parent GP, Jill Intermediate, Buyer, and the Company represent to Executive that (i) the execution and delivery of this Agreement has been fully and validly authorized by all necessary corporate actions, (ii) the officer signing this Agreement is duly authorized to do so, and (iii) upon execution and delivery of this Agreement by the aforementioned parties, it shall be a valid and binding obligation of such party enforceable against it in accordance with their terms, extent to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights generally.

20. **Jointly Drafted**, The Parties and their respective counsel have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.
21. **Governing Law.** This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Delaware, not including the choice-of-law rules thereof. All Parties hereby consent to the exclusive and sole jurisdiction and venue of the state and federal courts located in Delaware for the litigation of disputes not subject to arbitration and waive any claims of improper venue, lack of personal jurisdiction, or lack of subject matter jurisdiction as to any such disputes.

22. **Joinder of Parent GP, Jill Intermediate, and Buyer.**

(a) Parent GP joins this Agreement for the limited purposes of acknowledging (i) Executive’s right to be appointed to the GP Board and (ii) the provisions in paragraphs 6(f)(iii), 6(h), 12, 13, 18, and 19 of this Agreement.

(b) Buyer joins this Agreement for the limited purposes of acknowledging the provisions in paragraphs 6(h), 12, 13, 18, and 19 of this Agreement.

(c) Jill Intermediate joins this Agreement for the limited purposes of acknowledging (i) the Agreement as an amendment and restatement of the Prior Agreement and (ii) the provisions in paragraphs 12, 13 and 19 of this Agreement.

For the avoidance of doubt, following any Parent Separation, Parent and Parent GP shall each be released from the provisions of this Agreement (other than with respect to Section 18 with respect to acts or omissions prior to the Parent Separation and with respect to the Grant Agreement), and, except as otherwise provided with respect to Section 18 and with respect to the Grant Agreement, shall no longer have any obligations or liability hereunder to Executive or any other party to this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, each of the Company, Jill Intermediate, Parent GP, Parent and Executive has caused this Agreement to be duly executed as of the date first written above.

Jill Acquisition LLC

/s/ David Biese

By: David Biese
Title: CFO

[Signature Page to Employment Agreement for Paula Bennett – Jill Acquisition LLC]
JJill Topco Holdings, LP

By: JJ Holdings GP, LLC
   its general partner

   /s/ Glenn Miller

By: Glenn Miller
Title: Vice President and Secretary

[Signature Page to Employment Agreement for Paula Bennett – JJill Topco Holdings, LP]
For the limited purposes set forth in paragraph 22:

**Jill Intermediate LLC**

/s/ David Biese

By: David Biese  
Title: CFO

[Signature Page to Employment Agreement for Paula Bennett – Jill Intermediate LLC]
For the limited purposes set forth in paragraph 22:

JJ Holdings GP, LLC

/s/ Glenn Miller

By: Glenn Miller
Title: Vice President and Secretary

[Signature Page to Employment Agreement for Paula Bennett – JJ Holdings GP, LLC]
For the limited purposes set forth in paragraph 22:

JJill Holdings, Inc.

/s/ Glenn Miller

By:  Glenn Miller
Title:  Vice President and Secretary

[Signature Page to Employment Agreement for Paula Bennett – JJill Holdings, Inc.]
Annex A

Advisory and Industry Board Memberships

None.
This Amended and Restated Employment Agreement (this “Agreement”) is made and entered into as of May 22, 2015 by and between Jill Acquisition LLC (the “Company”) and DAVID BIESE (“Executive” and, together with the Company, the “Parties”), and amends and restates in its entirety, effective as of the Effective Date (defined below), that certain employment agreement dated March 30, 2012, by and between the Company and Executive, as amended on March 13, 2015 (the “Prior Agreement”). Jill Topco Holdings, LP (“Parent”), also joins this Agreement for the limited purpose of acknowledging the provisions in paragraph 3(e) below.

RECITALS

WHEREAS, pursuant to the Membership Interest Purchase Agreement entered into as of March 30, 2015, by and among Jill Holdings, Inc., Jill Intermediate LLC (“Jill Intermediate”), the members of Jill Intermediate and JJ Holding Company Limited (the “Purchase Agreement”), the parties to the Purchase Agreement have agreed to consummate the transactions set forth therein, upon the terms and subject to the conditions of the Purchase Agreement (the “Transaction”);

WHEREAS, in connection with the consummation of the Transaction, the Parties wish to enter into this Agreement to amend and restate the Prior Agreement to, among other things, set forth the terms and conditions of Executive’s continued employment with the Company commencing on the date on which the Transaction closes (the “Effective Date”);

WHEREAS, to secure Executive’s skills and services, for the benefit of the Company and its direct and indirect subsidiaries and parent companies, and any company in which the Parent has a twenty percent or greater ownership interest, whether existing on the Effective Date or thereafter acquired or formed (collectively, the “J.Jill Companies”), the Company desires to continue to employ Executive and Executive desires to accept such continued employment with the Company and to provide such skills and services to the J.Jill Companies, on the terms and conditions set forth herein; and

WHEREAS, the Prior Agreement shall continue to govern the terms of Executive’s employment with the Company through the date immediately preceding the Effective Date.

NOW, THEREFORE, in consideration of the mutual promises, terms, covenants, and conditions set forth in this Agreement, and the performance of each of the Parties, intending to be legally bound, agree as follows:
1. Term. Subject to earlier termination pursuant to paragraph 6 of this Agreement, the term of this Agreement shall begin on the Effective Date and continue for a period of five (5) years following the Effective Date (the “Initial Term”), unless extended or earlier terminated in accordance with the terms of this Agreement. If not earlier terminated, this Agreement shall be automatically extended for an additional one (1) year period at the end of the Initial Term and on each subsequent anniversary thereof unless, at least ninety (90) days before the expiration of the Initial Term or subsequent anniversary, the Company or Executive provides written notice of its or his intention not to extend the Term (a “Notice of Non-Renewal”), in which case the Term and Executive’s employment shall automatically terminate at the end of the Initial Term or the applicable anniversary thereof (the Initial Term and any renewal or earlier termination is referred to as the “Term”).

2. Position and Duties. The Company hereby employs Executive as the Senior Vice President - Chief Financial Officer of the Company, reporting to the Company’s Chief Executive Officer (the “CEO”). Executive shall have such responsibilities, duties, and authorities as are commensurate with the position of Senior Vice President - Chief Financial Officer or as are assigned to him by the CEO. Executive shall fulfill his duties and responsibilities in a reasonable and appropriate manner and in compliance with the Company’s policies and practices and applicable law. During the Term, Executive shall devote his full business time and attention to the business and affairs of the J.Jill Companies and shall not be engaged in or employed by or provide services to any other business enterprise without the written approval of the CEO; provided, however, that Executive may manage his personal affairs, finances, and investments, and may participate in charitable and not-for-profit activities, all without the necessity of obtaining the CEO’s approval, so long as such service does not create an actual or potential conflict of interest with, or interfere with the performance of, Executive’s duties hereunder or conflict with Executive’s covenants under paragraphs 7 through 11 of this Agreement, in each case as determined in the sole judgment of the CEO.

3. Compensation. For all services rendered by Executive (including his compliance with the covenants in paragraphs 7 through 11 of this Agreement), the Company shall compensate Executive as follows:

   (a) Base Salary. As of the Effective Date, the gross annual salary payable to Executive shall be Four Hundred Twenty-Three Thousand Two Hundred Twenty-Five Dollars ($423,225.00) per year, which shall be paid in substantially equal installments on a regular basis in accordance with the Company’s standard payroll procedures, but not less than monthly (the “Base Salary”). The Base Salary shall be reviewed by the Board of Directors of J.Jill Holdings GP, LLC or J.Jill Holdings, Inc. (or the appropriate committee of the Board, as applicable, either such board or any such committee, the “Board”) periodically and shall be subject to increase (but not decrease) by the Board (or the appropriate committee of the Board) in its discretion.
(b) **Annual Bonus.** For all of 2015 (without proration) and subsequent fiscal years, Executive shall be eligible for an annual bonus (the “Annual Bonus”). The Annual Bonus shall be determined by the Board based upon the Company’s achievement of financial and other goals to be proposed annually by Executive and approved by the Board. If all performance objectives are fully met, the target amount of the Annual Bonus shall be equal to forty-five percent (45%) of Executive’s Base Salary (pro-rated for partial years), but a higher bonus shall be possible for exceptional performance. The Annual Bonus shall be paid in accordance with the Company’s customary practices for payment of annual bonuses to senior executive employees within seventy-five (75) days after the later of (i) the close of the fiscal year for which the Annual Bonus was earned and (ii) the completion of the applicable fiscal year financial audit, but in no event later than April 15 of the following calendar year; provided, however, that Executive must be employed through the end of the applicable fiscal year to be entitled to receive the Annual Bonus.

(c) **Benefits and Perquisites.** Executive shall be entitled to participate in the employee benefit plans and programs of the Company in accordance with the terms of such plans and programs and shall be entitled to the same perquisites as are made available to other senior executive employees of the Company.

(d) **Vacation.** Executive shall be entitled to not less than four (4) weeks of paid vacation during each calendar year (pro-rated for any partial calendar year of employment) in accordance with the Company’s policies and practices for senior executive employees of the Company.

(e) **Class A Common Interests.** Subject to Executive executing the Subscription and Rollover Agreement attached hereto (the “Rollover Agreement”) Executive shall be entitled to receive an allocation of Class A Common Interests of Parent pursuant to a Grant Agreement substantially in the form attached hereto (the “Grant Agreement”).

4. **Expense Reimbursement.** The Company shall reimburse Executive for (or, at the Company’s option, pay) all business travel and other out-of-pocket expenses reasonably incurred by Executive in the performance of his duties under this Agreement. All reimbursable expenses shall be appropriately documented by Executive upon submission of any request for reimbursement in a manner consistent with the Company’s expense reporting policies and applicable federal and state tax recordkeeping requirements. The amount of expenses eligible for reimbursement during any taxable year of Executive under this Agreement will not affect the expenses eligible for reimbursement in any other taxable year of Executive, and Executive’s right to reimbursement of expenses is not subject to liquidation or exchange for another benefit.

5. **Place of Performance.** Executive shall carry out his duties and responsibilities under this Agreement principally in and from the Company’s offices in the Quincy, Massachusetts, area. Executive understands that his position will involve substantial travel and agrees to undertake such travel as may be necessary or desirable in the performance of his duties and responsibilities under this Agreement.
6. **Termination: Rights on Termination**. Executive’s employment and the Term may be terminated in any one of the following ways:

(a) **Termination by the Company for Cause**. The Company may terminate the Term and Executive’s employment for Cause (as defined below), and such termination for Cause shall be effective immediately upon provision of notice to Executive that his employment has been terminated for Cause. For purposes of this Agreement, “Cause” shall mean: (i) Executive’s breach of any material provision of this Agreement; (ii) Executive’s failure to follow a lawful directive of the CEO; (iii) Executive’s negligence in the performance or nonperformance of any of his duties or responsibilities; (iv) Executive’s dishonesty, fraud, or willful misconduct with respect to the business or affairs of any J.Jill Company; (v) Executive’s conviction of or plea of no contest to any misdemeanor involving theft, fraud, dishonesty, or act of moral turpitude or to any felony; or (vi) Executive’s use of alcohol or drugs in a manner that materially interferes with the performance of his duties for the Company. In the event of termination of Executive’s employment for Cause, no compensation or benefits shall be payable to Executive after the date of such termination, except as provided for in paragraph 6(f) of this Agreement; provided, however, that in the event of a breach or failure described in clauses (i), (ii), (iii), or (vi) which can be cured by Executive, the Company shall provide Executive with notice of the facts and circumstances which constitute such breach or failure and shall provide Executive a ten (10) day period in which to cure such breach or failure and shall not terminate Executive for Cause if Executive cures such breach or failure within such ten (10) day period.

(b) **Termination for Executive’s Death or Disability**. In the event that Executive dies or becomes Disabled, no compensation or benefits shall be payable to Executive or his estate after the date of termination, except as provided for in paragraph 6(f) of this Agreement. For purposes of this Agreement, “Disabled” shall mean either (i) Executive’s inability to perform the essential duties and responsibilities of his position (even with reasonable accommodation taken into account) by reason of Executive’s mental or physical disability, illness, or impairment that has already lasted for a period of ninety (90) or more days during any twelve (12) month period, or (ii) Executive’s inability to perform the essential duties and responsibilities of his position (even with reasonable accommodation taken into account) by reason of Executive’s mental or physical disability, illness, or impairment that can be expected to result in death or that can be expected to last for a period of ninety (90) or more days during any twelve (12) month period, as determined by a physician selected by the Company and reasonably agreeable to Executive.

(c) **Termination by the Company Without Cause**. At any time during the Term, the Company may, without Cause and for any reason whatsoever, terminate the Term and Executive’s employment, effective immediately upon provision of notice to Executive or at such later date specified by the Company. In the event Executive’s employment is terminated during the Term without Cause, and not by reason of Executive’s death or disability, and provided that Executive fully complies with his obligations under paragraphs 7 through 11 of this Agreement and executes the Release (as defined in paragraph 6(g) of this Agreement) such that it becomes irrevocable within sixty (60) days after his termination, then Executive shall be paid compensation pursuant to paragraph 6(g) of this Agreement.
(d) **Termination by Executive For Good Reason.** Executive may terminate the Term and Executive’s employment for Good Reason (as defined below) effective on the first day after the end of the Cure Period (defined herein). “Good Reason” shall mean: (i) a reduction in Executive’s level below the level of Senior Vice President; (ii) a material reduction in Executive’s Base Salary; or (iii) the relocation of Executive’s principal work location outside of the Quincy, Massachusetts, area without the Executive’s consent; provided, however, Good Reason shall not exist unless (A) Executive gives the Board a written statement of the basis for Executive’s belief that Good Reason exists, (B) such written statement is provided not later than sixty (60) days after the initial existence of the condition which Executive believes forms the basis for resignation for Good Reason, (C) Executive gives the Board at least thirty (30) days after receipt of such written statement to cure the basis for such belief (the “Cure Period”), and (D) the Board does not cure the basis for such belief within the Cure Period. In the event Executive terminates his employment for Good Reason, and provided that Executive fully complies with his obligations under paragraphs 7 through 11 of this Agreement and executes the Release such that it becomes irrevocable within sixty (60) days after his termination, then Executive shall be paid compensation and severance pursuant to paragraph 6(g) of this Agreement. For the avoidance of doubt, Executive hereby acknowledges and agrees that the consummation of the Transaction shall not constitute “Good Reason” pursuant to the Prior Agreement or this Agreement.

(e) **Termination by Executive Without Good Reason.** Executive may resign or terminate his employment hereunder without Good Reason (including, without limitation, Executive’s retirement); provided, that if (i) Executive has provided ninety (90) days’ prior written notice of his intention to resign or terminate his employment hereunder, (ii) Executive continues to provide services through such 90-day period or any shorter period as determined in the Board’s absolute discretion, and (iii) Executive fully complies with his obligations under paragraphs 7 through 11 of this Agreement and executes the Release such that it becomes irrevocable within sixty (60) days after his termination, Executive shall be entitled to a Prorated Bonus (defined in paragraph 6(g)), which bonus shall be paid on the date that bonuses for such calendar year are paid to executives of the Company, generally, but in no event later than April 15 of the calendar year following the calendar year in which Executive’s employment was terminated. Except as set forth in this paragraph 6(e) and paragraph 6(f), no compensation or benefits shall be payable to Executive after the date of termination. For the avoidance of doubt, no Prorated Bonus shall be payable to Executive if Executive provides a Notice of Non-Renewal in accordance with paragraph 1 of this Agreement.

(f) **Payment Through Termination.** Upon termination of Executive’s employment and of this Agreement for any reason except a termination without Cause or for Good Reason, Executive shall be entitled to receive his Base Salary and all benefits and reimbursements due through the effective date of termination. Such Base Salary shall be paid in accordance with the Company’s standard payroll procedures. No other compensation or benefits will be due or payable to Executive after such
termination, except as provided by paragraph 6(e), if applicable, this paragraph 6(f), the Rollover Agreement, the Grant Agreement, the Incentive Equity Plan of J.Jill Topco Holdings, LP or as otherwise required under the terms of the Company’s employee benefit plans and programs or applicable law.

(g) Payment for Termination Without Cause or For Good Reason. In the event Executive’s employment is terminated without Cause or for Good Reason, and provided that Executive fully complies with his obligations under paragraphs 7 through 11 of this Agreement and executes (and does not revoke), within sixty (60) days after his termination, a full and complete release of all claims against the J.Jill Companies and their respective affiliates, substantially in the form attached hereto (the “Release”), then Executive shall be paid: (i) all compensation earned and all benefits and reimbursements due through the effective date of termination; (ii) an amount equal to one times Executive’s then-current annual Base Salary, paid in substantially equal bi-monthly installments on regularly scheduled payroll dates for the 12-month period that begins on the first regular payroll date that is sixty (60) days after Executive experiences a “separation from service” within the meaning of Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the “Code”); provided, that such first payment shall be a lump sum payment equal to the amount of all payments due from the date of such termination through the date of such first payment; and (iii) a Prorated Bonus (defined below), which bonus shall be paid on the date that bonuses for such calendar year are paid to executives of the Company, generally, but in no event later than April 15 of the calendar year following the calendar year in which Executive’s employment was terminated. In all applicable circumstances, the Company will provide the completed Release to Executive within seven (7) days following the date of termination. During the 12-month period immediately after the effective date of Executive’s termination, or, if earlier, until coverage is obtained by Executive from another employer (which coverage Executive shall promptly disclose to the Company), to the extent permitted by applicable law, Executive shall also receive a continuation of the medical and dental coverage to which Executive was entitled under paragraph 3(c) of this Agreement immediately prior to such termination (including dependent coverage), at the same premium cost to Executive as determined immediately prior to such termination; provided, that any right Executive has to COBRA under Employer’s group health plan will run concurrently with the continuation of coverage provided herein, and, provided further, that any Company-paid premiums shall be reported as taxable income to Executive. Executive’s rights under any employee benefit plan or program of the Company shall be governed by the terms of such plan or program. Notwithstanding the foregoing, if the Release fails to become irrevocable on or before the last day of the 60-day period that starts on the date of Executive’s separation from service (within the meaning of Section 409A(a)(2)(A)(i) of the Code), Executive shall forfeit any right to any compensation and severance under this paragraph 6(g). The term “Prorated Bonus” means an amount equal to the product of X multiplied by Y, where

“X” equals a fraction, the numerator of which is the number of full weeks through the date of Executive’s termination of employment in the fiscal year of Executive’s termination and the denominator of which is 52, and
“Y” equals the Annual Bonus that would have been payable to Executive under paragraph 3(b) had Executive been a participant in such bonus plan for the fiscal year and been employed on the date bonuses under such plan were paid to participants.

(h) Expiration of Agreement. If the Company or Executive gives written notice pursuant to paragraph 1 of its or Executive’s intent not to extend this Agreement beyond the Initial Term or any subsequent anniversary thereof, and as a result of such written notice Executive’s employment terminates in accordance with paragraph 1, no compensation or benefits shall be payable to Executive after the date of termination except as provided for in paragraph 6(f).

(i) Provisions that Survive Termination or Expiration of Agreement. All rights and obligations of the Company and Executive under this Agreement shall cease as of the effective date of termination or expiration of this Agreement, except that (i) the Company’s payment and other obligations under paragraph 6 of this Agreement, if any, and its rights and/or obligations under paragraphs 17 and 18 of this Agreement shall survive such termination or expiration in accordance with their terms, and (ii) Executive’s obligations under paragraphs 7 through 11, 17, and 18 of this Agreement shall survive such termination or expiration in accordance with their terms.

(j) Right to Offset. In the event of any termination of Executive’s employment under this Agreement for any reason, the Company’s obligation to make any payments hereunder shall be subject to offset for any outstanding amounts that Executive owes to any J.Jill Company. All payments and benefits payable under this Agreement are gross payments subject to applicable taxes and withholdings.

(k) Compliance with Code Section 409A.

(i) To the extent this Agreement is subject to Section 409A of the Code ("Section 409A"), the Parties intend all payments under this Agreement to comply with the requirements of Section 409A, and this Agreement shall, to the extent practical, be operated and administered to effectuate such intent. In furtherance thereof, if payment or provision of any amount or benefit hereunder at the time specified in this Agreement would subject such amount or benefit to any additional tax under Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or the provision of such amount or benefit could be made without incurring such additional tax (including paying any severance that is delayed in a lump sum upon the earliest possible payment date which is consistent with Section 409A). In addition, to the extent that any regulations or guidance issued under Section 409A (after application of the previous provision of this paragraph) would subject Executive to the payment of interest or any additional tax under Section 409A, the Parties agree, to the extent reasonably possible, to amend this Agreement in order to avoid the imposition of any such interest or additional tax under Section 409A, which amendment shall have the minimum economic effect necessary on Executive and be reasonably determined in good faith by the Parties; provided however, that the Parties shall not be required to substitute a cash payment for any non-cash benefit herein.
(ii) A termination of Executive’s employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that are considered nonqualified deferred compensation under Section 409A upon or following a termination of Executive’s employment, unless such termination is also a “separation from service” within the meaning of Section 409A and the payment thereof prior to a “separation from service” would violate Section 409A. For purposes of any such provision of this Agreement relating to any such payments or benefits, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.”

(iii) With respect to any payment under this Agreement constituting nonqualified deferred compensation subject to Section 409A, (A) all expenses or other reimbursements provided herein shall be payable in accordance with the Company’s policies in effect from time to time, but in any event shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Executive; (B) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year; and (C) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(iv) If Executive is deemed on the date of termination to be a “specified employee” within the meaning of that term under Section 409A, then with regard to any payment or the provision of any benefit under this Agreement that is considered nonqualified deferred compensation under Section 409A payable on account of a “separation from service,” such payment or benefit shall be made or provided on the first business day following the earlier of (A) the expiration of the six (6)-month period measured from the date of such “separation from service” of Executive, and (B) the date of Executive’s death (the “Delay Period”). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this paragraph 6(k) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump sum on the first business day following the Delay Period, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(l) Compliance with Code Section 280G. If a change in control of any J.Jill Company occurs and any payment or benefit made under this Agreement or any other agreements providing Executive rights to compensation or equity would constitute a “parachute payment” within the meaning of Section 280G of the Code, each payment or benefit will be reduced as a result of such change in control, to the extent necessary to avoid the imposition of any excise tax under Section 4999 of the Code; provided, however, such payment or benefit will be restored to the extent the exception under Section 280G(b)(5)(ii) is satisfied with respect to such payment or benefit.
7. **Executive Covenants.**

(a) Executive acknowledges and agrees that during his employment with the Company, he will perform each of the following duties: (1) have the primary duty of managing the Company or a customarily recognized department of subdivision thereof; (2) customarily and regularly direct the work of two or more employees; and (3) have the authority to hire or fire other employees or have particular weight given to his suggestions and recommendations as to the hiring, firing, advancement, promotion, or any other change of status of other employees. Executive further acknowledges and agrees that by reason of the Company’s investment of time, training, money, trust, exposure to the public, or exposure to customers, vendors, or other business relationships, he will gain (1) a high level of notoriety, fame, reputation, or public persona as the Company’s representative or spokesperson, or (2) a high level of influence or credibility with the customers, vendors, or other business relationships of the J.Jill Companies. Executive further acknowledges and agrees that he will be intimately involved in the planning for or direction of the business of the J.Jill Companies or a defined unit of the business of the J.Jill Companies, and that he has or will obtain selective or specialized skills, knowledge, abilities, or customer contacts or information by reason of working for the Company.

(b) During Executive’s employment with the Company and for a period of twelve (12) months thereafter (such period, the “Restricted Period”), Executive shall not, either directly or indirectly, for himself or on behalf of or in conjunction with any other person, company, partnership, corporation, business, group, or other entity (each, a “Person”):

(i) solicit or attempt to solicit, recruit or attempt to recruit, any employee, agent, or contract worker of the J.Jill Companies with whom Executive had material business contact during the course of his employment with the Company to end her or his relationship with any J.Jill Company; and

(ii) solicit or attempt to solicit any business related to the Business of the J.Jill Companies (as described below) from any Person who, as of the date of the solicitation or attempted solicitation or within twelve (12) months prior to that date, is or was a customer of any J.Jill Company or an actively sought prospective customer with whom Executive had material business contact (through sales calls, presentations, or other business dealings) during the course of his employment with the Company; or

(c) During Executive’s employment with the Company and for a period of six (6) months after a termination of Executive’s employment for any reason, Executive shall not, either directly or indirectly, for himself or on behalf of or in conjunction with any other Person, engage, within the Territory (as described below), as an officer, director, owner, partner, member, joint venturer, or in a managerial capacity (whether as an employee, independent contractor, agent, representative, or consultant), in any businesses: Sycamore Partners or any of its affiliates or portfolio companies or Golden Gate Capital or any of its affiliates or portfolio companies.
In addition, in furtherance of the Company’s reasonable efforts to safeguard Confidential Information (defined below), Executive agrees that, during Executive’s employment with the Company and during the Restricted Period, Executive shall not serve as a council member or participate in any similar capacity for Gerson Lehrman Group, Inc., Coleman Research, GuidePoint Global, or any other firm the primary purpose of which is to connect its clients with executives or industry specialists (whether through in-person meetings, telephone conversations, on-line forums or other mediums) as a means for its clients to conduct primary research on a particular company, industry or business sector.

(e) For purposes of paragraphs 7 through 11 of this Agreement:

(i) The “Territory” shall be defined as the United States of America and any other territory where employee is working at the time of termination of employment with Company; which Executive acknowledges and agrees is the territory in which he is providing services to the Company pursuant to this Agreement.

(ii) The “Business of the J.Jill Companies” shall be defined as a women’s retail, catalog, phone and/or internet apparel business (regardless of its form of organization, and including a division of a general retailer, such as a department store, if the division is engaged in a specialty retail or specialty catalog business, including, for purposes of illustration, but not limited to, ANN INC. and its subsidiaries, Chico’s FAS, Inc. and its subsidiaries, Coldwater Creek Direct, Eddie Bauer LLC, Eileen Fisher Inc. and its subsidiaries, Nordstrom Inc., J. Crew and its subsidiaries, L.L. Bean, Inc., Lands End, The Talbots, Inc. and The Gap Inc.).

(f) The covenants in this paragraph 7 are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of this paragraph 7 relating to the time period, scope, or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

(g) All of the covenants in this paragraph 7 shall be construed as an agreement independent of any other provisions in this Agreement, and the existence of any claim or cause of action Executive may have against any J.Jill Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by any J.Jill Company of such covenants.
Executive has carefully read and considered the provisions of this paragraph 7 and, having done so, agrees that the restrictive covenants in this paragraph 7 impose a fair and reasonable restraint on Executive and are reasonably required to protect the interests of the J.Jill Companies and their respective officers, directors, employees, and equityholders.

8. **Trade Secrets and Confidential Information**

   (a) For purposes of this paragraph 8, “Confidential Information” means any data or information (other than Trade Secrets) that is valuable to the J.Jill Companies (or, if owned by someone else, is valuable to that third party) and not generally known to the public or to competitors in the industry, including, but not limited to, any non-public information (regardless of whether in writing or retained as personal knowledge) pertaining to research and development; product costs, designs and processes; equityholder information; pricing, cost, or profit factors; quality programs; annual budget and long-range business plans; marketing plans and methods; contracts and bids; business ideas and methods, store concepts, inventions, innovations, developments, graphic designs, website designs, patterns, specifications, procedures, databases and personnel. “Trade Secret” means trade secret as defined by applicable state law. In the absence of such a definition, Trade Secret means information including, but not limited to, any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

   (b) Executive acknowledges that in the course of his employment with the Company, he has received or will receive and has had or will have access to Confidential Information and Trade Secrets of the J.Jill Companies, and that unauthorized or improper use or disclosure by Executive of such Confidential Information or Trade Secrets will cause serious and irreparable harm to the J.Jill Companies. Accordingly, he is willing to enter into the covenants contained in paragraphs 7, 8, 9, 10, and 11 of this Agreement in order to provide the J.Jill Companies with what he considers to be reasonable protection for its interests.

   (c) Executive hereby agrees to hold in confidence all Confidential Information of the J.Jill Companies that came into his knowledge during his employment by the Company and will not disclose, publish or make use of such Confidential Information without the prior written consent of the Company for as long as the information remains Confidential Information.

   (d) Executive hereby agrees to hold in confidence all Trade Secrets of the J.Jill Companies that came into his knowledge during his employment by the Company and shall not disclose, publish, or make use of at any time after the date hereof such Trade Secrets without the prior written consent of the Company for as long as the information remains a Trade Secret.
(e) Notwithstanding the foregoing, the provisions of this paragraph will not apply to (i) information required to be disclosed by Executive in the ordinary course of his duties hereunder, or required to be disclosed by judicial or governmental proceedings, or (ii) Confidential Information or Trade Secrets that otherwise becomes generally known in the industry or to the public through no act of Executive or any person or entity acting by or on Executive’s behalf or information which Executive can demonstrate to have had rightfully in his possession prior to the date on which he first worked for the Company.

(f) The parties agree that the restrictions stated in this paragraph 8 are in addition to and not in lieu of protections afforded to trade secrets and confidential information under applicable state and federal law. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting any J.Jill Companies’ rights under applicable state or federal law to protect its trade secrets and Confidential Information.

9. **Nondisparagement.** During the Employment Term and thereafter, the Executive shall not, directly or indirectly, take any action, or encourage others to take any action, to disparage or criticize the Company and/or its subsidiaries and affiliates or their respective employees, officers, directors, products, services, customers or owners.

10. **Return of Company Property.** All records, designs, patents, business plans, financial statements, manuals, memoranda, customer lists, computer data, customer information, and other property or information delivered to or compiled by Executive by or on behalf of the J.Jill Companies, their representatives, vendors or customers shall be and remain the property of the J.Jill Companies, and be subject at all times to its discretion and control. Upon the request of the Company and, in any event, upon the termination of Executive’s employment with the Company, Executive shall deliver all such materials to the Company.

11. **Work Product and Inventions.**

   (a) **Works.** Executive acknowledges that Executive’s work on and contributions to documents, programs, methodologies, protocols, and other expressions in any tangible medium (including, without limitation, all business ideas and methods, store concepts, inventions, innovations, developments, graphic designs (such as catalog designs, in-store signage and posters), web site designs, patterns, specifications, procedures or processes, market research, databases, works of authorship, products, and other works of creative authorship) which have been or will be prepared by Executive, or to which Executive has contributed or will contribute, in connection with Executive’s services to any J.Jill Company (collectively, “Works”), are and will be within the scope of Executive’s employment and part of Executive’s duties and responsibilities. Executive’s work on and contributions to the Works will be rendered and made by
Executive for, at the instigation of, and under the overall direction of any J.Jill Company, and are and at all times shall be regarded, together with the Works, as “work made for hire” as that term is used in the United States Copyright Laws. However, to the extent that any court or agency should conclude that the Works (or any of them) do not constitute or qualify as a “work made for hire”, Executive hereby assigns, grants, and delivers exclusively and throughout the world to the Company all rights, titles, and interests in and to any such Works, and all copies and versions, including all copyrights and renewals. Executive agrees to cooperate with the Company and to execute and deliver to the Company and its successors and assigns, any assignments and documents the Company requests for the purpose of establishing, evidencing, and enforcing or defending its complete, exclusive, perpetual, and worldwide ownership of all rights, titles, and interests of every kind and nature, including all copyrights, in and to the Works, and Executive constitutes and appoints the Company as its agent to execute and deliver any assignments or documents Executive fails or refuses to execute and deliver, this power and agency being coupled with an interest and being irrevocable. Without limiting the preceding provisions of this paragraph 11(a), Executive agrees that the Company may edit and otherwise modify, and use, publish and otherwise exploit, the Works in all media and in such manner as the Company, in its sole discretion, may determine.

(b) Inventions and Ideas. Executive shall disclose promptly to the Company (which shall receive it in confidence), and only to the Company, any invention or idea of Executive in any way connected with Executive’s services or related to the Business of the J.Jill Companies, any J.Jill Company’s research or development, or demonstrably anticipated research or development (developed alone or with others), conceived or made during the Term or within three (3) months thereafter and hereby assigns to the Company any such invention or idea. Executive agrees to cooperate with the Company and sign all papers deemed necessary by the Company to enable it to obtain, maintain, protect and defend patents covering such inventions and ideas and to confirm the Company’s exclusive ownership of all rights in such inventions, ideas and patents, and irrevocably appoints the Company as its agent to execute and deliver any assignments or documents Executive fails or refuses to execute and deliver promptly, this power and agency being coupled with an interest and being irrevocable. This constitutes the Company’s written notification that this assignment does not apply to an invention for which no equipment, supplies, facility or trade secret information of any J.Jill Company was used and which was developed entirely on Executive’s own time, unless (a) the invention relates (i) directly to the Business of the J.Jill Companies, or (ii) to actual or demonstrably anticipated research or development of any J.Jill Company, or (b) the invention results from any work performed by Executive for any J.Jill Company.

12. No Prior Agreements. Executive hereby represents and warrants to the Company that the execution of this Agreement by Executive and his employment by the Company and the performance of his duties hereunder will not violate or be a breach of any agreement with a former employer, client, or any other person or entity.

13. Assignment; Binding Effect. Executive understands that he has been selected for employment by the Company on the basis of his personal qualifications,
experience, and skills. Executive agrees, therefore, that he cannot assign all or any portion of his performance under this Agreement. The Company may assign this Agreement to the purchaser of substantially all of the assets of the Company, or to any subsidiary or parent company of the Company. Subject to the preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective heirs, legal representatives, successors, and assigns.

14. **Complete Agreement; Waiver; Amendment.** Executive has no oral representations, understandings, or agreements with the Company or any of its officers, directors, or representatives covering the same subject matter as this Agreement. This Agreement, the Rollover Agreement, the Grant Agreement, and the Release are the final, complete, and exclusive statement of expression of the agreement between the Company and Executive with respect to the subject matter hereof (including, but not limited to, any severance payments, change in control payments, and terms of employment) and cannot be varied, contradicted, or supplemented by evidence of any prior or contemporaneous oral or written agreements. This written Agreement may not be later modified except by a further writing signed by a duly authorized officer of the Company or member of the Board and Executive, and no term of this Agreement may be waived except by a writing signed by the party waiving the benefit of such term.

15. **Notice.** Whenever any notice is required hereunder, it shall be given in writing addressed as follows:

To the Company:  
c/o Jill Acquisition LLC  
4 Batterymarch Park  
Quincy, MA 02169  
Attn: Chief Executive Officer

To the Executive, to the most recent address the Company has on file for the Executive.

16. **Severability; Headings.** If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. This severability provision shall be in addition to, and not in place of, the provisions of paragraph 7(f) above. The paragraph and section headings are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent of the Agreement or of any part hereof.

17. **Equitable Remedy.** Because of the difficulty of measuring economic losses to any J.Jill Company as a result of a breach of the covenants set forth in paragraphs 7 through 11, and because of the immediate and irreparable damage that would be caused to the J.Jill Companies for which monetary damages would not be a sufficient remedy, it is hereby agreed that in addition to all other remedies that may be available to the J.Jill Companies, at law or in equity, each J.Jill Company shall be entitled to specific performance and any injunctive or other equitable relief as a remedy for any breach or threatened breach by Executive of any provision of paragraphs 7
18. **Arbitration.** Except for an action by any J.Jill Company for injunctive relief as described in paragraph 17 of this Agreement, any disputes or controversies arising under or related to this Agreement or the Executive’s employment with the Company will be settled by binding arbitration in Boston, Massachusetts, through the use of and in accordance with the applicable rules of the American Arbitration Association relating to arbitration of commercial disputes and pursuant to the Federal Arbitration Act. One neutral arbitrator shall hear the dispute. The determination and findings of such arbitrator will be binding on all parties and may be enforced, if necessary, in any court of competent jurisdiction. The arbitrator shall be mutually acceptable to the parties and need not be selected from the AAA’s roster of arbitrators if the parties can agree otherwise. If the parties are unable to agree on an arbitrator, then the arbitrator shall be selected pursuant to the AAA’s rules. Except as prohibited by applicable law, the prevailing party in any such arbitration, or in any action to enforce this paragraph 18 or any arbitration award hereunder, shall be awarded and the nonprevailing party shall pay the prevailing party’s attorneys’ fees and related expenses and the nonprevailing party shall pay all arbitration filing and administration fees as well as all fees and expenses of the arbitrator.

19. **Jointly Drafted.** The parties and their respective counsel have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

20. **Governing Law.** This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Delaware, not including the choice-of-law rules thereof. All parties hereby consent to the exclusive and sole jurisdiction and venue of the state and federal courts located in Delaware for the litigation of disputes not subject to arbitration and waive any claims of improper venue, lack of personal jurisdiction, or lack of subject matter jurisdiction as to any such disputes.
IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be duly executed as of the date first written above.

JILL ACQUISITION LLC

/s/ Paula Bennett
By: Paula Bennett
Title: President & CEO

For purposes of paragraph 3(e) hereof, only

JJILL TOPCO HOLDINGS, LP

/s/ David Biese
DAVID BIESE

[Signature Page to Employment Agreement – Biese, David]
For purposes of paragraph 3(e) hereof, only

JJILL TOPCO HOLDINGS, LP

By: JJ Holdings GP, LLC

its general partner

/s/ Glenn Miller

By: Glenn Miller
Title: Vice President and Secretary
This Amended and Restated Employment Agreement (this “Agreement”) is made and entered into as of May 22, 2015 by and between Jill Acquisition LLC (the “Company”) and JOANN FIELDER (“Executive,” and, together with the Company, the “Parties”), and amends and restates in its entirety, effective as of the Effective Date (defined below), that certain employment agreement dated March 30, 2012, by and between the Company and Executive, as amended on March 13, 2015 (the “Prior Agreement”). Jill Topco Holdings, LP (“Parent”), also joins this Agreement for the limited purpose of acknowledging the provisions in paragraph 3(e) below.

RECATALS

WHEREAS, pursuant to the Membership Interest Purchase Agreement entered into as of March 30, 2015, by and among JJill Holdings, Inc., Jill Intermediate LLC (“Jill Intermediate”), the members of Jill Intermediate and JJ Holding Company Limited (the “Purchase Agreement”), the parties to the Purchase Agreement have agreed to consummate the transactions set forth therein, upon the terms and subject to the conditions of the Purchase Agreement (the “Transaction”);

WHEREAS, in connection with the consummation of the Transaction, the Parties wish to enter into this Agreement to amend and restate the Prior Agreement to, among other things, set forth the terms and conditions of Executive’s continued employment with the Company commencing on the date on which the Transaction closes (the “Effective Date”);

WHEREAS, to secure Executive’s skills and services, for the benefit of the Company and its direct and indirect subsidiaries and parent companies, and any company in which the Parent has a twenty percent or greater ownership interest, whether existing on the Effective Date or thereafter acquired or formed (collectively, the “J.Jill Companies”), the Company desires to continue to employ Executive and Executive desires to accept such continued employment with the Company and to provide such skills and services to the J.Jill Companies, on the terms and conditions set forth herein; and

WHEREAS, the Prior Agreement shall continue to govern the terms of Executive’s employment with the Company through the date immediately preceding the Effective Date.

NOW, THEREFORE, in consideration of the mutual promises, terms, covenants, and conditions set forth in this Agreement, and the performance of each of, the Parties, intending to be legally bound, agree as follows:

AGREEMENTS

1. Term. Subject to earlier termination pursuant to paragraph 6 of this Agreement, the term of this Agreement shall begin on the Effective Date and continue for a period of five (5) years following the Effective Date (the “Initial Term”), unless extended or earlier terminated in accordance with the terms of this Agreement. If not earlier terminated, this Agreement shall be automatically extended for an additional one (1) year period at the
end of the Initial Term and on each subsequent anniversary thereof unless, at least ninety (90) days before the expiration of the Initial Term or subsequent anniversary, the Company or Executive provides written notice of its or her intention not to extend the Term, in which case the Term and Executive’s employment shall automatically terminate at the end of the Initial Term or the applicable anniversary thereof (the Initial Term and any renewal or earlier termination is referred to as the “Term”).

2. **Position and Duties.** The Company hereby employs Executive as the Senior Vice President - Chief Creative Officer of the Company, reporting to the Company’s Chief Executive Officer, or her designee (the “Reporting Officer”). Executive shall have such responsibilities, duties, and authorities as are commensurate with the position of Senior Vice President – Chief Creative Officer as are assigned to her by the Reporting Officer. Executive shall fulfill her duties and responsibilities in a reasonable and appropriate manner and in compliance with the Company’s policies and practices and applicable law. During the Term, Executive shall devote her full business time and attention to the business and affairs of the J.Jill Companies and shall not be engaged in or employed by or provide services to any other business enterprise without the written approval of the Reporting Officer; provided, however, that Executive may manage her personal affairs, finances, and investments, and may participate in charitable and not-for-profit activities, all without the necessity of obtaining the Reporting Officer’s approval, so long as such service does not create an actual or potential conflict of interest with, or interfere with the performance of, Executive’s duties hereunder or conflict with Executive’s covenants under paragraphs 7 through 11 of this Agreement, in each case as determined in the sole judgment of the Reporting Officer.

3. **Compensation.** For all services rendered by Executive (including her compliance with the covenants in paragraphs 7 through 11 of this Agreement), the Company shall compensate Executive as follows:

   (a) **Base Salary.** As of the Effective Date, the gross annual salary payable to Executive shall be Five Hundred Thousand Dollars ($500,000.00) per year, which shall be paid in substantially equal installments on a regular basis in accordance with the Company’s standard payroll procedures, but not less than monthly (the “Base Salary”). The Base Salary shall be reviewed by the Board of Directors of JJ Holdings GP, LLC or JJ Holdings, Inc. (or the appropriate committee of the Board, as applicable, either such board or any such committee, the “Board”) periodically and shall be subject to increase (but not decrease) by the Board (or the appropriate committee of the Board) in its discretion.

   (b) **Annual Bonus.** For all of 2015 (without proration) and subsequent fiscal years, Executive shall be eligible for an annual bonus (the “Annual Bonus”). The Annual Bonus shall be determined by the Board based upon the Company’s achievement of financial and other goals to be proposed annually by Executive and approved by the Board. If all performance objectives are fully met, the target amount of the Annual Bonus shall be equal to forty-five percent (45%) of Executive’s Base Salary (pro-rated for partial years), but a higher bonus shall be possible for exceptional performance. The Annual Bonus shall be paid in accordance with the Company’s customary practices for payment of annual bonuses to senior executive employees within seventy-five (75) days after the later of (i) the close of the fiscal year for which the Annual Bonus was earned and (ii) the completion of the applicable
fiscal year financial audit, but in no event later than April 15 of the following calendar year; provided, however, that Executive must be employed through the end of the applicable fiscal year to be entitled to receive the Annual Bonus.

(c) **Benefits and Perquisites.** Executive shall be entitled to participate in the employee benefit plans and programs of the Company in accordance with the terms of such plans and programs and shall be entitled to the same perquisites as are made available to other senior executive employees of the Company.

(d) **Vacation.** Executive shall be entitled to not less than four (4) weeks of paid vacation during each calendar year (pro-rated for any partial calendar year of employment) in accordance with the Company’s policies and practices for senior executive employees of the Company.

(e) **Class A Common Interests.** Subject to Executive executing the Subscription and Rollover Agreement attached hereto (the “Rollover Agreement”) Executive shall be entitled to receive an allocation of Class A Common Interests of Parent pursuant to a Grant Agreement substantially in the form attached hereto (the “Grant Agreement”).

4. **Expense Reimbursement.** The Company shall reimburse Executive for (or, at the Company’s option, pay) all business travel and other out-of-pocket expenses reasonably incurred by Executive in the performance of her duties under this Agreement. All reimbursable expenses shall be appropriately documented by Executive upon submission of any request for reimbursement in a manner consistent with the Company’s expense reporting policies and applicable federal and state tax recordkeeping requirements. The amount of expenses eligible for reimbursement during any taxable year of Executive under this Agreement will not affect the expenses eligible for reimbursement in any other taxable year of Executive, and Executive’s right to reimbursement of expenses is not subject to liquidation or exchange for another benefit.

5. **Place of Performance.** Executive shall carry out her duties and responsibilities under this Agreement principally in and from the Company’s offices in the Quincy, Massachusetts, area. Executive understands that her position will involve substantial travel and agrees to undertake such travel as may be necessary or desirable in the performance of her duties and responsibilities under this Agreement.

6. **Termination; Rights on Termination.** Executive’s employment and the Term may be terminated in any one of the following ways:

   (a) **Termination by the Company for Cause.** The Company may terminate the Term and Executive’s employment for Cause (as defined below), and such termination for Cause shall be effective immediately upon provision of notice to Executive that her employment has been terminated for Cause. For purposes of this Agreement, “Cause” shall mean: (i) Executive’s breach of any material provision of this Agreement; (ii) Executive’s failure to follow a lawful directive of the Reporting Officer; (iii) Executive’s negligence in the performance or nonperformance of any of her duties or responsibilities; (iv) Executive’s dishonesty, fraud, or willful misconduct with respect to the business or affairs of any J.Jill Company; (v) Executive’s conviction of or plea of no contest to any
misdemeanor involving theft, fraud, dishonesty, or act of moral turpitude or to any felony; or (vi) Executive’s use of alcohol or drugs in a manner that materially interferes with the performance of her duties for the Company. In the event of termination of Executive’s employment for Cause, no compensation or benefits shall be payable to Executive after the date of such termination, except as provided for in paragraph 6(f) of this Agreement; provided, however, that in the event of a breach or failure described in clauses (i), (ii), (iii), or (vi) which can be cured by Executive, the Company shall provide Executive with notice of the facts and circumstances which constitute such breach or failure and shall provide Executive a ten (10) day period in which to cure such breach or failure and shall not terminate Executive for Cause if Executive cures such breach or failure within such ten (10) day period.

(b) **Termination for Executive’s Death or Disability**. In the event that Executive dies or becomes Disabled, no compensation or benefits shall be payable to Executive or her estate after the date of termination, except as provided for in paragraph 6(f) of this Agreement. For purposes of this Agreement, “Disabled” shall mean either (i) Executive’s inability to perform the essential duties and responsibilities of her position (even with reasonable accommodation taken into account) by reason of Executive’s mental or physical disability, illness, or impairment that has already lasted for a period of ninety (90) or more days during any twelve (12) month period, or (ii) Executive’s inability to perform the essential duties and responsibilities of her position (even with reasonable accommodation taken into account) by reason of Executive’s mental or physical disability, illness, or impairment that can be expected to result in death or that can be expected to last for a period of ninety (90) or more days during any twelve (12) month period, as determined by a physician selected by the Company and reasonably agreeable to Executive.

(c) **Termination by the Company Without Cause**. At any time during the Term, the Company may, without Cause and for any reason whatsoever, terminate the Term and Executive’s employment, effective immediately upon provision of notice to Executive or at such later date specified by the Company. In the event Executive’s employment is terminated during the Term without Cause, and not by reason of Executive’s death or disability, and provided that Executive fully complies with her obligations under paragraphs 7 through 11 of this Agreement and executes the Release (as defined in paragraph 6(g) of this Agreement) such that it becomes irrevocable within sixty (60) days after her termination, then Executive shall be paid compensation pursuant to paragraph 6(g) of this Agreement.

(d) **Termination by Executive For Good Reason**. Executive may terminate the Term and Executive’s employment for Good Reason (as defined below) effective on the first day after the end of the Cure Period (defined herein). “Good Reason” shall mean: (i) a reduction in Executive’s level below the level of Senior Vice President; (ii) a material reduction in Executive’s Base Salary; or (iii) the relocation of Executive’s principal work location outside of the Quincy, Massachusetts, area without the Executive’s consent; provided, however, Good Reason shall not exist unless (A) Executive gives the Board a written statement of the basis for Executive’s belief that Good Reason exists, (B) such written statement is provided not later than sixty (60) days after the initial existence of the condition which Executive believes forms the basis for resignation for Good Reason, (C) Executive gives the Board at least thirty (30) days after receipt of such written statement.
to cure the basis for such belief (the “ Cure Period”), and (D) the Board does not cure the basis for such belief within the Cure Period. In the event Executive terminates her employment for Good Reason, and provided that Executive fully complies with her obligations under paragraphs 7 through 11 of this Agreement and executes the Release such that it becomes irrevocable within sixty (60) days after her termination, then Executive shall be paid compensation and severance pursuant to paragraph 6(g) of this Agreement. For the avoidance of doubt, Executive hereby acknowledges and agrees that the consummation of the Transaction shall not constitute “Good Reason” pursuant to the Prior Agreement or this Agreement.

(e) Termination by Executive Without Good Reason. Executive may resign or terminate her employment hereunder without Good Reason (including, without limitation, Executive’s retirement). In such event, no compensation or benefits shall be payable to Executive after the date of termination, except as provided for in paragraph 6(f) of this Agreement.

(f) Payment Through Termination. Upon termination of Executive’s employment for any reason except a termination without Cause or for Good Reason, Executive shall be entitled to receive her Base Salary and all benefits and reimbursements due through the effective date of termination. Such Base Salary shall be paid in accordance with the Company’s standard payroll procedures. No other compensation or benefits will be due or payable to Executive after such termination, except as provided by this paragraph 6(f), the Rollover Agreement, the Grant Agreement, the Incentive Equity Plan of J Jill Topco Holdings, LP or as otherwise required under the terms of the Company’s employee benefit plans and programs or applicable law.

(g) Payment for Termination Without Cause or For Good Reason. In the event Executive’s employment is terminated without Cause or for Good Reason, and provided that Executive fully complies with her obligations under paragraphs 7 through 11 of this Agreement and executes (and does not revoke), within sixty (60) days after her termination, a full and complete release of all claims against the J Jill Companies and their respective affiliates, substantially in the form attached hereto (the “Release”), then Executive shall be paid: (i) all compensation earned and all benefits and reimbursements due through the effective date of termination; and (ii) an amount equal to one times Executive’s then-current annual Base Salary, paid in substantially equal bi-weekly installments on regularly scheduled payroll dates for the 12-month period that begins on the first regular payroll date that is sixty (60) days after Executive experiences a “separation from service” within the meaning of Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the “Code”); provided, that such first payment shall be a lump sum payment equal to the amount of all payments due from the date of such termination through the date of such first payment. In all applicable circumstances, the Company will provide the completed Release to Executive within seven (7) days following the date of termination. During the 12-month period immediately after the effective date of Executive’s termination, or, if earlier, until coverage is obtained by Executive from another employer (which coverage Executive shall promptly disclose to the Company), to the extent permitted by applicable law, Executive shall also receive a continuation of the medical and dental coverage to which Executive was entitled under paragraph 3(c) of this Agreement immediately prior to such termination.
(including dependent coverage), at the same premium cost to Executive as determined immediately prior to such termination; provided, that any right Executive has to COBRA under Employer’s group health plan will run concurrently with the continuation of coverage provided herein, and, provided further, that any Company-paid premiums shall be reported as taxable income to Executive. Executive’s rights under any employee benefit plan or program of the Company shall be governed by the terms of such plan or program. Notwithstanding the foregoing, if the Release fails to become irrevocable on or before the last day of the 60-day period that starts on the date of Executive’s separation from service (within the meaning of Section 409A(a)(2)(A)(i) of the Code), Executive shall forfeit any right to any compensation and severance under this paragraph 6(g).

(h) **Expiration of Agreement.** If the Company or Executive gives written notice pursuant to paragraph 1 of its or her intent not to extend this Agreement beyond the Initial Term or any subsequent anniversary thereof, and as a result of such written notice Executive’s employment terminates in accordance with paragraph 1, no compensation or benefits shall be payable to Executive after the date of termination except as provided for in paragraph 6(f).

(i) **Provisions that Survive Termination or Expiration of Agreement.** All rights and obligations of the Company and Executive under this Agreement shall cease as of the effective date of termination or expiration of this Agreement, except that (i) the Company’s payment and other obligations under paragraph 6 of this Agreement, if any, and its rights and/or obligations under paragraphs 17 and 18 of this Agreement shall survive such termination or expiration in accordance with their terms, and (ii) Executive’s obligations under paragraphs 7 through 11, 17, and 18 of this Agreement shall survive such termination or expiration in accordance with their terms.

(j) **Right to Offset.** In the event of any termination of Executive’s employment under this Agreement for any reason, the Company’s obligation to make any payments hereunder shall be subject to offset for any outstanding amounts that Executive owes to any J. Jill Company. All payments and benefits payable under this Agreement are gross payments subject to applicable taxes and withholdings.

(k) **Compliance with Code Section 409A.**

(i) To the extent this Agreement is subject to Section 409A of the Code (“**Section 409A**”), the Parties intend all payments under this Agreement to comply with the requirements of Section 409A, and this Agreement shall, to the extent practical, be operated and administered to effectuate such intent. In furtherance thereof, if payment or provision of any amount or benefit hereunder at the time specified in this Agreement would subject such amount or benefit to any additional tax under Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or the provision of such amount or benefit could be made without incurring such additional tax (including paying any severance that is delayed in a lump sum upon the earliest possible payment date which is consistent with Section 409A). In addition, to the extent that any regulations or guidance issued under Section 409A (after application of the previous provision of this paragraph) would subject Executive to the
payment of interest or any additional tax under Section 409A, the Parties agree, to the extent reasonably possible, to amend this Agreement in order to avoid the imposition of any such interest or additional tax under Section 409A, which amendment shall have the minimum economic effect necessary on Executive and be reasonably determined in good faith by the Parties; provided however, that the Parties shall not be required to substitute a cash payment for any non-cash benefit herein.

(ii) A termination of Executive’s employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that are considered nonqualified deferred compensation under Section 409A upon or following a termination of Executive’s employment, unless such termination is also a “separation from service” within the meaning of Section 409A and the payment thereof prior to a “separation from service” would violate Section 409A. For purposes of any such provision of this Agreement relating to any such payments or benefits, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.”

(iii) With respect to any payment under this Agreement constituting nonqualified deferred compensation subject to Section 409A, (A) all expenses or other reimbursements provided herein shall be payable in accordance with the Company’s policies in effect from time to time, but in any event shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Executive; (B) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year; and (C) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(iv) If Executive is deemed on the date of termination to be a “specified employee” within the meaning of that term under Section 409A, then with regard to any payment or the provision of any benefit under this Agreement that is considered nonqualified deferred compensation under Section 409A payable on account of a “separation from service,” such payment or benefit shall be made or provided on the first business day following the earlier of (A) the expiration of the six (6)-month period measured from the date of such “separation from service” of Executive, and (B) the date of Executive’s death (the “Delay Period”). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this paragraph 6(k) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump sum on the first business day following the Delay Period, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

Compliance with Code Section 280G. If a change in control of any J.Jill Company occurs and any payment or benefit made under this Agreement or any other agreements providing Executive rights to compensation or equity would constitute a “parachute payment” within the meaning of Section 280G of the Code, each payment or benefit will be reduced as a result of such change in control, to the extent necessary to avoid the imposition of any excise tax under Section 4999 of the Code; provided, however, such payment or benefit will be restored to the extent the exception under Section 280G(b)(5)(ii) is satisfied with respect to such payment or benefit.
7. **Executive Covenants.**

   (a) Executive acknowledges and agrees that during her employment with the Company, she will perform each of the following duties: (1) have the primary duty of managing the Company or a customarily recognized department of subdivision thereof; (2) customarily and regularly direct the work of two or more employees; and (3) have the authority to hire or fire other employees or have particular weight given to her suggestions and recommendations as to the hiring, firing, advancement, promotion, or any other change of status of other employees. Executive further acknowledges and agrees that by reason of the Company’s investment of time, training, money, trust, exposure to the public, or exposure to customers, vendors, or other business relationships, she will gain (1) a high level of notoriety, fame, reputation, or public persona as the Company’s representative or spokesperson, or (2) a high level of influence or credibility with the customers, vendors, or other business relationships of the J.Jill Companies. Executive further acknowledges and agrees that she will be intimately involved in the planning for or direction of the business of the J.Jill Companies or a defined unit of the business of the J.Jill Companies, and that she has or will obtain selective or specialized skills, knowledge, abilities, or customer contacts or information by reason of working for the Company.

   (b) During Executive’s employment with the Company and for a period of twelve (12) months thereafter (the “Restricted Period”), Executive shall not, either directly or indirectly, for herself or on behalf of or in conjunction with any other person, company, partnership, corporation, business, group, or other entity (each, a “Person”):

      (i) engage, within the Territory (as described below), as an officer, director, owner, partner, member, joint venturer, or in a managerial capacity (whether as an employee, independent contractor, agent, representative, or consultant), in any business engaged in the Business of the J.Jill Companies (as described below);

      (ii) solicit or attempt to solicit, recruit or attempt to recruit, any employee, agent, or contract worker of the J.Jill Companies with whom Executive had material business contact during the course of her employment with the Company to end her or her relationship with any J.Jill Company; or

      (iii) solicit or attempt to solicit any business related to the Business of the J.Jill Companies (as described below) from any Person who, as of the date of the solicitation or attempted solicitation or within twelve (12) months prior to that date, is or was a customer of any J.Jill Company or an actively sought prospective customer with whom Executive had material business contact (through sales calls, presentations, or other business dealings) during the course of her employment with the Company.

   (c) In addition, in furtherance of the Company’s reasonable efforts to safeguard Confidential Information (defined below), Executive agrees that, during Executive’s employment with the Company and during the Restricted Period, Executive shall not serve as a council member or participate in any similar capacity for Gerson Lehrman Group.
Group, Inc., Coleman Research, GuidePoint Global, or any other firm the primary purpose of which is to connect its clients with executives or industry specialists (whether through in-person meetings, telephone conversations, on-line forums or other mediums) as a means for its clients to conduct primary research on a particular company, industry or business sector.

(d) For purposes of paragraphs 7 through 11 of this Agreement:

(i) The “Territory” shall be defined as the United States of America and any other territory where employee is working at the time of termination of employment with Company; which Executive acknowledges and agrees is the territory in which she is providing services to the Company pursuant to this Agreement.

(ii) The “Business of the J.Jill Companies” shall be defined as a women’s retail, catalog, phone and/or internet apparel business (regardless of its form of organization, and including a division of a general retailer, such as a department store, if the division is engaged in a specialty retail or specialty catalog business, including, for purposes of illustration, but not limited to, ANN INC. and its subsidiaries, Chico’s FAS, Inc. and its subsidiaries, Coldwater Creek Direct, Eddie Bauer LLC, Eileen Fisher Inc. and its subsidiaries, Nordstrom Inc., J. Crew and its subsidiaries, L.L. Bean, Inc., Lands End, The Talbots, Inc. and The Gap Inc.).

(e) The covenants in this paragraph 7 are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of this paragraph 7 relating to the time period, scope, or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

(f) All of the covenants in this paragraph 7 shall be construed as an agreement independent of any other provisions in this Agreement, and the existence of any claim or cause of action Executive may have against any J.Jill Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by any J.Jill Company of such covenants.

(g) Executive has carefully read and considered the provisions of this paragraph 7 and, having done so, agrees that the restrictive covenants in this paragraph 7 impose a fair and reasonable restraint on Executive and are reasonably required to protect the interests of the J.Jill Companies and their respective officers, directors, employees, and equityholders.

8. **Trade Secrets and Confidential Information.**

(a) For purposes of this paragraph 8, “Confidential Information” means any data or information (other than Trade Secrets) that is valuable to the J.Jill Companies (or, if owned by someone else, is valuable to that third party) and not generally known to the public or to competitors in the industry, including, but not limited to, any
non-public information (regardless of whether in writing or retained as personal knowledge) pertaining to research and development; product costs, designs and processes; equityholder information; pricing, cost, or profit factors; quality programs; annual budget and long-range business plans; marketing plans and methods; contracts and bids; business ideas and methods, store concepts, inventions, innovations, developments, graphic designs, website designs, patterns, specifications, procedures, databases and personnel. “Trade Secret” means trade secret as defined by applicable state law. In the absence of such a definition, Trade Secret means information including, but not limited to, any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(b) Executive acknowledges that in the course of her employment with the Company, she has received or will receive and has had or will have access to Confidential Information and Trade Secrets of the J.Jill Companies, and that unauthorized or improper use or disclosure by Executive of such Confidential Information or Trade Secrets will cause serious and irreparable harm to the J.Jill Companies. Accordingly, she is willing to enter into the covenants contained in paragraphs 7, 8, 9, 10, and 11 of this Agreement in order to provide the J.Jill Companies with what she considers to be reasonable protection for its interests.

(c) Executive hereby agrees to hold in confidence all Confidential Information of the J.Jill Companies that came into her knowledge during her employment by the Company and will not disclose, publish or make use of such Confidential Information without the prior written consent of the Company for as long as the information remains Confidential Information.

(d) Executive hereby agrees to hold in confidence all Trade Secrets of the J.Jill Companies that came into her knowledge during her employment by the Company and shall not disclose, publish, or make use of at any time after the date hereof such Trade Secrets without the prior written consent of the Company for as long as the information remains a Trade Secret.

(e) Notwithstanding the foregoing, the provisions of this paragraph will not apply to (i) information required to be disclosed by Executive in the ordinary course of her duties hereunder, or required to be disclosed by judicial or governmental proceedings, or (ii) Confidential Information or Trade Secrets that otherwise becomes generally known in the industry or to the public through no act of Executive or any person or entity acting by or on Executive’s behalf or information which Executive can demonstrate to have had rightfully in her possession prior to the date on which she first worked for the Company.

(f) The parties agree that the restrictions stated in this paragraph 8 are in addition to and not in lieu of protections afforded to trade secrets and confidential information under applicable state and federal law. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting any J.Jill Companies’ rights under applicable state or federal law to protect its trade secrets and Confidential Information.
9. **Nondisparagement.** During the Employment Term and thereafter, the Executive shall not, directly or indirectly, take any action, or encourage others to take any action, to disparage or criticize the Company and/or its subsidiaries and affiliates or their respective employees, officers, directors, products, services, customers or owners.

10. **Return of Company Property.** All records, designs, patents, business plans, financial statements, manuals, memoranda, customer lists, computer data, customer information, and other property or information delivered to or compiled by Executive by or on behalf of the J.Jill Companies, their representatives, vendors or customers shall be and remain the property of the J.Jill Companies, and be subject at all times to its discretion and control. Upon the request of the Company and, in any event, upon the termination of Executive’s employment with the Company, Executive shall deliver all such materials to the Company.

11. **Work Product and Inventions.**

   (a) **Works.** Executive acknowledges that Executive’s work on and contributions to documents, programs, methodologies, protocols, and other expressions in any tangible medium (including, without limitation, all business ideas and methods, store concepts, inventions, innovations, developments, graphic designs (such as catalog designs, in-store signage and posters), web site designs, patterns, specifications, procedures or processes, market research, databases, works of authorship, products, and other works of creative authorship) which have been or will be prepared by Executive, or to which Executive has contributed or will contribute, in connection with Executive’s services to any J.Jill Company (collectively, “Works”), are and will be within the scope of Executive’s employment and part of Executive’s duties and responsibilities. Executive’s work on and contributions to the Works will be rendered and made by Executive for, at the instigation of, and under the overall direction of any J.Jill Company, and are and at all times shall be regarded, together with the Works, as “work made for hire” as that term is used in the United States Copyright Laws. However, to the extent that any court or agency should conclude that the Works (or any of them) do not constitute or qualify as a “work made for hire”, Executive hereby assigns, grants, and delivers exclusively and throughout the world to the Company all rights, titles, and interests in and to any such Works, and all copies and versions, including all copyrights and renewals. Executive agrees to cooperate with the Company and to execute and deliver to the Company and its successors and assigns, any assignments and documents the Company requests for the purpose of establishing, evidencing, and enforcing or defending its complete, exclusive, perpetual, and worldwide ownership of all rights, titles, and interests of every kind and nature, including all copyrights, in and to the Works, and Executive constitutes and appoints the Company as its agent to execute and deliver any assignments or documents Executive fails or refuses to execute and deliver, this power and agency being coupled with an interest and being irrevocable. Without limiting the preceding provisions of this paragraph 11(a), Executive agrees that the Company may edit and otherwise modify, and use, publish and otherwise exploit, the Works in all media and in such manner as the Company, in its sole discretion, may determine.
12. **No Prior Agreements.** Executive hereby represents and warrants to the Company that the execution of this Agreement by Executive and her employment by the Company and the performance of her duties hereunder will not violate or be a breach of any agreement with a former employer, client, or any other person or entity.

13. **Assignment; Binding Effect.** Executive understands that she has been selected for employment by the Company on the basis of her personal qualifications, experience, and skills. Executive agrees, therefore, that she cannot assign all or any portion of her performance under this Agreement. The Company may assign this Agreement to the purchaser of substantially all of the assets of the Company, or to any subsidiary or parent company of the Company. Subject to the preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective heirs, legal representatives, successors, and assigns.

14. **Complete Agreement; Waiver; Amendment.** Executive has no oral representations, understandings, or agreements with the Company or any of its officers, directors, or representatives covering the same subject matter as this Agreement. This Agreement, the Rollover Agreement, the Grant Agreement and the Release are the final, complete, and exclusive statement of expression of the agreement between the Company and Executive with respect to the subject matter hereof (including, but not limited to, any severance payments, change in control payments, and terms of employment) and cannot be varied, contradicted, or supplemented by evidence of any prior or contemporaneous oral or written agreements. This written Agreement may not be later modified except by a further writing signed by a duly authorized officer of the Company or member of the Board and Executive, and no term of this Agreement may be waived except by a writing signed by the party waiving the benefit of such term.
15. **Notice.** Whenever any notice is required hereunder, it shall be given in writing addressed as follows:

To the Company:  
c/o Jill Acquisition LLC  
4 Batterymarch Park  
Quincy, MA 02169  
Attn: Chief Executive Officer

To the Executive, to the most recent address the Company has on file for the Executive.

16. **Severability; Headings.** If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. This severability provision shall be in addition to, and not in place of, the provisions of paragraph 7(e) above. The paragraph and section headings are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent of the Agreement or of any part hereof.

17. **Equitable Remedy.** Because of the difficulty of measuring economic losses to any J.Jill Company as a result of a breach of the covenants set forth in paragraphs 7 through 11, and because of the immediate and irreparable damage that would be caused to the J.Jill Companies for which monetary damages would not be a sufficient remedy, it is hereby agreed that in addition to all other remedies that may be available to the J.Jill Companies, at law or in equity, each J.Jill Company shall be entitled to specific performance and any injunctive or other equitable relief as a remedy for any breach or threatened breach by Executive of any provision of paragraphs 7 through 11 of this Agreement. Each J.Jill Company may seek temporary and/or permanent injunctive relief for an alleged violation of paragraphs 7 through 11 of this Agreement without the necessity of first arbitrating the matter pursuant to paragraph 18 of this Agreement and without the necessity of posting a bond.

18. **Arbitration.** Except for an action by any J.Jill Company for injunctive relief as described in paragraph 17 of this Agreement, any disputes or controversies arising under or related to this Agreement or the Executive’s employment with the Company will be settled by binding arbitration in Boston, Massachusetts, through the use of and in accordance with the applicable rules of the American Arbitration Association relating to arbitration of commercial disputes and pursuant to the Federal Arbitration Act. One neutral arbitrator shall hear the dispute. The determination and findings of such arbitrator will be binding on all parties and may be enforced, if necessary, in any court of competent jurisdiction. The arbitrator shall be mutually acceptable to the parties and need not be selected from the AAA’s roster of arbitrators if the parties can agree otherwise. If the parties are unable to agree on an arbitrator, then the arbitrator shall be selected pursuant to the AAA’s rules. Except as prohibited by applicable law, the prevailing party in any such arbitration, or in any action to enforce this paragraph 18 or any arbitration award hereunder, shall be awarded and the nonprevailing party shall pay the prevailing party’s attorneys’ fees and related expenses and the nonprevailing party shall pay all arbitration filing and administration fees as well as all fees and expenses of the arbitrator.
19. **Jointly Drafted.** The parties and their respective counsel have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

20. **Governing Law.** This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Delaware, not including the choice-of-law rules thereof. All parties hereby consent to the exclusive and sole jurisdiction and venue of the state and federal courts located in Delaware for the litigation of disputes not subject to arbitration and waive any claims of improper venue, lack of personal jurisdiction, or lack of subject matter jurisdiction as to any such disputes.
IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be duly executed as of the date first written above.

JILL ACQUISITION LLC

/s/ Paula Bennett
By: Paula Bennett
Title: President & CEO

For purposes of paragraph 3(e) hereof, only

JJILL TOPCO HOLDINGS, LP

/s/ Joann Fielder
By: Joann Fielder
Title: 

[Signature Page to Employment Agreement – Fielder, Joann]
For purposes of paragraph 3(e) hereof, only

JJILL TOPCO HOLDINGS, LP

By: JJ Holdings GP, LLC
   its general partner

/s/ Glenn Miller

By: Glenn Miller
Title: Vice President and Secretary

[Signature Page to Employment Agreement – Fielder, Joann]
This Amendment No. 1 (this “Amendment”) to that certain Amended and Restated Employment Agreement (the “Employment Agreement”), dated as of May 22, 2015, by and between Jill Acquisition LLC (the “Company”) and JOANN FIELDER (“Executive” and, together with the Company, the “Parties”), is entered into by and between the Parties on July 27th, 2015 (the “Amendment Effective Date”). Jill Topco Holdings, LP (“Parent”) also joins this Amendment for the limited purpose of acknowledging the provisions in paragraph 2 below. Any capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings ascribed to them in the Employment Agreement.

RECITALS

WHEREAS, the Company wishes to promote Executive (the “Promotion”); and

WHEREAS, in connection with the Promotion, the Parties wish to amend certain terms of the Employment Agreement, as set forth below, which amendments will become effective on the Amendment Effective Date.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

AGREEMENTS

1. Amendments to the Employment Agreement. The Parties hereby agree to the following amendments to the Employment Agreement, which amendments shall be effective as of the Amendment Effective Date:

   (a) References in Section 2 (Position and Duties) of the Employment Agreement to “Senior Vice President –Chief Creative Officer” are hereby deleted and replaced with “Executive Vice President - Chief Merchandising and Creative Officer.”

   (b) The phrase “As of the Effective Date, the gross annual salary payable to Executive shall be Five Hundred Thousand Dollars ($500,000) per year” in Section 3(a) (Base Salary) of the Employment Agreement is hereby deleted in its entirety and replaced with the following: “The gross annual salary payable to Executive shall be (i) as of the Effective Date, Five Hundred Twenty Two Thousand Five Hundred Dollars ($522,500) per year and (ii) as of the Amendment Effective Date, Five Hundred Seventy Five Thousand Dollars ($575,000.00) per year”.

   (c) The third sentence of Section 3(b) (Annual Bonus) of the Employment Agreement is hereby deleted in its entirety and replaced with the following: “If all performance objectives are fully met, the target amount of the Annual Bonus shall be equal to (i) for fiscal year 2015, the sum of (x) forty-five percent (45%) of Executive’s Base Salary received from the beginning of fiscal year 2015 through the Amendment Effective Date plus (y) sixty percent (60%) of Executive’s Base Salary received from the Amendment Effective Date through the end of such fiscal year and (ii) for fiscal year 2016 and thereafter, sixty percent (60%) of Executive's Base Salary received during such fiscal year (pro-rated for partial years), but, in either case, a higher bonus shall be possible for exceptional performance.”
Reference in clause (i) of Section 6(d) (Termination by Executive For Good Reason) of the Employment Agreement to “Senior Vice President” is hereby deleted and replaced with “Executive Vice President.”

The last sentence of Section 6(f) (Payment Through Termination) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

“No other compensation or benefits will be due or payable to Executive after such termination, except as provided by this paragraph 6(f), the Rollover Agreement, the Grant Agreement, any other grant agreements subsequently entered into by and between Parent and Executive, the Incentive Equity Plan of Parent or as otherwise required under the terms of the Company’s employee benefit plans and programs or applicable law.”

The second sentence of Section 14 (Complete Agreement; Waiver; Amendment) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

“This Agreement, the Rollover Agreement, the Grant Agreement, any other grant agreements subsequently entered into by and between Parent and Executive and the Release are the final, complete, and exclusive statement of expression of the agreement between the Company and Executive with respect to the subject matter hereof (including, but not limited to, any severance payments, change in control payments, and terms of employment) and cannot be varied, contradicted, or supplemented by evidence of any prior or contemporaneous oral or written agreements.”

2. **Grant Agreement**. In connection with the Promotion, Parent shall grant to Executive Class A Common Interests of Parent pursuant to a grant agreement substantially in the form attached hereto.

3. **Effect on Employment Agreement**. Except as specifically amended pursuant to Section 1 above, the Employment Agreement shall remain in full force and effect in accordance with its original terms and is hereby ratified and confirmed.

4. **Governing Law**. This Amendment shall in all respects be governed by and construed in accordance with the laws of the State of Delaware, not including the choice-of-law rules thereof. The Parties hereby consent to the exclusive and sole jurisdiction and venue of the state and federal courts located in Delaware for the litigation of disputes not subject to arbitration and waive any claims of improper venue, lack of personal jurisdiction, or lack of subject matter jurisdiction as to any such disputes.

3
5. **Headings.** The paragraph and section headings are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent of the Amendment or of any part hereof.

6. **Counterparts; Facsimile or Email.** This Amendment may be executed in any number of counterparts (and may be transmitted via facsimile or by email), each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.
IN WITNESS WHEREOF, each of the Parties hereto have caused this Amendment No. 1 to the Amended and Restated Employment Agreement to be duly executed as of the date first written above.

JILL ACQUISITION LLC

/s/ Paula Bennett
By: Paula Bennett
Title: Chief Executive Officer and President

For purposes of paragraph 2 hereof, only

JILL TOPCO HOLDINGS, LP

By: JJ Holdings GP, LLC
its general partner

By: Glenn Miller
Title: Vice President

/s/ Joann Fielder
JOANN FIELDER

[Signature Page to Amendment No. 1 to Employment Agreement – Fielder, Joann]
IN WITNESS WHEREOF, each of the Parties hereto have caused this Amendment No. 1 to the Amended and Restated Employment Agreement to be duly executed as of the date first written above.

JILL ACQUISITION LLC

By: Paula Bennett  
Title: Chief Executive Officer and President

For purposes of paragraph 2 hereof, only

JILL TOPCO HOLDINGS, LP

By: JJ Holdings GP, LLC  
its general partner

/s/ Glenn Miller

By: Glenn Miller  
Title: Vice President

JOANN FIELDER
STOCKHOLDERS AGREEMENT

dated as of

[●], 2017

by and between

J.JILL, INC.

and

TI IV JJILL HOLDINGS, L.P.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ARTICLE I DEFINITIONS AND USAGE</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1.1 Definitions</td>
<td>1</td>
</tr>
<tr>
<td>Section 1.2 Interpretation</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE II APPROVAL AND CONSULTATION OF CERTAIN MATTERS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2.1 Approval of Stockholder Majority</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE III TRANSFER</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 3.1 Transfers and Joinders</td>
<td>7</td>
</tr>
<tr>
<td>Section 3.2 Binding Effect on Transferees</td>
<td>7</td>
</tr>
<tr>
<td>Section 3.3 Charter Provisions</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE IV BOARD REPRESENTATION</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 4.1 Composition of Initial Board</td>
<td>7</td>
</tr>
<tr>
<td>Section 4.2 Nominees</td>
<td>8</td>
</tr>
<tr>
<td>Section 4.3 Committees</td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE V INDEMNIFICATION</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 5.1 Right to Indemnification</td>
<td>10</td>
</tr>
<tr>
<td>Section 5.2 Prepayment of Expenses</td>
<td>10</td>
</tr>
<tr>
<td>Section 5.3 Claims</td>
<td>10</td>
</tr>
<tr>
<td>Section 5.4 Nonexclusivity of Rights</td>
<td>11</td>
</tr>
<tr>
<td>Section 5.5 Other Sources</td>
<td>11</td>
</tr>
<tr>
<td>Section 5.6 Indemnitor of First Resort</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE VI TERMINATION</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 6.1 Term</td>
<td>12</td>
</tr>
<tr>
<td>Section 6.2 Survival</td>
<td>12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE VII REPRESENTATIONS AND WARRANTIES</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 7.1 Representations and Warranties of Holdings</td>
<td>12</td>
</tr>
<tr>
<td>Section 7.2 Representations and Warranties of the Corporation</td>
<td>12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE VIII MISCELLANEOUS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 8.1 Entire Agreement</td>
<td>13</td>
</tr>
<tr>
<td>Section 8.2 Further Assurances</td>
<td>13</td>
</tr>
<tr>
<td>Section 8.3 Notices</td>
<td>13</td>
</tr>
<tr>
<td>Section 8.4 Governing Law</td>
<td>14</td>
</tr>
<tr>
<td>Section 8.5 Consent to Jurisdiction</td>
<td>14</td>
</tr>
<tr>
<td>Section 8.6 Equitable Remedies</td>
<td>14</td>
</tr>
<tr>
<td>Section 8.7 Construction</td>
<td>15</td>
</tr>
<tr>
<td>Section 8.8 Counterparts</td>
<td>15</td>
</tr>
<tr>
<td>Section 8.9 Third Party Beneficiaries</td>
<td>15</td>
</tr>
<tr>
<td>Section 8.10 Binding Effect</td>
<td>15</td>
</tr>
<tr>
<td>Section 8.11</td>
<td>Severability</td>
</tr>
<tr>
<td>---------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>Section 8.12</td>
<td>Adjustments Upon Change of Capitalization</td>
</tr>
<tr>
<td>Section 8.13</td>
<td>Amendments; Waivers</td>
</tr>
<tr>
<td>Section 8.14</td>
<td>Actions in Other Capacities</td>
</tr>
<tr>
<td>Term</td>
<td>Section</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Affiliate</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Agreement</td>
<td>Preamble</td>
</tr>
<tr>
<td>beneficial ownership</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>By-Laws</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Certificate of Incorporation</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Change of Control</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Claim</td>
<td>Section 5.1</td>
</tr>
<tr>
<td>Common Stock</td>
<td>Recitals</td>
</tr>
<tr>
<td>Controlled Affiliate</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Controlled Entity</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Corporation</td>
<td>Preamble</td>
</tr>
<tr>
<td>Covered Person</td>
<td>Section 5.1</td>
</tr>
<tr>
<td>Equity Security</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Exchange Act</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Fair Market Value</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Fund Indemnitor</td>
<td>Section 5.6</td>
</tr>
<tr>
<td>Governmental Entity</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Hedging Obligation</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Holdings</td>
<td>Preamble</td>
</tr>
<tr>
<td>Indebtedness</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>IPO</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>IPO Registration Statement</td>
<td>Recitals</td>
</tr>
<tr>
<td>Lien</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Minimum Condition</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Percentage Interest</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Permitted Transferee</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Person</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>SEC</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Securities Act</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Stockholder Designee</td>
<td>Section 4.2(a)</td>
</tr>
<tr>
<td>Stockholder Majority</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Stockholders</td>
<td>Preamble</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Transfer</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Underwriting Agreement</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>Voting Securities</td>
<td>Section 1.1</td>
</tr>
</tbody>
</table>
STOCKHOLDERS AGREEMENT (this “Agreement”), dated as of [●], 2017, between J.Jill, Inc., a Delaware corporation (the “Corporation”), and TI IV J Jill Holdings, LP, a Delaware limited partnership (“Holdings”, and together with any other stockholders of the Corporation who become party hereto in accordance with this Agreement, the “Stockholders”).

WHEREAS, in connection with the IPO (as defined herein), the Corporation and its Affiliates (as defined herein) intend to consummate the transactions described in the Registration Statement on Form S-1 filed by the Corporation (the “IPO Registration Statement”);

WHEREAS, after giving effect to such transactions, the Stockholders will beneficially own shares of the Corporation’s common stock, par value $0.01 per share (the “Common Stock”); and

WHEREAS, the parties hereto desire to provide for certain governance rights and other matters, and to set forth the respective rights and obligations of the Stockholders on and after the consummation of the IPO.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND USAGE

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person; provided, that neither the Corporation nor any of its Subsidiaries will be deemed an Affiliate of any Stockholder or any of such Stockholders’ Affiliates. For the purposes of this definition, “control” (including the terms “controlling” and “controlled”), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of such subject Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise.

“beneficial ownership” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act. The terms “beneficially own” and “beneficial owner” shall have correlative meanings.

“Board of Directors” means the board of directors of the Corporation.
“By-Laws” means the by-laws of the Corporation, as they may be amended, restated or otherwise modified from time to time.

“Certificate of Incorporation” means the certificate of incorporation of the Corporation, as it may be amended, restated or otherwise modified from time to time.

“Change of Control” means (i) an acquisition by any Person or group of Persons of Equity Securities of the Corporation, whether already outstanding or newly issued, in a transaction or series of transactions, if immediately thereafter such Person or group of Persons (other than the Stockholders or their Permitted Transferees or a wholly-owned Subsidiary of the Corporation) has, or would have, directly or indirectly, beneficial ownership of fifty percent (50%) or more of the combined Equity Securities or voting power of the Corporation; (ii) the sale of all or substantially all of the assets of the Corporation and its Subsidiaries, taken as a whole, directly or indirectly, to any Person or group of Persons (other than the Stockholders or their Permitted Transferees or a wholly-owned Subsidiary of the Corporation) in a transaction or series of transactions; or (iii) the consummation of a tender offer, merger, recapitalization, consolidation, business combination, reorganization or other transaction, or series of related transactions, involving the Corporation and any other Person or group of Persons; unless, in the case of clause (iii) of this definition, both (1) the then-existing Stockholders, immediately prior to such transaction or the first transaction in such series of transactions, will beneficially own more than fifty percent (50%) of the combined Equity Securities or voting power of the Corporation (or, if the Corporation will not be the surviving entity or publicly traded parent company in such transaction or series of transactions, such surviving entity or parent) immediately after such transaction or series of transactions and (2) the individuals who are members of the Board of Directors, immediately prior to such transaction or the first transaction in such series of transactions, will be entitled to cast at least a majority of the votes of the Board of Directors (or the board of managers or equivalent body of such surviving entity, as the case may be) after the closing of such transaction or series of transactions. As used in this definition of Change of Control, the term “group” shall have the same meaning assigned to such term in Rule 13d-5 of the Exchange Act.

“Controlled Affiliate” of any Person means any Affiliate that directly or indirectly, through one or more intermediaries, is controlled (as defined in the definition of “Affiliate”) by such Person.

“Controlled Entity” means, as to any Person, (a) any corporation more than fifty percent (50%) of the outstanding voting stock of which is owned by such Person or such Person’s Affiliates, (b) any partnership of which such Person or an Affiliate of such Person is the managing partner and in which such Person or such Person’s Affiliates hold partnership interests representing at least fifty percent (50%) of such partnership’s capital and profits and (c) any limited liability company of which such Person or an Affiliate of such Person is the manager or managing member and in which such Person or such Person’s Affiliates hold membership interests representing at least fifty percent (50%) of such limited liability company’s capital and profits.
“Equity Security” has the meaning ascribed to such term in Rule 405 under the Securities Act, and in any event, includes any security having the attendant right to vote for directors or similar representatives and any general or limited partner interest in any Person.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and any successor law or statute, in each case together with the rules and regulations promulgated thereunder.

“Fair Market Value” means, with respect to property (other than cash), the fair market value of such property as determined in good faith by the Board of Directors.

“Governmental Entity” means any court, administrative agency, regulatory body, commission or other governmental authority, board, bureau or instrumentality, domestic or foreign and any subdivision thereof.

“Hedging Obligation” means, with respect to any Person, any liability of such Person under any interest rate, currency or commodity swap agreement, cap agreement or collar agreement, and any other agreement or arrangement designed to protect a Person against fluctuations in interest rates, currency exchange rates or commodity prices.

“Indebtedness” of a Person means, at any date of determination, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments (excluding contingent obligations under surety bonds), (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising and paid in the ordinary course of business, (iv) the capitalized amount of all capital leases of such Person, (v) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit, bankers acceptance, surety bond or similar instrument, (vi) all obligations of a type described in clauses (i) through (v) and clauses (vii) and (viii) of this definition secured by a Lien on any asset of such Person, whether or not such obligation is otherwise an obligation of such Person, (vii) all Hedging Obligations of such Person, and (viii) all Indebtedness of others guaranteed by such Person. Any obligation constituting Indebtedness solely by virtue of the preceding clause (vi) shall be valued at the lower of the Fair Market Value of the corresponding asset and the aggregate unpaid amount of such obligation.

“IPO” means the initial public offering of shares of Common Stock pursuant to an effective IPO Registration Statement under the Securities Act.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind, or any other type of preferential arrangement that has the practical effect of creating a security interest in respect of such asset.

“Minimum Condition” means Holdings, together with its Permitted Transferees, maintains, directly or indirectly, beneficial ownership of at least 50% of the
issued and outstanding Common Stock, as adjusted for any stock split, stock dividend, reverse stock split, recapitalization, business combination, reclassification or similar event, in each case with such adjustment being determined in good faith by the Board of Directors.

“Percentage Interest” means, with respect to any Stockholder and as of any date of determination, a fraction, expressed as a percentage, the numerator of which is the number of shares of Common Stock held or beneficially owned by such Stockholder as of such date and the denominator of which is the aggregate number of shares of Common Stock issued and outstanding as of such date.

“Permitted Transferee” means, with respect to any Stockholder, any Controlled Entity or Affiliate of such Stockholder.

“Person” means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity.

“SEC” means the United States Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

“Securities Act” means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

“Stockholder Majority” means Stockholders having beneficial ownership of a majority of the Common Stock beneficially owned by the Stockholders.

“Subsidiary” means, with respect to any Person, any corporation or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by such Person.

“Transfer” means any sale, assignment, bequest, conveyance, devise, gift (outright or in trust), pledge, encumbrance, hypothecation, mortgage, exchange, transfer or other disposition or act of alienation, whether voluntary or involuntary or by operation of law. The terms “Transferred” and “Transferring” have correlative meanings.

“Underwriting Agreement” means the Underwriting Agreement with respect to the IPO.

“Voting Securities” means the Common Stock and any other securities of the Corporation or any Subsidiary of the Corporation which would entitle the holders thereof to vote with the holders of Common Stock in the election of directors of the Corporation.

Section 1.2 Interpretation. In this Agreement and in the exhibits hereto, except to the extent that the context otherwise requires:

(a) the headings are for convenience of reference only and shall not affect the interpretation of this Agreement;
(b) defined terms include the plural as well as the singular and vice versa;

(c) words importing gender include all genders;

(d) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been or may from time to time be amended, extended, re-enacted or consolidated and to all statutory instruments or orders made thereunder;

(e) any reference to a “day” shall mean the whole of such day, being the period of 24 hours running from midnight to midnight;

(f) references to Articles, Sections, subsections, clauses and Exhibits are references to Articles, Sections, subsections, clauses and Exhibits of and to, this Agreement;

(g) the words “including” and “include” and other words of similar import shall be deemed to be followed by the phrase “without limitation”; and

(h) unless otherwise specified, references to any party to this Agreement or any other document or agreement shall include its successors and permitted assigns.

ARTICLE II

APPROVAL AND CONSULTATION OF CERTAIN MATTERS

Section 2.1 Approval of Stockholder Majority. For so long as the Minimum Condition is satisfied, the Corporation shall not, and shall cause its Subsidiaries and Controlled Affiliates not to, take any of the following actions or any plan with respect thereto without the prior approval (which approval may be in the form of an action by written consent) of a Stockholder Majority:

(a) any increase or decrease in the size of the Board of Directors;

(b) the incurrence of an aggregate amount of Indebtedness of the Corporation and its Subsidiaries or Controlled Affiliates taken as a whole (other than (i) Indebtedness of the Corporation and its Subsidiaries or Controlled Affiliates as of the date hereof or any refinancing thereof up to the same maximum principal amount of such Indebtedness outstanding as of the date hereof, (ii) capital leases contemplated by an annual budget approved by the Board of Directors and (iii) inter-company Indebtedness) in excess of $10.0 million;

(c) any authorization, creation (by way of reclassification, merger, consolidation or otherwise) or issuance of any Equity Securities of any kind of the Corporation or its Subsidiaries, including any designation of the rights (including special voting rights) of one or more classes of preferred stock of the Corporation, other than (i)
pursuant to any equity compensation plan of the Corporation approved by the compensation committee of the Board of Directors, (ii) the issuance of Equity Securities of a Subsidiary of the Corporation to the Corporation or a wholly-owned Subsidiary of the Corporation, or (iii) upon conversion of convertible securities or upon exercise of warrants or options, which convertible securities, warrants or options are outstanding on the date hereof or issued in compliance with this Agreement;

(d) any redemption, repurchase or other acquisition by the Corporation of its Equity Securities or any declaration thereof, other than (i) the redemption, repurchase or other acquisition by the Corporation of any Equity Securities of any director, officer, independent contractor or employee in connection with the termination of the employment or services of such director, officer or employee as contemplated by the applicable equity compensation plan or award agreement with respect to such Equity Securities, or (ii) pursuant to an offer made to all Stockholders pro rata in accordance with each such Stockholder’s Percentage Interest with respect to such Equity Securities (regardless of whether any or all of such Stockholders elect to participate in such redemption, repurchase or other acquisition);

(e) any material acquisition of assets or Equity Securities of any Person, in a single transaction or a series of related transactions;

(f) fundamental changes to the nature of the business of the Corporation and its Subsidiaries or its Controlled Affiliates, taken as a whole as of the date hereof, which involves entry by the Corporation or any of its Subsidiaries into material new and unrelated lines of business;

(g) any adoption, approval or issuance of any “poison pill,” stockholder or similar rights plan by the Corporation or its Subsidiaries or Controlled Affiliates or any amendment, restatement, modification or waiver of such plan after the adoption thereof has been approved by a Stockholder Majority in accordance with this Section 2.1;

(h) any amendment, restatement, modification or waiver of the Certificate of Incorporation or By-Laws;

(i) any payment or declaration of any dividend or other distribution on any Equity Securities of the Corporation or entering into a recapitalization transaction the primary purpose of which is to pay a dividend, other than dividends or distributions required to be made pursuant to the terms of any outstanding preferred stock of the Corporation;

(j) appointment or removal of the chairperson of the Board of Directors or the chief executive officer, chief financial officer, general counsel, controller or any other officer of the Corporation that would be subject to Section 16 of the Exchange Act;

(k) the consummation of a Change of Control or entry into any contract or agreement the effect of which would be a Change of Control; or
ARTICLE III

TRANSFER

Section 3.1 Transfers and Joinders. If a Stockholder effects any Transfer of Common Stock to a Permitted Transferee, such Permitted Transferee may, if not a Stockholder, within five (5) days of such Transfer, execute a joinder to this Agreement, in form and substance reasonably acceptable to the Corporation, in which such Permitted Transferee agrees to be a “Stockholder” for all purposes of this Agreement and which provides that such Permitted Transferee shall be bound by and shall fully comply with the terms of this Agreement.

Section 3.2 Binding Effect on Transferees. Subject to execution of a joinder to this Agreement within five (5) days of the applicable Transfer, in form and substance reasonably acceptable to the Corporation, pursuant to Section 3.1, such Permitted Transferee shall become a Stockholder hereunder.

Section 3.3 Charter Provisions. The parties hereto shall use their respective reasonable efforts (including voting or causing to be voted all of the Voting Securities held of record by such party or beneficially owned by such party by virtue of having voting power over such Voting Securities) so as to prevent any amendment to the Certificate of Incorporation or By-Laws as in effect as of the date hereof that would (a) add restrictions to the transferability of the Voting Securities by any Stockholder or its Permitted Transferees at the time of such an amendment, which restrictions are beyond those then provided for in the Certificate of Incorporation, this Agreement or applicable securities laws or (b) nullify any of the rights of any Stockholder or its Permitted Transferees at the time of such amendment, which rights are explicitly provided for in this Agreement, unless, in each such case, such amendment shall have been approved by such Stockholder.

ARTICLE IV

BOARD REPRESENTATION

Section 4.1 Composition of Initial Board.

(a) The Corporation and each Stockholder shall take all reasonable actions within their respective control (including voting or causing to be voted all of the Voting Securities held of record by such Stockholder or beneficially owned by such Stockholder by virtue of having voting power over such Voting Securities, and, with respect to the Corporation, as provided in Section 4.2(b), Section 4.2(c) and Section
4.2(d) so as to cause the Board of Directors to be comprised of eight (8) directors, who shall be divided into three (3) classes of directors in accordance with the terms of the Certificate of Incorporation. As of the date hereof, the eight (8) directors shall be divided into three (3) classes as follows:

(i) the Class I directors shall include Marka Hansen and Travis Nelson;

(ii) the Class II directors shall include Michael Eck, Linda Heasley and Michael Recht; and

(iii) the Class III directors shall include Paula Bennett, Andrew Rolfe and Michael Rahamim.

(b) For the avoidance of doubt, Section 4.1(a) is applicable solely to the initial composition of the Board of Directors, except that, subject to the Certificate of Incorporation, a director shall remain a member of the class of directors to which he or she was assigned in accordance with Section 4.1(a).

Section 4.2 Nominees.

(a) The Corporation and each Stockholder shall take all reasonable actions within their respective control (including voting or causing to be voted all of the Voting Securities held of record by such Stockholder or beneficially owned by such Stockholder by virtue of having voting power over such Voting Securities, and, with respect to the Corporation, as provided in Section 4.2(b), Section 4.2(c) and Section 4.2(d)) so as to cause to be elected to the Board of Directors, and to cause to continue in office, at any given time, a number of individuals designated by a Stockholder Majority (each, a “Stockholder Designee”) equal to:

(i) for so long as the Minimum Condition is satisfied, such number of individuals constituting a majority of the Board of Directors;

(ii) for so long as the Minimum Condition is not satisfied but the Percentage Interest of the Stockholders and their Permitted Transferees is at least 10%, the Percentage Interest of the Stockholders multiplied by the total number of directors comprising the Board of Directors and rounded up to the nearest whole number; and

(iii) for so long as the Percentage Interest of the Stockholders and their Permitted Transferees is at least 5% but less than 10%, the greater of (x) the Percentage Interest of the Stockholders multiplied by the total number of directors comprising the Board of Directors and rounded up to the nearest whole number and (y) one director.

(b) The Corporation agrees to (i) include in the slate of nominees recommended by the Board of Directors the Stockholder Designees and to use its reasonable best efforts to cause the election of each such Stockholder Designee to the
Board of Directors, including nominating each such Stockholder Designee to be elected as a director, recommending such Stockholder Designee’s election and soliciting proxies or consents in favor thereof, in each case subject to applicable law, and (ii) use its reasonable best efforts to cause each class of the Board of Directors to include, to the extent practicable, at least one Stockholder Designee.

(c) A Stockholder Designee may only be removed from the Board of Directors with the approval of a Stockholder Majority. If a Stockholder Majority notifies the Stockholders of its desire to remove, with or without cause, any Stockholder Designee from the Board of Directors, the Stockholders shall vote or cause to be voted all of the shares of Voting Securities held of record by such Stockholders or beneficially owned by such Stockholders by virtue of having voting power over such Voting Securities for the removal of such Stockholder Designee.

(d) In the event that a vacancy is created at any time by the death, disability, retirement, resignation or removal of any director who was a Stockholder Designee, the Corporation agrees to take at any time and from time to time all actions necessary to cause the vacancy created thereby to be filled as promptly as practicable by a new Stockholder Designee; provided that, for the avoidance of doubt, a Stockholder Majority shall not have the right to designate a replacement director, and the Board of Directors and the Stockholders shall not be required to take any action to cause any vacancy to be filled with any such Stockholder Designee, to the extent that election or appointment of such Stockholder Designee to the Board of Directors would result in a number of directors designated by the Stockholder Majority in excess of the number of directors that the Stockholder Majority is then entitled to designate for membership on the Board of Directors pursuant to Section 4.2(a).

(e) If the number of directors entitled to be designated as Stockholder Designees pursuant to Section 4.2(a) decreases, the Stockholders shall take reasonable actions to cause a sufficient number of Stockholder Designees to resign from the Board of Directors at or prior to the end of such Stockholder Designee’s term such that the number of Stockholder Designees after such resignation(s) equals the number of directors a Stockholder Majority would have been entitled to designate pursuant to Section 4.2(a). Any vacancies created by such resignation may remain vacant until the next annual meeting of stockholders or filled by a majority vote of the Board of Directors in accordance with the By-Laws. Notwithstanding the foregoing, such Stockholder Designee(s) need not resign from the Board of Directors at or prior to the end of such director’s term if the Corporation’s nominating committee recommends the nomination of such director(s) for election at the next annual meeting coinciding with the end of such director’s term, or otherwise (and for the avoidance of doubt, such director shall no longer be considered a Stockholder Designee).

Section 4.3 Committees. For so long as this Agreement is in effect, the Corporation shall take all reasonable actions to cause to be appointed to any committee of the Board of Directors a number of Stockholder Designees that is up to the number of directors that is proportionate (rounding up to the next whole director) to the number of Stockholder Designees that the Stockholders are entitled to designate to the Board of
Directors under this Agreement, to the extent such directors are permitted to serve on such committees under the applicable rules of the SEC and any applicable stock exchange. It is understood by the parties hereto that the Stockholders shall not have any obligation to appoint any Stockholder Designee to any committee of the Board of Directors and any failure to exercise such right in this section in a prior period shall not constitute any waiver of such right in a subsequent period.

ARTICLE V

INDEMNIFICATION

Section 5.1 Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, each Stockholder, its Affiliates and its direct and indirect partners (including partners of partners and stockholders and members of partners), members, stockholders, managers, directors, officers, employees and agents and each Person who controls any of them within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (the “Covered Persons”) from and against any and all losses, claims, damages, liabilities and expenses (including reasonable attorneys’ fees) sustained or suffered by any such Covered Person based upon, relating to, arising out of, or by reason of any third party or governmental claims relating to such Covered Person’s status as a stockholder or controlling person of the Company (including any and all losses, claims, damages or liabilities under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, which relate directly or indirectly to the registration, purchase, sale or ownership of any Equity Securities of the Company or to any fiduciary obligation owed with respect thereto), including in connection with any third party or governmental action or claim relating to any action taken or omitted to be taken or alleged to have been taken or omitted to have been taken by any Covered Person as a stockholder or controlling person, including claims alleging so-called control person liability or securities law liability (any such claim, a “Claim”). Notwithstanding the preceding sentence, except as otherwise provided in Section 5.3, the Corporation shall be required to indemnify a Covered Person in connection with a Claim (or part thereof) commenced by such Covered Person only if the commencement of such Claim (or part thereof) by the Covered Person was authorized by the Board of Directors.

Section 5.2 Prepayment of Expenses. To the extent not prohibited by applicable law, the Corporation shall pay the expenses (including reasonable attorneys’ fees) incurred by a Covered Person in defending any Claim in advance of its final disposition; provided, however, that, to the extent required by applicable law, such payment of expenses in advance of the final disposition of such Claim shall be made only upon receipt of an undertaking by such Covered Person to repay all amounts advanced if it should be ultimately determined that such Covered Person is not entitled to be indemnified under this ARTICLE V or otherwise.

Section 5.3 Claims. If a claim for indemnification or advancement of expenses under this ARTICLE V is not paid in full within 30 days after a written claim therefor by
the Covered Person has been received by the Corporation, such Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 5.4  **Nonexclusivity of Rights.** The rights conferred on any Covered Person by this ARTICLE V shall not be exclusive of any other rights that such Covered Person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation or By-Laws or any agreement, vote of stockholders or disinterested directors or otherwise.

Section 5.5  **Other Sources.** Subject to Section 5.6, the Corporation’s obligation, if any, to indemnify or to advance expenses to any Covered Person shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from any other Person.

Section 5.6  **Indemnitor of First Resort.** The Corporation hereby acknowledges that the Covered Persons may have certain rights to advancement and/or indemnification by certain Affiliates of TowerBrook Capital Partners L.P. (collectively, the “Fund Indemnitors”). In all events, (i) the Corporation hereby agrees that it is the indemnitor of first resort (i.e., its obligation to a Covered Person to provide advancement and/or indemnification to such Covered Person are primary and any obligation of the Fund Indemnitors (including any Affiliate thereof other than the Corporation) to provide advancement or indemnification hereunder or under any other indemnification agreement (whether pursuant to contract, by-laws or charter), or any obligation of any insurer of the Fund Indemnitors to provide insurance coverage, for the same expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such expenses, liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by such Covered Person are secondary and (ii) if any Fund Indemnitor (or any Affiliate thereof, other than the Corporation) pays or causes to be paid, for any reason, any amounts otherwise indemnifiable hereunder or under any other indemnification agreement (whether pursuant to contract, by-laws or charter) with such Covered Person, then (x) such Fund Indemnitor (or such Affiliate, as the case may be) shall be fully subrogated to all rights of such Covered Person with respect to such payment and (y) the Corporation shall fully indemnify, reimburse and hold harmless such Fund Indemnitor (or such other Affiliate, as the case may be) for all such payments actually made by such Fund Indemnitor (or such other Affiliate, as the case may be).
ARTICLE VI

TERMINATION

Section 6.1  Term. The terms of this Agreement shall terminate, and be of no further force and effect:

(a) upon the mutual consent of all of the parties hereto;

(b) with respect to each Stockholder, if such Stockholder has Transferred all (but not less than all) of its Common Stock; or

(c) subject to Section 2.1(k), upon the consummation of a Change of Control.

Section 6.2  Survival. If this Agreement is terminated pursuant to Section 6.1, this Agreement shall become void and of no further force and effect, except for: (i) the provisions set forth in this Section 6.2, Article V, Section 8.4, Section 8.5, Section 8.6 and Section 8.9 and (ii) the rights of the Stockholders with respect to the breach of any provision hereof by the Corporation, which shall, in each case of clauses (i) and (ii), survive the termination of this Agreement.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

Section 7.1  Representations and Warranties of Holdings. Each Stockholder represents and warrants to the Corporation that (a) such Stockholder is duly authorized to execute, deliver and perform this Agreement; (b) this Agreement has been duly executed by such Stockholder and is a valid and binding agreement of such Stockholder, enforceable against such Stockholder in accordance with its terms; and (c) the execution, delivery and performance by such Stockholder of this Agreement does not violate or conflict with or result in a breach of or constitute (or with notice or lapse of time or both would constitute) a default under any agreement to which such Stockholder is a party or, if such Stockholder is an entity, the organizational documents of such Stockholder.

Section 7.2  Representations and Warranties of the Corporation. The Corporation represents and warrants to Holdings that (a) the Corporation is duly authorized to execute, deliver and perform this Agreement; (b) this Agreement has been duly authorized, executed and delivered by the Corporation and is a valid and binding agreement of the Corporation, enforceable against the Corporation in accordance with its terms; and (c) the execution, delivery and performance by the Corporation of this Agreement does not violate or conflict with or result in a breach by the Corporation of or constitute (or with notice or lapse of time or both would constitute) a default by the Corporation under the Certificate of Incorporation or By-Laws, any existing applicable law, rule, regulation, judgment, order, or decree of any Governmental Entity exercising any statutory or regulatory authority of any of the foregoing, domestic or foreign, having jurisdiction over the Corporation or any of its Subsidiaries or Controlled Affiliates or any
of their respective properties or assets, or any agreement or instrument to which the Corporation or any of its Subsidiaries or Controlled Affiliates is a party or by which the Corporation or any of its Subsidiaries or Controlled Affiliates or any of their respective properties or assets may be bound.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Entire Agreement. This Agreement, together with documents contemplated hereby, constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and fully supersede any and all prior or contemporaneous agreements or understandings between the parties hereto pertaining to the subject matter hereof.

Section 8.2 Further Assurances. Each of the parties hereto does hereby covenant and agree on behalf of itself, its successors, and its assigns, without further consideration, to prepare, execute, acknowledge, file, record, publish, and deliver such other instruments, documents and statements, and to take such other actions as may be required by law or reasonably necessary to effectively carry out the intent and purposes of this Agreement.

Section 8.3 Notices. Any notice, consent, payment, demand, or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be (a) delivered personally to the Person or to an officer of the Person to whom the same is directed, (b) sent by facsimile, overnight mail or registered or certified mail, return receipt requested, postage prepaid, or (c) sent by e-mail, with electronic or written confirmation of receipt, in each case addressed as follows:

(i) if to the Corporation, to:
    
    J.Jill, Inc.
    4 Batterymarch Park
    Quincy, Massachusetts 02169
    Email: Vijay.Moses@jjill.com
    Attention: General Counsel

with a copy to:

    Paul, Weiss, Rifkind, Wharton & Garrison LLP
    1285 Avenue of the Americas
    New York, New York 10019-6064
    Fax: (212) 492-0546
    Email: ajdeckelbaum@paulweiss.com
    Attention: Ariel J. Deckelbaum
(ii) if to any Stockholder, to:

the address and facsimile number of such Stockholder set forth in the records of the Corporation.

Any such notice shall be deemed to be delivered, given and received for all purposes as of: (A) the date so delivered, if delivered personally, (B) upon receipt, if sent by facsimile or e-mail, or (C) on the date of receipt or refusal indicated on the return receipt, if sent by certified mail, return receipt requested, postage and charges prepaid and properly addressed.


Section 8.5 Consent to Jurisdiction. ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS ARISING OUT OF THIS AGREEMENT (INCLUDING AGAINST ANY DIRECTOR OR OFFICER OF THE CORPORATION) SHALL BE BROUGHT SOLELY IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE AND EACH PARTY HERETO HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURT FOR THE PURPOSE OF SUCH SUITS, LEGAL ACTIONS OR PROCEEDINGS. IN ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH PARTY HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO IT AT ITS ADDRESS SET FORTH IN THE BOOKS AND RECORDS OF THE CORPORATION. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OR ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAIM THAT ANY SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 8.6 Equitable Remedies. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions and other equitable remedies to prevent breaches of this Agreement and to enforce.
specifically the terms and provisions hereof in the Court of Chancery of the State of Delaware, this being in addition to any other remedy to which they are entitled at law or in equity. Any requirements for the securing or posting of any bond with respect to such remedy are hereby waived by each of the parties hereto. Each party further agrees that, in the event of any action for an injunction or other equitable remedy in respect of such breach or enforcement of specific performance, it will not assert the defense that a remedy at law would be adequate.

Section 8.7 Construction. This Agreement shall be construed as if all parties hereto prepared this Agreement.

Section 8.8 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall for all purposes be deemed an original, and all such counterparts shall together constitute but one and the same agreement.

Section 8.9 Third Party Beneficiaries. Except as set forth in ARTICLE V nothing in this Agreement, express or implied, is intended or shall be construed to give any Person other than the parties hereto (or their respective legal representatives, successors, heirs and distributees) any legal or equitable right, remedy or claim under or in respect of any agreement or provision contained herein, it being the intention of the parties hereto that this Agreement is for the sole and exclusive benefit of such parties (or such legal representatives, successors, heirs and distributees) and for the benefit of no other Person.

Section 8.10 Binding Effect. Except as otherwise provided herein, all the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and permitted assigns of the parties hereto. No Stockholder may assign any of its rights hereunder to any Person other than a Permitted Transferee. Each Permitted Transferee of any Stockholder shall be subject to all of the terms of this Agreement, and by taking and holding such shares such Person shall be entitled to receive the benefits of and be conclusively deemed to have agreed to be bound by and to comply with all of the terms and provisions of this Agreement. Notwithstanding the foregoing, no successor or assignee of the Corporation shall have any rights granted under this Agreement until such Person shall acknowledge its rights and obligations hereunder by a signed written statement of such Person’s acceptance of such rights and obligations.

Section 8.11 Severability. In the event that any provision of this Agreement as applied to any party or to any circumstance, shall be adjudged by a court to be void, unenforceable or inoperative as a matter of law, then the same shall in no way affect any other provision in this Agreement, the application of such provision in any other circumstance or with respect to any other party, or the validity or enforceability of the Agreement as a whole.

Section 8.12 Adjustments Upon Change of Capitalization. In the event of any change in the outstanding Common Stock, by reason of dividends, splits, reverse splits, spin-offs, split-ups, recapitalizations, combinations, exchanges of shares and the like, the
term “Common Stock” shall refer to and include the securities received or resulting therefrom, but only to the extent such securities are received in exchange for or in respect of Common Stock.

Section 8.13 Amendments; Waivers.

(a) No provision of this Agreement may be amended or waived unless such amendment or waiver is in writing and signed, in the case of an amendment, by the Corporation and a Stockholder Majority, or in the case of a waiver, by either the Corporation if such waiver is to be effective against the Corporation, or a Stockholder Majority, if such waiver is to be effective against the Stockholders; provided that any amendment or waiver that affects the rights or obligations of any Stockholder hereunder in a manner disproportionately adverse to such Stockholder as compared to the other Stockholders shall require the written consent of such Stockholder.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 8.14 Actions in Other Capacities. Nothing in this Agreement shall limit, restrict or otherwise affect any actions taken by any Stockholder in its capacity as a stockholder, partner or member of the Corporation or any of its Subsidiaries or Controlled Affiliates.
IN WITNESS WHEREOF, the parties have caused this Stockholders Agreement to be duly executed and delivered, all as of the date first set forth above.

JJILL, INC.

By: 
   Name: 
   Title: 

TI IV JJILL HOLDINGS, LP

By:  TI IV JJ GP, LLC
   Its:  General Partner

By:  
   Name: Glenn F. Miller
   Title: Vice President and Secretary

[ Signature Page to Stockholders Agreement ]
THIS NONQUALIFIED OPTION AWARD AGREEMENT (this “Agreement”), is entered into as of [    ], 20[    ] (the “Date of Grant”), by and between J.Jill, Inc., a Delaware corporation (the “Company”), and [    ] (the “Participant”). Capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to such terms in the J.Jill Inc. 2017 Omnibus Equity Incentive Plan, as amended, restated or otherwise modified from time to time in accordance with its terms (the “Plan”).

WHEREAS, the Company has adopted the Plan, pursuant to which options to acquire shares of Common Stock may be granted (“Options”); and

WHEREAS, the Committee has determined that it is in the best interests of the Company and its stockholders to grant the award provided for herein to the Participant on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Option.
   (a) Grant. The Company hereby grants to the Participant an Option to purchase [    ] shares of Common Stock (such shares, the “Option Shares”), on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan. The Option is not intended to qualify as an Incentive Stock Option. The Options shall vest in accordance with Section 2. The Exercise Price shall be $[    ] per Option Share.

   (b) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant’s beneficiary in respect of any questions arising under the Plan or this Agreement. The Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

2. Vesting.
   (a) Except as may otherwise be provided herein, subject to the Participant’s continued employment with, appointment as a director of, or engagement to provide services to, the Company or an Affiliate, the Options shall vest and become exercisable in equal installments on each of the first four anniversaries of the Date of Grant (each such date, a “Vesting Date”). Any fractional Option Shares resulting from the application of the vesting schedule shall be aggregated and the Option Shares resulting from such aggregation shall vest on the final Vesting Date.

   (b) If, within 12 months following a Change in Control, the Participant’s employment with or engagement to provide services to the Company or an Affiliate, is terminated by the Company other
than for Cause (and other than due to the Participant’s death or Disability), then the Option shall be 100% vested as of the date of such termination of employment or services.

3. Termination of Employment or Services.

Except as set forth herein, if the Participant’s employment with, or engagement to provide services to, the Company and its Affiliates terminates for any reason, the unvested portion of the Option shall be canceled immediately and the Participant shall immediately forfeit without any consideration any rights to the Option Shares subject to such unvested portion.

4. Expiration.

(a) In no event shall all or any portion of the Option be exercisable after the tenth annual anniversary of the Date of Grant (such ten-year period, the “Option Period”); provided, that if the Option Period would expire at a time when trading in the shares of Common Stock is prohibited by the Company’s securities trading policy (or Company-imposed “blackout period”), the Option Period shall be automatically extended until the 30th day following the expiration of such prohibition (but not to the extent that any such extension would otherwise violate Section 409A of the Code).

(b) If, prior to the end of the Option Period, the Participant’s employment with, or engagement to provide services to, the Company and all Affiliates is terminated without Cause or by the Participant for any reason, then the Option shall expire on the earlier of the last day of the Option Period or the date that is 90 days after the date of such termination; provided, however, that if the Participant’s employment with, or engagement to provide services to, the Company and its Affiliates is terminated and the Participant is subsequently rehired, reappointed or reengaged by the Company or any Affiliate within 90 days following such termination and prior to the expiration of the Option, the Participant shall not be considered to have undergone a termination of employment or service, as applicable. In the event of a termination described in this subsection (b), the Option shall remain exercisable by the Participant until its expiration only to the extent that the Option was exercisable at the time of such termination.

(c) If (i) the Participant’s employment with, or engagement to provide services to, the Company is terminated prior to the end of the Option Period on account of his or her Disability, (ii) the Participant dies while still in the employ or engagement of the Company or an Affiliate or (iii) the Participant dies following a termination described in subsection (b) above but prior to the expiration of the Option, the Option shall expire on the earlier of the last day of the Option Period or the date that is one (1) year after the date of death or termination on account of Disability of the Participant, as applicable. In such event, the Option shall remain exercisable by the Participant or Participant’s beneficiary, as applicable, until its expiration only to the extent that the Option was exercisable by the Participant at the time of such event.

(d) If the Participant ceases employment with or engagement to provide services to the Company or any Affiliates due to a termination for Cause, the Option (whether vested or unvested) shall expire immediately upon such termination.
5. **Method of Exercise and Form of Payment.** No Option Shares shall be delivered pursuant to any exercise of the Option until payment in full to the Company of the Exercise Price and an amount equal to any U.S. federal, state, local and non-U.S. income and employment taxes required to be withheld. The Option may be exercised by delivery of written or electronic notice of exercise to the Company or its designee (including a third-party-administrator) in accordance with the terms hereof. The Exercise Price and all applicable required withholding taxes shall be payable (i) in cash, check, cash equivalent and/or in shares of Common Stock valued at the Fair Market Value at the time the Option is exercised (including, pursuant to procedures approved by the Committee, by means of attestation of ownership of a sufficient number of shares of Common Stock in lieu of actual delivery of such shares to the Company); provided that such shares of Common Stock are not subject to any pledge or other security interest; or (ii) by such other method as the Committee may permit, including without limitation: (A) in other property having a Fair Market Value equal to the Exercise Price and all applicable required withholding taxes or (B) if there is a public market for the shares of Common Stock at such time, by means of a broker-assisted “cashless exercise” pursuant to which the Company is delivered a copy of irrevocable instructions to a stockbroker to sell the shares of Common Stock otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding taxes; or (C) by means of a “net exercise” procedure effected by withholding the minimum number of shares of Common Stock otherwise deliverable in respect of an Option that are needed to pay for the Exercise Price and all applicable required withholding taxes. Any fractional shares of Common Stock resulting from the application of this Section 5 shall be settled in cash.

6. **Rights as a Stockholder.** The Participant shall not be deemed for any purpose to be the owner of any shares of Common Stock subject to this Option unless, until and to the extent that (i) this Option shall have been exercised pursuant to its terms, (ii) the Company shall have issued and delivered to the Participant the Option Shares and (iii) the Participant’s name shall have been entered as a stockholder of record with respect to such Option Shares on the books of the Company. The Company shall cause the actions described in clauses (ii) and (iii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws.

7. **Compliance with Legal Requirements.**
   (a) **Generally.** The granting and exercising of the Option, and any other obligations of the Company under this Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Participant agrees to take all steps that the Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant’s rights under this Agreement.

   (b) **Tax Withholding.** Any exercise of the Option shall be subject to the Participant satisfying any applicable U.S. federal, state and local tax withholding obligations and non-U.S. tax withholding obligations. The Company shall have the right and is hereby authorized to withhold from any amounts payable to the Participant in connection with the Option or otherwise the amount of any required withholding taxes in respect of the Option, its exercise or any payment or transfer of the Option or under the Plan and to take any such other actions as the Committee or the Company deem necessary to satisfy all obligations for the payment of such withholding taxes (up to the maximum permissible withholding amounts). The Participant may elect to satisfy, and the Company may require the Participant to satisfy, in whole or in part, the tax obligations by withholding shares of Common Stock that would otherwise be received upon exercise of the Option with a Fair Market Value equal to such withholding liability. For exercises of the Option occurring during a blackout period under the Company’s insider trading policy,
the Company shall arrange for the sale of a number of shares of Common Stock to be delivered to the Participant to satisfy the applicable withholding obligations. Such shares of Common Stock shall be sold on behalf of the Participant through the Company’s transfer agent on the facilities of the NYSE or through the facilities of any other exchange on which the Common Stock is listed at the time of such sale.

8. **Clawback.** Notwithstanding anything to the contrary contained herein, the Committee may cancel the Option award if the Participant, without the consent of the Company, has engaged in or engages in activity that is in conflict with or adverse to the interest of the Company or any Affiliate while employed by, or otherwise providing services to the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, or violates the covenants set forth on Exhibit A attached hereto or any other non-competition, non-solicitation, non-disparagement or non-disclosure covenant or agreement with the Company or any Affiliate (after giving effect to any applicable cure period set forth therein), as determined by the Committee. In such event, the Participant will forfeit any compensation, gain or other value realized thereafter on the vesting or exercise of the Option, the sale or other transfer of the Option, or the sale of shares of Common Stock acquired in respect of the Option, and must promptly repay such amounts to the Company. If the Participant receives any amount in excess of what the Participant should have received under the terms of the Option for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), all as determined by the Committee, then the Participant shall be required to promptly repay any such excess amount to the Company. To the extent required by applicable law and/or the rules and regulations of the NYSE or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or if so required pursuant to a written policy adopted by the Company, the Option shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

9. **Restrictive Covenants.**

   (a) Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the Participant shall be subject to the confidentiality and restrictive covenants set forth on Exhibit A attached hereto, which Exhibit A is incorporated herein and forms part of this Agreement.

   (b) In the event that the Participant violates any of the restrictive covenants referred to in this Section 9, in addition to any other remedy that may be available at law or in equity, the Option shall be automatically forfeited effective as of the date on which such violation first occurs. The foregoing rights and remedies are in addition to any other rights and remedies that may be available to the Company and shall not prevent (and the Participant shall not assert that they shall prevent) the Company from bringing one or more actions in any applicable jurisdiction to recover damages as a result of the Participant’s breach of such restrictive covenants.

10. **Miscellaneous.**

   (a) **Transferability.** The Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered (a “Transfer”) by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 15(b) of the Plan. Any attempted Transfer of the Option contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Option, shall be null and void and without effect.
Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

Section 409A. The Option is not intended to be subject to Section 409A of the Code. Notwithstanding the foregoing or any provision of the Plan or this Agreement, if any provision of the Plan or this Agreement contravenes Section 409A of the Code or could cause the Participant to incur any tax, interest or penalties under Section 409A of the Code, the Committee may, in its sole discretion and without the Participant’s consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A of the Code, or to avoid the incurrence of taxes, interest and penalties under Section 409A of the Code, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A of the Code. This Section 10(c) does not create an obligation on the part of the Company to modify the Plan or this Agreement and does not guarantee that the Option or the Option Shares will not be subject to interest and penalties under Section 409A.

Notices. Any notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage-paid first-class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant’s address indicated by the Company’s records, or if to the Company, to the attention of the General Counsel and to the Head of Human Resources at the Company’s principal executive office.

Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

No Rights to Employment, Directorship or Service. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant or director of the Company or its Affiliates or shall interfere with or restrict in any way the rights of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.

Fractional Shares. In lieu of issuing a fraction of a share of Common Stock resulting from any exercise of the Option or an adjustment of the Option pursuant to Section 12 of the Plan or otherwise, the Company shall be entitled to pay to the Participant an amount in cash equal to the Fair Market Value of such fractional share.

Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation.

Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

Entire Agreement. This Agreement (including Exhibit A attached hereto) and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter.
contained herein and supersede all prior communications, representations and negotiations in respect thereto, other than any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the covenants of which shall continue to apply to the Participant in addition to the covenants in Exhibit A hereto, in accordance with the terms of such agreement. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent under Section 12 or 14 of the Plan.

(k) **Governing Law and Venue.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

(i) **Dispute Resolution; Consent to Jurisdiction.** All disputes between or among any Persons arising out of or in any way connected with the Plan, this Agreement or the Option shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee’s determinations and resolution of matters, if any, related to the Plan or this Agreement not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten (10) days after such mailing.

(ii) **Waiver of Jury Trial.** Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.

(l) **Headings.** The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(m) **Counterparts.** This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

(n) **Electronic Signature and Delivery.** This Agreement may be accepted by return signature or by electronic confirmation. By accepting this Agreement, the Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days’ notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant).
Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Remainder of page intentionally blank]
IN WITNESS WHEREOF, this Nonqualified Option Award Agreement has been executed by the Company and the Participant as of the day first written above.

J.JILL, INC.

By: ___________________________________________________________________
   Name: 
   Title: 

[PARTICIPANT]

[Signature page to [ ] Option Agreement]
1. During the Participant’s employment with, or other engagement to provide services to, the Company or any of its Affiliates and for a period of twelve (12) months thereafter (the “Restricted Period”), the Participant shall not, either directly or indirectly, for himself or herself or on behalf of or in conjunction with any other Person:

   a. solicit or attempt to solicit, recruit or attempt to recruit, any employee, agent, or contract worker of the J.Jill Companies with whom the Participant had material business contact during the course of the Participant’s employment with, or engagement to provide services to, the Company or any of its Affiliates to end such Person’s relationship with any J.Jill Company; or

   b. solicit or attempt to solicit any business related to the J.Jill Companies from any Person who, as of the date of the solicitation or attempted solicitation or within twelve (12) months prior to that date, is or was a customer or vendor of any J.Jill Company or an actively sought prospective customer or prospective vendor with whom the Participant had material business contact (through sales calls, presentations, or other business dealings) during the course of the Participant’s employment with, or other engagement to provide services to, the Company or any of its Affiliates.

A-1
2. The Participant hereby agrees to hold in confidence all Confidential Information and Trade Secrets of the J.Jill Companies that came into the Participant’s knowledge during the period of time during which the Participant was employment by, or otherwise providing services to, the Company or any of its Affiliates and will not disclose, publish or make use of such Confidential Information or Trade Secrets without the prior written consent of the Company for as long as the information remains Confidential Information. Notwithstanding the foregoing, the provisions of this paragraph will not apply to (a) information required to be disclosed by the Participant in the ordinary course of the Participant’s duties with the Company, or required to be disclosed by judicial or governmental proceedings, or (b) Confidential Information or Trade Secrets that otherwise becomes generally known in the industry or to the public through no act of the Participant or any Person or entity acting by or on the Participant’s behalf or information which the Participant can demonstrate to have had rightfully in the Participant’s possession prior to the date on which the Participant first provided services to any J.Jill Company.

3. During the period of time during which the Participant is employed by, or otherwise providing services to, the Company or any of its Affiliates and thereafter, the Participant shall not, directly or indirectly, take any action, or encourage others to take any action, to disparage or criticize any J.Jill Company or their respective Affiliates, employees, officers, directors, products, services, customers or owners.

4. For purposes of this Exhibit A:
   
a. "Confidential Information" shall be defined as any data or information (other than Trade Secrets) that is valuable to the J.Jill Companies (or, if owned by someone else, is valuable to that third party) and not generally known to the public or to competitors in the industry, including, but not limited to, any non-public information (regardless of whether in writing or retained as personal knowledge) pertaining to research and development; product costs, designs and processes; equityholder information; pricing, cost, or profit factors; quality programs; annual budget and long-range business plans; marketing plans and methods; contracts and bids; business ideas and methods, store concepts, inventions, innovations, developments, graphic designs, website designs, patterns, specifications, procedures, databases and personnel.
   
b. The “J.Jill Companies” shall be defined as the Company and its direct and indirect subsidiaries and parent companies, and any Person in which the Company has a twenty percent or greater ownership interest, whether existing on the Date of Grant or thereafter acquired or formed.
c. “Trade Secret” means trade secret as defined by applicable state law. In the absence of such a definition, Trade Secret means information including, but not limited to, any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

5. The covenants in this Exhibit A are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of this Exhibit A relating to the time period, scope, or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

6. All of the covenants in this Exhibit A shall be construed as an agreement independent of any other provisions in Exhibit A, and the existence of any claim or cause of action the Participant may have against any J.Jill Company, whether predicated on this Exhibit A or otherwise, shall not constitute a defense to the enforcement by any J.Jill Company of such covenants.

7. The Participant has carefully read and considered the provisions of this Exhibit A and, having done so, agrees that the restrictive covenants in this Exhibit A impose a fair and reasonable restraint on the Participant and are reasonably required to protect the interests of the J.Jill Companies and their respective officers, directors, employees, and equityholders.

A-3
THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this “Agreement”), is entered into as of [   ], 20[   ] (the “Date of Grant”), by and between J.Jill, Inc., a Delaware corporation (the “Company”), and [   ] (the “Participant”).

Capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to such terms in the J.Jill, Inc. 2017 Omnibus Equity Incentive Plan, as amended, restated or otherwise modified from time to time in accordance with its terms (the “Plan”).

WHEREAS, the Company has adopted the Plan, pursuant to which restricted stock units (“RSUs”) may be granted; and

WHEREAS, the Committee has determined that it is in the best interests of the Company and its stockholders to grant the RSUs provided for herein to the Participant on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Restricted Stock Units.
   (a) Grant. The Company hereby grants to the Participant a total of [   ] RSUs, on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan. The RSUs shall vest in accordance with Section 2. The RSUs shall be credited to a separate book-entry account maintained for the Participant on the books of the Company.

   (b) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant’s beneficiary in respect of any questions arising under the Plan or this Agreement. The Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

2. Vesting; Settlement.
   (a) Except as may otherwise be provided herein, subject to the Participant’s continued appointment as a director of, or engagement to provide services to, the Company or any of its Affiliates, the RSUs shall vest on the earlier of (x) the first anniversary of the Date of Grant or (y) the date of the consummation of a Change in Control (such earlier date, the “Vesting Date”). Upon vesting, the RSUs shall no longer be subject to the transfer restrictions pursuant to Section 15(b) of the Plan or cancellation pursuant to Section 4 hereof.

   (b) Each RSU shall be settled within 10 days following the Vesting Date in shares of Common Stock.
3. **Dividend Equivalents.** In the event of any issuance of a cash dividend on the shares of Common Stock (a “**Dividend**”), the Participant shall be credited, as of the payment date for such Dividend, with an additional number of RSUs (each, an “**Additional RSU**”) equal to the quotient obtained by dividing (x) the product of (i) the number of RSUs granted pursuant to this Agreement and outstanding as of the record date for such Dividend multiplied by (ii) the amount of the Dividend per share, by (y) the Fair Market Value per share on the payment date for such Dividend, such quotient to be rounded to the nearest hundredth. Once credited, each Additional RSU shall be treated as an RSU granted hereunder and shall be subject to all terms and conditions set forth in this Agreement and the Plan.

4. **Termination of Services.**

Except as set forth herein, if the Participant’s membership on the board of directors of, or other engagement to provide services to, the Company or any of its Affiliates terminates for any reason, all unvested RSUs shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto.

5. **Rights as a Stockholder.** The Participant shall not be deemed for any purpose to be the owner of any shares of Common Stock underlying the RSUs unless, until and to the extent that (i) the Company shall have issued and delivered to the Participant the shares of Common Stock underlying the RSUs and (ii) the Participant’s name shall have been entered as a stockholder of record with respect to such shares of Common Stock on the books of the Company. The Company shall cause the actions described in clauses (i) and (ii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws.

6. **Compliance with Legal Requirements.**

   (a) **Generally.** The granting and settlement of the RSUs, and any other obligations of the Company under this Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Participant agrees to take all steps that the Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant’s rights under this Agreement.

   (b) **Tax Withholding.** It is expressly understood that the Participant has acted as an independent contractor for the Company and that the Company will be required to report the compensation delivered under this Agreement to the Internal Revenue Service (the “IRS”), that the Participant will be responsible for the Participant’s tax liability, if any, and that the Company will prepare or cause to be prepared an IRS Form 1099 on behalf of the Participant. If at any time the Company is required to withhold tax on account of the RSU, the Company will require the Participant to pay such withholding liability to the Company in cash upon demand.

7. **Clawback.** Notwithstanding anything to the contrary contained herein, the Committee may cancel the RSU award if the Participant, without the consent of the Company, has engaged in or engages in activity that is in conflict with or adverse to the interest of the Company or any Affiliate while serving as a director of, or otherwise providing services to the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, or violates the
covenants set forth on Exhibit A attached hereto or any other non-competition, non-solicitation, non-disparagement or non-disclosure covenant or agreement with the Company or any Affiliate (after giving effect to any applicable cure period set forth therein), as determined by the Committee. In such event, the Participant will forfeit any compensation, gain or other value realized thereafter on the vesting or settlement of the RSUs, the sale or other transfer of the RSUs, or the sale of shares of Common Stock acquired in respect of the RSUs, and must promptly repay such amounts to the Company. If the Participant receives any amount in excess of what the Participant should have received under the terms of the RSUs for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), all as determined by the Committee, then the Participant shall be required to promptly repay any such excess amount to the Company. To the extent required by applicable law and/or the rules and regulations of the NYSE or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or if so required pursuant to a written policy adopted by the Company, the RSUs shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

8. Restrictive Covenants.

(a) Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the Participant shall be subject to the confidentiality and restrictive covenants set forth on Exhibit A attached hereto, which Exhibit A is incorporated herein and forms part of this Agreement.

(b) In the event that the Participant violates any of the restrictive covenants referred to in this Section 8, in addition to any other remedy that may be available at law or in equity, the RSUs shall be automatically forfeited effective as of the date on which such violation first occurs. The foregoing rights and remedies are in addition to any other rights and remedies that may be available to the Company and shall not prevent (and the Participant shall not assert that they shall prevent) the Company from bringing one or more actions in any applicable jurisdiction to recover damages as a result of the Participant’s breach of such restrictive covenants.


(a) Transferability. The RSUs may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered (a "Transfer") by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 15(b) of the Plan. Any attempted Transfer of the RSUs contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the RSUs, shall be null and void and without effect.

(b) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the breach.

(c) Section 409A. The RSUs are intended to be exempt from, or compliant with, Section 409A of the Code. Notwithstanding the foregoing or any provision of the Plan or this Agreement, if any provision of the Plan or this Agreement contravenes Section 409A of the Code or could cause the Participant to incur any tax, interest or penalties under Section 409A of the Code, the Committee may, in its sole discretion and without the Participant’s consent, modify such provision to (i) comply with, or
avoid being subject to, Section 409A of the Code, or to avoid the incurrence of taxes, interest and penalties under Section 409A of the Code, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A of the Code. This Section 9(c) does not create an obligation on the part of the Company to modify the Plan or this Agreement and does not guarantee that the RSUs will not be subject to interest and penalties under Section 409A.

(d) **General Assets.** All amounts credited in respect of the RSUs to the book-entry account under this Agreement shall continue for all purposes to be part of the general assets of the Company. The Participant’s interest in such account shall make the Participant only a general, unsecured creditor of the Company.

(e) **Notices.** Any notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage-paid first-class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant’s address indicated by the Company’s records, or if to the Company, to the attention of the General Counsel and to the Head of Human Resources at the Company’s principal executive office.

(f) **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(g) **No Rights to Directorship or Service.** Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as a consultant or director of the Company or any of its Affiliates or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.

(h) **Fractional Shares.** In lieu of issuing a fraction of a share of Common Stock resulting from adjustment of the RSUs pursuant to Section 12 of the Plan or otherwise, the Company shall be entitled to pay to the Participant an amount in cash equal to the Fair Market Value of such fractional share.

(i) **Beneficiary.** The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation.

(j) **Successors.** The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.
(k) **Entire Agreement.** This Agreement (including Exhibit A attached hereto) and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto, other than any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the covenants of which shall continue to apply to the Participant in addition to the covenants in Exhibit A hereto, in accordance with the terms of such agreement. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent under Section 12 or 14 of the Plan.

(l) **Governing Law and Venue.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

   (i) **Dispute Resolution; Consent to Jurisdiction.** All disputes between or among any Persons arising out of or in any way connected with the Plan, this Agreement or the RSUs shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee’s determinations and resolution of matters, if any, related to the Plan or this Agreement not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten (10) days after such mailing.

   (ii) **Waiver of Jury Trial.** Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.

(m) **Headings.** The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(n) **Counterparts.** This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

(o) **Electronic Signature and Delivery.** This Agreement may be accepted by return signature or by electronic confirmation. By accepting this Agreement, the Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days’ notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant).
(p) Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Remainder of page intentionally blank]
IN WITNESS WHEREOF, this Restricted Stock Unit Award Agreement has been executed by the Company and the Participant as of the day first written above.

JJILL, INC.

By:  

Name:  
Title:

[PARTICIPANT]

[Signature Page to [ ] RSU Award Agreement]
Exhibit A

1. During the Participant’s membership on the board of directors of, or other engagement to provide services to, the Company or any of its Affiliates and for a period of twelve (12) months thereafter (the “Restricted Period”), the Participant shall not, either directly or indirectly, for himself or herself or on behalf of or in conjunction with any other Person:

   a. solicit or attempt to solicit, recruit or attempt to recruit, any employee, agent, or contract worker of the J.Jill Companies with whom the Participant had material business contact during the course of the Participant’s membership on the board of directors of, or other engagement to provide services to, the Company or any of its Affiliates to end such Person’s relationship with any J.Jill Company; or

   b. solicit or attempt to solicit any business related to the J.Jill Companies from any Person who, as of the date of the solicitation or attempted solicitation or within twelve (12) months prior to that date, is or was a customer or vendor of any J.Jill Company or an actively sought prospective customer or prospective vendor with whom the Participant had material business contact (through sales calls, presentations, or other business dealings) during the course of the Participant’s employment with, membership on the board of directors of, or other engagement to provide services to, the Company or any of its Affiliates.

A-1
2. The Participant hereby agrees to hold in confidence all Confidential Information and Trade Secrets of the J.Jill Companies that came into the Participant’s knowledge during the period of time during which the Participant was a member of the board of directors of, or otherwise providing services to, the Company or any of its Affiliates and will not disclose, publish or make use of such Confidential Information or Trade Secrets without the prior written consent of the Company for as long as the information remains Confidential Information. Notwithstanding the foregoing, the provisions of this paragraph will not apply to (a) information required to be disclosed by the Participant in the ordinary course of the Participant’s duties with the Company, or required to be disclosed by judicial or governmental proceedings, or (b) Confidential Information or Trade Secrets that otherwise becomes generally known in the industry or to the public through no act of the Participant or any Person or entity acting by or on the Participant’s behalf or information which the Participant can demonstrate to have had rightfully in the Participant’s possession prior to the date on which the Participant first provided services to any J.Jill Company.

3. During the period of time during which the Participant is a member of the board of directors of, or otherwise providing services to, the Company or any of its Affiliates and thereafter, the Participant shall not, directly or indirectly, take any action, or encourage others to take any action, to disparage or criticize any J.Jill Company or their respective Affiliates, employees, officers, directors, products, services, customers or owners.

4. For purposes of this Exhibit A:
   a. “Confidential Information” shall be defined as any data or information (other than Trade Secrets) that is valuable to the J.Jill Companies (or, if owned by someone else, is valuable to that third party) and not generally known to the public or to competitors in the industry, including, but not limited to, any non-public information (regardless of whether in writing or retained as personal knowledge) pertaining to research and development; product costs, designs and processes; equityholder information; pricing, cost, or profit factors; quality programs; annual budget and long-range business plans; marketing plans and methods; contracts and bids; business ideas and methods, store concepts, inventions, innovations, developments, graphic designs, website designs, patterns, specifications, procedures, databases and personnel.
   b. The “J.Jill Companies” shall be defined as the Company and its direct and indirect subsidiaries and parent companies, and any Person in which the Company has a twenty percent or greater ownership interest, whether existing on the Date of Grant or thereafter acquired or formed.
c. “Trade Secret” means trade secret as defined by applicable state law. In the absence of such a definition, Trade Secret means information including, but not limited to, any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

5. The covenants in this Exhibit A are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of this Exhibit A relating to the time period, scope, or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

6. All of the covenants in this Exhibit A shall be construed as an agreement independent of any other provisions in Exhibit A, and the existence of any claim or cause of action the Participant may have against any J.Jill Company, whether predicated on this Exhibit A or otherwise, shall not constitute a defense to the enforcement by any J.Jill Company of such covenants.

7. The Participant has carefully read and considered the provisions of this Exhibit A and, having done so, agrees that the restrictive covenants in this Exhibit A impose a fair and reasonable restraint on the Participant and are reasonably required to protect the interests of the J.Jill Companies and their respective officers, directors, employees, and equityholders.
AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

OF

JJILL TOPCO HOLDINGS, LP,
A DELAWARE LIMITED PARTNERSHIP

Dated as of May 8, 2015

THE TRANSFER OF THE SECURITIES REPRESENTED BY THIS INSTRUMENT IS SUBJECT TO THE CONDITIONS SPECIFIED IN THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP AMONG THE PARTNERS OF THE ISSUER.

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS INSTRUMENT MAY BE SUBJECT TO ONE OR MORE EQUITY GRANT AGREEMENTS, AS MAY BE AMENDED FROM TIME TO TIME, BY AND BETWEEN THE ISSUER AND ONE OR MORE OF THE ISSUER’S EQUITYHOLDERS.
### TABLE OF CONTENTS

**ARTICLE I Definitions**
1.1 Definitions  
1.2 Other Definitions  
1.3 Other Interpretative Provisions  

**ARTICLE II Organization of the Partnership**  
2.1 Formation  
2.2 Name  
2.3 Principal Place of Business  
2.4 Registered Office; Agent  
2.5 Term  
2.6 Purposes and Powers  

**ARTICLE III Management of the Partnership**  
3.1 General Partner  
3.2 Officers  
3.3 Duties  
3.4 Performance of Duties; Liability of Officers  
3.5 Indemnification  

**ARTICLE IV Limited Partners; Voting Rights and Meetings of Limited Partners**  
4.1 Voting Rights and Meetings of Limited Partners  
4.2 Registered Limited Partners  
4.3 Limitation of Liability  
4.4 New Limited Partners  
4.5 Withdrawal; Resignation  
4.6 Death of a Limited Partner  
4.7 Authority  
4.8 Corporate Opportunities  
4.9 Spouses of Limited Partners  

**ARTICLE V Interests; Partnership**  
5.1 Interests Generally  
5.2 Authorization of Interests  
5.3 Authorization and Issuance of Interests  
5.4 Certificates; Legend
<table>
<thead>
<tr>
<th>Article</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>VI Capital Accounts</td>
<td>23</td>
</tr>
<tr>
<td>6.1 Capital Contributions</td>
<td>23</td>
</tr>
<tr>
<td>6.2 Capital Accounts</td>
<td>24</td>
</tr>
<tr>
<td>6.3 Negative Capital Accounts</td>
<td>24</td>
</tr>
<tr>
<td>6.4 No Withdrawal</td>
<td>24</td>
</tr>
<tr>
<td>6.5 Loans From Partners</td>
<td>24</td>
</tr>
<tr>
<td>6.6 Status of Capital Contributions</td>
<td>24</td>
</tr>
<tr>
<td>VII Distributions</td>
<td>25</td>
</tr>
<tr>
<td>7.1 Generally</td>
<td>25</td>
</tr>
<tr>
<td>7.2 Discretionary Distributions</td>
<td>25</td>
</tr>
<tr>
<td>7.3 Tax Advances</td>
<td>25</td>
</tr>
<tr>
<td>7.4 Tax Withholding; Withholding Advances</td>
<td>27</td>
</tr>
<tr>
<td>VIII Allocations</td>
<td>28</td>
</tr>
<tr>
<td>8.1 Allocations of Net Income and Net Loss</td>
<td>28</td>
</tr>
<tr>
<td>8.2 Special Allocations</td>
<td>29</td>
</tr>
<tr>
<td>8.3 Change in Interest</td>
<td>30</td>
</tr>
<tr>
<td>8.4 Tax Allocations</td>
<td>30</td>
</tr>
<tr>
<td>IX Elections and Reports</td>
<td>31</td>
</tr>
<tr>
<td>9.1 Generally</td>
<td>31</td>
</tr>
<tr>
<td>9.2 Tax Status</td>
<td>31</td>
</tr>
<tr>
<td>9.3 Tax Elections</td>
<td>31</td>
</tr>
<tr>
<td>9.4 Tax Controversies</td>
<td>31</td>
</tr>
<tr>
<td>9.5 Waiver of Section 17-305 of the Delaware Act; Other Information Rights</td>
<td>31</td>
</tr>
<tr>
<td>9.6 Schedule K-1</td>
<td>32</td>
</tr>
<tr>
<td>X Dissolution and Liquidation</td>
<td>32</td>
</tr>
<tr>
<td>10.1 Dissolution</td>
<td>32</td>
</tr>
<tr>
<td>10.2 Liquidation</td>
<td>32</td>
</tr>
<tr>
<td>XI Transfer of Interests</td>
<td>34</td>
</tr>
<tr>
<td>11.1 Restrictions</td>
<td>34</td>
</tr>
<tr>
<td>11.2 Procedures for Transfer</td>
<td>35</td>
</tr>
<tr>
<td>11.3 Tag-Along Rights</td>
<td>36</td>
</tr>
<tr>
<td>11.4 Limitations</td>
<td>37</td>
</tr>
</tbody>
</table>
ARTICLE XII Certain Agreements
12.1 Approved Partnership Sale
12.2 Financial Statements; Confidentiality

ARTICLE XIII
13.1 Acknowledgements

ARTICLE XIV Miscellaneous Provisions
14.1 Notices
14.2 GOVERNING LAW
14.3 No Action for Partition
14.4 Headings and Sections
14.5 Amendments
14.6 Binding Effect
14.7 Counterparts; Facsimile
14.8 Severability
14.9 Remedies
14.10 Business Days
14.11 Waiver of Jury Trial
14.12 No Strict Construction
14.13 Entire Agreement and Incorporation by Reference
14.14 Conflict Between this Agreement, the Incentive Equity Plan and any Equity Grant Agreement
14.15 Parties in Interest
14.16 Qualified Initial Public Offering
14.17 Mergers and Consolidations
14.18 Conflicting Agreements
14.19 Venue and Submission to Jurisdiction

EXHIBITS:
Exhibit A Form of Joinder to Amended and Restated Agreement of Limited Partnership
Exhibit B Form of Spousal Agreement

SCHEDULES:
Schedule A Officers of the Partnership as of May 8, 2015
Schedule B Partners Schedule as of May 8, 2015
Schedule C Persons Holding Class A Common Interests
AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
JJILL TOPCO HOLDINGS, LP

This AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP (this “Agreement”), dated as of May 8, 2015, of JJill Topco Holdings, LP, a Delaware limited partnership (the “Partnership”), is made by and among JJ Holdings GP, LLC, a Delaware limited liability company, as the sole general partner of the Partnership (the “General Partner”), and each of the Persons (as herein defined) who is a party to or otherwise bound by this Agreement and listed on the Partners Schedule (as herein defined) (collectively, the “Limited Partners” and together with the General Partner, the “Partners”), it being understood that the terms General Partner, Limited Partners and Partners shall be deemed to include any Person hereafter admitted to the Partnership as a general partner or a limited partner, pursuant to and in accordance with the Delaware Act (as herein defined) and the terms of this Agreement.

PREAMBLE

WHEREAS, the Partnership was formed as a limited partnership pursuant to the Delaware Act by the filing of its certificate of limited partnership (as amended from time to time, the “Certificate of Limited Partnership”) on March 26, 2015 with the Secretary of State of the State of Delaware (the “Delaware Secretary of State”);

WHEREAS, pursuant to that certain Agreement of Limited Partnership of the Partnership, dated as of March 26, 2015, 2015 (the “Prior Agreement”) the original limited partner of the Partnership was TI IV JJill Holdings, LP (the “Initial TowerBrook Limited Partner”);

WHEREAS, prior to the date hereof, the Partnership has entered into those certain Rollover Agreements (the “Rollover Agreements”) with each of the Rollover Partners (as herein defined) pursuant to which, contemporaneous with the execution and delivery of this Agreement, each of the Rollover Partners has contributed or is deemed to have contributed to the Partnership the Capital Contribution (as herein defined) listed opposite such Rollover Partner’s name on the Partners Schedule in exchange for the number of Series A Preferred Interests (as herein defined) listed opposite such Rollover Partner’s name on the Partners Schedule;

WHEREAS, the parties hereto intend that each Capital Contribution described in the immediately preceding proviso is a transaction described in Section 721 of the Code;

WHEREAS, contemporaneous with the effectiveness of this Agreement, the Partnership may grant certain Class A Common Interests (as herein defined) to certain directors, officers, employees, independent contractors and other service providers of the Partnership or its Subsidiaries (as herein defined) pursuant to those certain Equity Grant Agreements (as herein defined) (if any) entered into by the Partnership as of the date hereof;

WHEREAS, the Initial TowerBrook Limited Partner and the General Partner desire to amend and restate the Prior Agreement in its entirety as set forth herein; and
WHEREAS, contemporaneous with the effectiveness of this Agreement, the Partnership is adopting the Incentive Equity Plan (as herein defined).

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein made and other good and valuable consideration, the General Partner and the Limited Partners hereby agree as follows:

ARTICLE I
Definitions

1.1 Definitions. The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided in this Agreement):

   “Affiliate,” means, when used with reference to a specified Person, any Person that directly or indirectly controls or is controlled by or is under common control with the specified Person. As used in this definition, “control” (including, with its correlative meanings, “controlled by” and “under common control with”) means the possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities, by contract or otherwise). With respect to any Person who is an individual, “Affiliates” shall also include any member of such individual’s Family Group.

   “Amended and Restated GP Agreement” means that certain Amended and Restated Limited Liability Company Agreement of the General Partner, dated as of the date hereof, by and among TowerBrook Investors IV (Onshore), L.P., an exempted limited partnership organized under the laws of the Cayman Islands, TowerBrook Investors IV (892), L.P., a limited partnership organized under the laws of Alberta, TowerBrook Investors IV (OS), L.P., a limited partnership organized under the laws of Alberta, TowerBrook Investors IV Executive Fund, L.P., an exempted limited partnership organized under the laws of the Cayman Islands and TowerBrook Investors IV Team Daybreak, L.P., an exempted limited partnership organized under the laws of the Cayman Islands.

   “Bankruptcy” means, with respect to a Partner, that: (i) such Partner has (A) made an assignment for the benefit of creditors, (B) filed a voluntary petition in bankruptcy, been adjudged bankrupt or insolvent, or had entered against such Partner an order of relief in any bankruptcy or insolvency proceeding, (C) filed a petition or an answer seeking for such Partner any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or filed an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Partner in any proceeding of such nature, or (D) sought, consented to, or acquiesced in the appointment of a trustee, receiver or liquidator of such Partner or of all or any substantial part of such Partner’s properties; (ii) 120 days have elapsed after the commencement of any proceeding against such Partner seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation and such proceeding has not been dismissed; or (iii) 90 days have elapsed since the appointment without such Partner’s consent or acquiescence of a trustee, receiver or liquidator of such Partner or of all or any substantial part of such Partner’s properties and such appointment has not been vacated or stayed or the appointment is not vacated within 90 days after the expiration of such stay.

2
“Business Day” means any day that is not a Saturday, Sunday, or other day on which commercial banks are authorized or required to close in the state of New York.

“Capital Account” means, with respect to any Partner, the capital account maintained for such Partner pursuant to Section 6.2.

“Capital Contribution” means, with respect to each Partner, the amount of cash or the Fair Value of property contributed by such Partner to the Partnership as set forth on Schedule B hereto;

“Carrying Value” means, with respect to any Partnership asset, except as set forth below, the asset’s adjusted basis for United States federal income tax purposes, reduced by any amounts included in such basis attributable to liabilities allocated to the Partnership pursuant to Section 752 of the Code, except that the initial Carrying Value of any asset contributed by a Partner to the Partnership shall be the gross Fair Value of such asset as of the date of such contribution, and the Carrying Values of all Partnership assets may, at the discretion of the General Partner, be adjusted to equal their respective Fair Values, in accordance with the rules set forth in Regulation section 1.704–1(b)(2)(iv)(f), as provided for in Section 8.2(c). In the case of any Partnership asset that has a Carrying Value that differs from its adjusted tax basis, the Carrying Value shall be adjusted by the amount of depreciation, depletion and amortization calculated for purposes of the definitions of “Net Income” and “Net Loss” rather than the amount of depreciation, depletion and amortization determined for U.S. federal income tax purposes.

“Class A Common Interest” means an Interest having the rights and obligations specified with respect to a “Class A Common Interest” in this Agreement.


“Common Interests” means an Interest having the rights and obligations specified with respect to “Common Interests” in this Agreement (including the Class A Common Interests).

“Corporate Opportunity” means any opportunity, whether potential or actual, of which any Covered Person (or any of its Subsidiaries) or Partner, as applicable, and, in each case, other than an employee, service provider or consultant of the Operating Company or one of its Subsidiaries, has knowledge or becomes aware, that is the same as or relates to an existing or contemplated business of the Partnership, the Operating Company or any of their respective Subsidiaries regardless of (1) the degree of interest that the Partnership, the Operating Company or any of their respective Subsidiaries may have in such opportunity, (2) whether the Partnership, the Operating Company or any of their respective Subsidiaries has a property interest or right in such opportunity, (3) whether the Partnership, the Operating Company or any of their respective Subsidiaries has financial resources to pursue such opportunity, or (4) whether the Partnership, the Operating Company or any of their respective Subsidiaries has any expectation that such Covered Person or such Partner, as applicable, should offer the Corporate Opportunity to the Partnership, the Operating Company or any of their respective Subsidiaries.

“Delaware Act” means the Delaware Revised Uniform Limited Partnership Act, as amended from time to time.
“Effective Date” means the date of this Agreement.

“Equity Grant Agreement” means any grant agreement into which the Partnership enters with any director, officer, employee, independent contractor, or other service provider of the Partnership or any Subsidiary of the Partnership with respect to the issuance of Class A Common Interests pursuant to the Incentive Equity Plan on or after the date hereof, as may be amended and/or restated from time to time.

“Fair Market Value” of any Interest as of any date means the amount of proceeds that would be distributed to a holder of such Interest on such date pursuant to Section 7.2 hereof in connection with an arm’s-length sale of the entire Partnership to a willing buyer having all relevant knowledge, as determined by the General Partner in the exercise of its reasonable business judgment, giving effect to the relative preferences of the different types, classes and series of such Interest.

“Fair Value” means the value of any asset, determined in good faith by the General Partner.

“Family Group” means, with respect to any Person who is an individual, (i) such Person’s spouse, former spouse, siblings, descendants (whether natural or adopted), and parents (collectively, “relatives”), (ii) the trustee, fiduciary or personal representative of such Person and any trust solely for the benefit of such Person and any trust solely for the benefit of such Person’s relatives or (iii) any limited partnership, limited liability company or corporation the governing instruments of which provide that such Person shall have the exclusive, nontransferable power to direct the management and policies of such entity and of which the sole owners of partnership interests, membership interests or any other equity interests are limited to such Person and such Person’s relatives.

“Incentive Equity Plan” means that certain Incentive Equity Plan of the Partnership, which is hereby adopted by the Partnership on the date hereof.

“Independent Third Party” means any Person other than the TowerBrook Limited Partners or any of their respective Affiliates.

“Information Rights Partner” means each (i) Partner holding at least 5% of the issued and outstanding Series A Preferred Interests and (ii) each other Partner that is designated as an “Information Rights Partner” in such Partner’s Rollover Agreement or such Partner’s subscription agreement with the Partnership pursuant to which such Partner subscribed for Interests hereunder.

“Interest” means an interest representing a fractional part of the Partnership Interests of all of the Partners and shall include all types and classes and/or series of Interests; provided that any type, class or series of Interest shall have the designations, preferences and/or special rights set forth in this Agreement and any applicable Equity Grant Agreement and the Partnership Interests represented by such type or class or series of Interest shall be determined in accordance with such designations, preferences and/or special rights.
“Majority in Voting Interest” means, at any time, the Partners which own a majority of the votes attributable to all of the Series A Preferred Interests entitled to vote pursuant to Section 4.1(a) outstanding at such time.

“Net Income” and “Net Loss” means, for each Taxable Year or other period, the taxable income or loss of the Partnership, or particular items thereof, determined in accordance with the accounting method used by the Partnership for United States federal income tax purposes, with the following adjustments:

(a) all items of income, gain, loss or deduction allocated pursuant to Section 8.2 shall not be taken into account in computing such taxable income or loss;

(b) any income of the Partnership that is exempt from United States federal income taxation and not otherwise taken into account in computing Net Income and Net Loss shall be added to such taxable income or loss;

(c) any expenditures of the Partnership that are described in Section 705(a)(2)(B) of the Code or are treated as described in Section 705(a)(2)(B) of the Code pursuant to Regulation section 1.704–1(b)(2)(iv)(i) and not otherwise taken into account in computing Net Income and Net Loss shall be treated as deductible items;

(d) if the Carrying Value of any asset differs from its adjusted tax basis for United States federal income tax purposes, any gain or loss resulting from a disposition of such asset shall be calculated with reference to such Carrying Value;

(e) if the Carrying Value of any asset differs from its adjusted tax basis for United States federal income tax purposes the amount of depreciation, amortization or cost recovery deductions with respect to such asset shall for purposes of determining Net Income and Net Loss be an amount which bears the same ratio to such Carrying Value as the United States federal income tax depreciation, amortization or other cost recovery deductions bears to such adjusted tax basis (provided, that if the United States federal income tax depreciation, amortization or other cost recovery deduction is zero, the General Partner may use any reasonable method for purposes of determining depreciation, amortization or other cost recovery deductions in calculating Net Income and Net Loss); and

(f) if the Carrying Value of any Partnership property is adjusted as provided in Section 8.2(c), the amount of such adjustment shall be taken into account, immediately prior to the event giving rise to such adjustment, as gain or loss from the disposition of such property.

“Officer Employment Agreement” means any employment agreement between the Partnership or any of its Subsidiaries, on the one hand, and any Officer of the Partnership or any of its Subsidiaries, on the other hand.

“Operating Company” means Jill Acquisition, LLC, a Delaware limited liability company, and any successor thereto.

“Other Limited Partner” means any Limited Partner that is not a TowerBrook Limited Partner.
“Partner Nonrecourse Debt Minimum Gain” means an amount with respect to each partner nonrecourse debt (as defined in Regulation section 1.704–2(b)(4)) equal to the Partnership Minimum Gain that would result if such partner nonrecourse debt were treated as a nonrecourse liability (as defined in Regulation section 1.752–1(a)(2)) determined in accordance with Regulation section 1.704–2(i)(3).

“Partnership Interest” means the partnership interest acquired by a Partner in the Partnership, including such Partner’s right (based on the type and class and/or series of Interest or Interests held by such Partner and taking into account the terms of any applicable Equity Grant Agreement), as applicable, (i) to a distributive share of Net Income, Net Loss and other items of income, gain, loss, deduction and credits of the Partnership, (ii) to a distributive share of the assets of the Partnership, (iii) to vote on, consent to or otherwise participate in any decision of the Partners, and (iv) to any and all other benefits to which such Partner may be entitled as provided in this Agreement or the Delaware Act.

“Partnership Minimum Gain” has the meaning set forth in Regulation section 1.704–2(b)(2) and 1.704–2(d).

“Permitted Transferee” means:

(i) with respect to any TowerBrook Limited Partner, (x) any TowerBrook Fund, (y) any Affiliate, partner, member or stockholder of such TowerBrook Limited Partner or of any TowerBrook Fund and (z) any other TowerBrook Limited Partner and any Affiliate, partner, member or stockholder of any other TowerBrook Limited Partner, and

(ii) with respect to any Other Limited Partner, such Other Limited Partner’s wholly owned Subsidiaries, and, if such Other Limited Partner is an individual, to any member of such Other Limited Partner’s Family Group.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a governmental entity or any department, agency or political subdivision thereof or any other entity or organization.

“Preferred Interests” means an Interest having the rights and obligations specified with respect to “Preferred Interests” in this Agreement (including the Series A Preferred Interests).

“Preferred Return” means a preferred return of 8% per annum compounded on June 30 and December 31 of each year which shall accrue daily on the Unreturned Capital attributable to each Series A Preferred Interest, determined by taking into account the times at which the Partners made Capital Contributions and the Partnership made any distributions.

“Profits Interest” shall mean an interest in the future profits of the Partnership satisfying the requirements for a partnership profits interest transferred in connection with the performance of services, as set forth in IRS Revenue Procedures 93-27 and 2001-43, or any future IRS guidance or other authority that supplements or supersedes the foregoing Revenue
Procedures; provided, that all Partners, whether parties hereto as of the date hereof or admitted after the date hereof, consent to the Partnership’s taking all actions, including amending this Agreement, to the extent necessary or appropriate to cause the Class A Common Interests to be treated as Profits Interests for all United States federal income tax purposes, to be valued based on liquidation value or similar principles and to permit allocations of income to be made to such Partners to be respected even if such Interests are subject to risk of forfeiture, including any action required by the Partnership under Revenue Procedure 2001-43, unless superseded by Notice 2005-43, in which case, such consent shall allow the Partnership to take any and all actions as may be necessary or desirable pursuant to such notice, final or temporary regulations that may be promulgated to bring into effect the Proposed Regulations (Prop. Treas. Reg. § § 1.83-3, 1.704-1, 1.706-3, 1.707-1, 1.721-1, 1.761-1) set forth in the notice of proposed rulemaking (REG–105346–03), and any similar or related authority.

“Profits Interest Threshold” shall mean, with respect to each (i) Class A Common Interest, the amount specified as such in the applicable Equity Grant Agreement for such Class A Common Interest, which amount is intended to be specified at a level such that the Class A Common Interests are Profits Interest at the time of issuance and (ii) other Common Interest, the amount specified by the General Partner at which such Common Interests shall be Profits Interests as subject to customary adjustments in the event of any subdivision or combination of Interests, reclassification, recapitalization, split, dividend of securities or similar transaction.

“Public Offering” means an underwritten public offering and sale of equity securities of the Partnership or any IPO Newco pursuant to an effective registration statement under the Securities Act; provided that a Public Offering shall not include an offering made in connection with a business acquisition or combination pursuant to a registration statement on Form S-4 or any similar form, or an employee benefit plan pursuant to a registration statement on Form S-8 or any similar form.

“Regulations” means the regulations promulgated under the Code, as amended from time to time.

“Rollover Partners” means the Limited Partners designated as “Rollover Partners” on the Partners Schedule.

“Securities Act” means the Securities Act of 1933, as amended.

“Series A Preferred Interest” means an Interest having the rights and obligations specified with respect to a “Series A Preferred Interest” in this Agreement.

“Series A Preferred Original Price Per Interest” means $1.00.

“Subsidiary” means, with respect to any Person, any corporation, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other
business entity, a majority of the membership, partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control the managing director, managing member, manager, board of managers or a general partner of such limited liability company, partnership, association or other business entity.

“Tax Advance” means any distribution made by the Partnership pursuant to Section 7.3.

“Tax Matters Partner” has the meaning set forth in Code Section 6231.

“Tax Rate” means the highest hypothetical combined U.S. federal, state, and local tax rates for an individual resident of New York, New York applicable to income and gain attributable to the Partnership, taking into account (where relevant) the holding period of Partnership assets, the year in which the taxable net income or gain is recognized by the Partnership, the character of such income or gain, and the deductibility of state and local income taxes as applicable at the time for United States federal income tax purposes (and any limitations thereon, including pursuant to Section 68 of the Code).

“Taxable Year” means the Partnership’s taxable year ending on December 31 (or part thereof in the case of the Partnership’s first and last taxable years), or such other year as is (i) required by Section 706 of the Code or (ii) determined by the General Partner (if no year is so required by Section 706 of the Code).

“TCP” means TowerBrook Capital Partners L.P., a Delaware limited partnership or its successor.

“TowerBrook Fund” means any private equity fund or investment vehicle that is advised, managed or directly or indirectly controlled by TCP or one of its Affiliates.

“TowerBrook Limited Partners” means, collectively, the Initial TowerBrook Limited Partner, any other TowerBrook Fund or any entity directly or indirectly owned or controlled by a TowerBrook Fund formed for the purpose of a TowerBrook Fund’s indirect investment that becomes a Limited Partner and any of their respective Permitted Transferees.

“TowerBrook Majority Holders” means, at any time, a TowerBrook Limited Partner or TowerBrook Limited Partners that own a majority of the number of Series A Preferred Interests owned by the TowerBrook Limited Partners at such time.

“Transfer” means any direct or indirect (through indirect ownership changes or otherwise) sale, transfer, conveyance, assignment, pledge, hypothecation, gift, delivery or other disposition, voluntarily or involuntarily, by operation or law, with or without consideration, or otherwise.
“Unreturned Capital” means, with respect to any Partner as of any date of determination, the excess, if any, of the cumulative amount of Capital Contributions made by such Partner as of such date, over the amount or amounts previously distributed to such Partner pursuant to Section 7.2 as of such date.

“Vested Class A Common Interest” means, as of the applicable date, a Class A Common Interest which is vested pursuant to the applicable Equity Grant Agreement.

1.2 Other Definitions. The following additional terms are defined in the Sections of this Agreement indicated below:

<table>
<thead>
<tr>
<th>Term</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreement</td>
<td>Introduction</td>
</tr>
<tr>
<td>Approved Partnership Sale</td>
<td>12.1</td>
</tr>
<tr>
<td>Approving Limited Partners</td>
<td>12.1</td>
</tr>
<tr>
<td>Capital Account</td>
<td>6.2(a)</td>
</tr>
<tr>
<td>Certificate of Limited Partnership</td>
<td>Preamble</td>
</tr>
<tr>
<td>Covered Persons</td>
<td>3.3</td>
</tr>
<tr>
<td>Delaware Secretary of State</td>
<td>Preamble</td>
</tr>
<tr>
<td>Excess Distribution Partners</td>
<td>7.2(b)</td>
</tr>
<tr>
<td>Excess Tax Advance</td>
<td>7.3(b)</td>
</tr>
<tr>
<td>General Partner</td>
<td>Introduction</td>
</tr>
<tr>
<td>Indemnified Person</td>
<td>3.5(b)</td>
</tr>
<tr>
<td>Indemnitee-Related Entities</td>
<td>3.5(f)(i)</td>
</tr>
<tr>
<td>Initial TowerBrook Limited Partner</td>
<td>Preamble</td>
</tr>
<tr>
<td>IPO Newco</td>
<td>14.16(a)</td>
</tr>
<tr>
<td>Jointly-Indemnifiable Claims</td>
<td>3.5(f)(ii)</td>
</tr>
<tr>
<td>Limited Partners</td>
<td>Introduction</td>
</tr>
<tr>
<td>Liquidator</td>
<td>10.2(a)</td>
</tr>
<tr>
<td>Officers</td>
<td>3.2(a)</td>
</tr>
<tr>
<td>Partners</td>
<td>Introduction</td>
</tr>
<tr>
<td>Partners Schedule</td>
<td>5.1</td>
</tr>
<tr>
<td>Partnership</td>
<td>Introduction</td>
</tr>
<tr>
<td>Prior Agreement</td>
<td>Preamble</td>
</tr>
<tr>
<td>Qualified Initial Public Offering</td>
<td>14.16(a)</td>
</tr>
<tr>
<td>Recipient Investors</td>
<td>11.3(a)</td>
</tr>
<tr>
<td>Rollover Agreements</td>
<td>Preamble</td>
</tr>
<tr>
<td>Sale Notice</td>
<td>11.3(a)</td>
</tr>
<tr>
<td>SECURITIES ACT</td>
<td>Cover Page</td>
</tr>
<tr>
<td>Tag-Along Sale</td>
<td>11.3(a)</td>
</tr>
<tr>
<td>Tagging Investors</td>
<td>11.3(a)</td>
</tr>
<tr>
<td>Tax Advance</td>
<td>7.3(a)</td>
</tr>
<tr>
<td>Tax Allocations</td>
<td>8.4(b)</td>
</tr>
<tr>
<td>Tax Matters Partner</td>
<td>9.4</td>
</tr>
<tr>
<td>Transferring Equityholder</td>
<td>11.3(a)</td>
</tr>
<tr>
<td>Withholding Advances</td>
<td>7.4(b)(i)</td>
</tr>
</tbody>
</table>
1.3 Other Interpretative Provisions. Where the context so indicates, (a) defined terms used in this Agreement in the singular shall import the plural and vice versa and (b) the masculine shall include the feminine, and the neuter shall include the masculine and feminine. The use of the word “including” in this Agreement shall be by way of example rather than by limitation.

ARTICLE II
Organization of the Partnership

2.1 Formation

(a) The Certificate of Limited Partnership was prepared, executed and filed with the Delaware Secretary of State on March 26, 2015 in conformity with the Delaware Act, all of which is hereby authorized and ratified in all respects. This Agreement shall constitute the “partnership agreement” (as that term is used in the Delaware Act) of the Partnership. The rights, powers, duties, obligations and liabilities of the Partners shall be determined pursuant to the Delaware Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Partner are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Delaware Act, control.

(b) The General Partner or any Officer of the Partnership designated by the General Partner as an “authorized person” within the meaning of the Delaware Act is hereby authorized, at any time that the applicable Partners have approved an amendment to the Certificate of Limited Partnership in accordance with the terms hereof, to promptly execute, deliver and file such amendment in accordance with the Delaware Act.

2.2 Name. The name of the Partnership is “JJill Topco Holdings, LP” or such other name or names as the General Partner may from time to time delegate; provided that the name shall always contain the words “Limited Partners,” “LP” or “L.P.”

2.3 Principal Place of Business. The principal place of business of the Partnership shall be at 4 Batterymarch Park, Quincy, MA 02169, or at such other or additional place or places as the General Partner shall determine from time to time. The Partnership may have other offices, either within or outside of the State of Delaware, at such place or places as the General Partner may from time to time designate or the business of the Partnership may require.

2.4 Registered Office; Agent. The Partnership shall maintain a registered office in the State of Delaware at c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808 or at such other place within the State of Delaware as the General Partner may designate. The name and address of the Partnership’s registered agent for service of process on the Partnership in the State of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808, or such other agent as the General Partner may from time to time designate.

2.5 Term. The term of existence of the Partnership shall be perpetual from the date the Certificate of Limited Partnership was filed with the Delaware Secretary of State, unless the Partnership is dissolved in accordance with the provisions of this Agreement.
2.6 Purposes and Powers. The purposes and character of the business of the Partnership shall be to transact any or all lawful business for which limited partnerships may be organized under the Delaware Act. The Partnership and the General Partner, acting on behalf of the Partnership, shall have any and all powers that are necessary or desirable to carry out the purposes and business of the Partnership, including the ability to incur and guaranty indebtedness, to the extent the same may be legally exercised by limited partnerships under the Delaware Act. Notwithstanding anything herein to the contrary, nothing set forth herein shall be construed as authorizing the Partnership or the General Partner, acting on behalf of the Partnership, to possess any purpose or power, or to do any act or thing, forbidden by law to a limited partnership organized under the laws of the State of Delaware.

ARTICLE III
Management of the Partnership

3.1 General Partner.
(a) Generally. Except as otherwise expressly provided herein, the management and operation of the Partnership shall be vested exclusively in the General Partner, who shall have the power and authority on behalf and in the name of the Partnership to carry out any and all of the purposes of the Partnership and to perform all acts and enter into and perform all contracts and other undertakings that it may deem necessary or advisable or incidental thereto. Except as otherwise expressly provided in this Agreement, the General Partner shall have, and shall have full authority in its sole discretion to exercise, on behalf of and in the name of the Partnership, all rights and powers of a general partner of a limited partnership under the Delaware Act necessary or convenient to carry out the purposes of the Partnership. Without limiting the generality of this Section 3.1, the General Partner is hereby authorized and empowered in the name of and on behalf of the Partnership to do any and all acts necessary, appropriate, proper, advisable, convenient or incidental to or for the furtherance of the purposes set forth in this Section 3.1, including:

(i) to acquire, hold, manage, own, sell, transfer, convey, assign, exchange, pledge or otherwise dispose of the Partnership’s interest in securities or any other investments made or other property held by the Partnership, including investments in capital stock, bonds, notes, debentures and other obligations, investment contracts, partnership shares, limited liability company shares, options, warrants, other securities, interests in technology, intellectual property rights and other proprietary processes, products or services;

(ii) to borrow funds, in the name and on behalf of the Partnership, to enter into agreements and other instruments evidencing the Partnership’s obligations in connection therewith and to pledge the Partnership’s assets as collateral to secure the Partnership’s obligations thereunder;

(iii) to establish, have, maintain or close one or more offices within or without the State of Delaware and in connection therewith to rent or acquire office space and to engage personnel;
(iv) to open, maintain and close bank and brokerage accounts, including the power to draw checks or other orders for the payment of moneys, and to invest such funds as are temporarily not otherwise required for Partnership purposes;

(v) to bring and defend actions and proceedings at law or in equity or before any governmental authority;

(vi) to hire consultants, custodians, attorneys, accountants and such other agents, officers and employees of the Partnership as it may deem necessary or advisable, and to authorize each such agent and employee to act for and on behalf of the Partnership;

(vii) to make all elections, investigations, evaluations and decisions, binding the Partnership thereby, that may, in the judgment of the General Partner, be necessary or appropriate for the accomplishment of the Partnership’s business purposes;

(viii) to enter into, perform and carry out contracts and agreements of every kind necessary or incidental to the accomplishment of the Partnership’s business purpose, and to take or omit to take such other action in connection with the business of the Partnership as may be necessary or desirable to further the business purpose of the Partnership; and

(ix) to carry on any other activities necessary to, in connection with, or incidental to any of the foregoing or the Partnership’s business.

(b) Advisors and Representatives. The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion of such Persons as to matters which the General Partner reasonably believes to be within such Person’s professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion. The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized Officers and a duly appointed attorney or attorneys-in-fact. Each such attorney shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform all and every act and duty that is permitted or required to be done by the General Partner hereunder.

(c) Management Generally and Reliance by Third Parties. The management, control and operation of and the determination of policy with respect to the Partnership and its activities shall be vested exclusively in the General Partner, who shall, subject to the other provisions of this Agreement and the Amended and Restated GP Agreement, carry out any and all of the purposes of the Partnership and perform all acts and enter into and perform all contracts and other undertakings that it may deem necessary, advisable, convenient or incidental thereto. Persons dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner.
(d) **No Participation in Management.** Except as otherwise expressly provided herein or in the Amended and Restated GP Agreement, no Limited Partner, in its capacity as such, shall take part in the management or control of the Partnership or its investment or other activities, vote with respect to any action taken or to be taken by the Partners or the Partnership, transact any business in the Partnership’s name or have the power to sign documents for or otherwise bind the Partnership.

### 3.2 Officers

(a) **Appointment of Officers.** The General Partner may appoint individuals as officers (“Officers”) of the Partnership, which may include a Chief Executive Officer, a President, a Chief Financial Officer, a Secretary and such other officers (such as a Chairman, a Chief Operating Officer, a Treasurer or any number of Vice Presidents) as the General Partner deems advisable. No Officer need be a Limited Partner. An individual may be appointed to more than one office. No Officer of the Partnership shall have any rights or powers beyond the rights and powers granted to such Officer in this Agreement. The Officers of the Partnership as of the date hereof are listed on the attached Schedule A. Designation of an individual as an Officer of the Partnership shall not of itself create any contractual or employment right for such individual.

(b) **Duties of Officers Generally.** Subject to the terms of any Officer Employment Agreement, under the direction of and, at all times, subject to the authority of the General Partner, the Officers shall have full and complete discretion to manage and control the day-to-day business, operations and affairs of the Partnership in the ordinary course of its business, to make all decisions affecting the day-to-day business, operations and affairs of the Partnership in the ordinary course of its business and to take all such actions as they deem necessary or appropriate to accomplish the foregoing, in each case, unless the General Partner shall have previously restricted (specifically or generally) such powers. In addition, the Officers shall have such other powers and duties as may be prescribed by the General Partner, this Agreement or such Officer’s Officer Employment Agreement. The Chief Executive Officer or, if there is no Chief Executive Officer, the President shall have the power and authority to delegate to any agents or employees of the Partnership rights and powers of Officers of the Partnership to manage and control the day-to-day business, operations and affairs of the Partnership in the ordinary course of its business, as the Chief Executive Officer or, if applicable, the President may deem appropriate from time to time, in each case, unless the General Partner shall have previously restricted (specifically or generally) such powers.

(c) **Authority of Officers.** Subject to Section 3.2(b), any Officer of the Partnership shall have the right, power and authority to transact business in the name of the Partnership or to act for or on behalf of or to bind the Partnership. With respect to all matters within the ordinary course of business of the Partnership, third parties dealing with the Partnership may rely conclusively upon any certificate of any Officer to the effect that such Officer is acting on behalf of the Partnership.

(d) **Removal, Resignation and Filling of Vacancy of Officers.** The General Partner may remove any Officer, for any reason or for no reason, at any time. Any Officer may resign at any time by giving written notice to the General Partner, and such resignation shall take effect at the date of the receipt of such notice or any later time specified in that notice; provided that unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any such resignation shall be without prejudice to the rights, if
any, of the Partnership or such Officer under this Agreement or any other agreement to which such Officer is a party. A vacancy in any office because of death, resignation, removal or otherwise shall be filled in the manner prescribed in this Agreement for regular appointments to such office.

(c) **Compensation of Officers.** The Officers shall be entitled to receive compensation from the Partnership as determined by the General Partner and in accordance with any applicable Officer Employment Agreement.

(f) **Chief Executive Officer.** Under the direction of and, at all times, subject to the authority of the General Partner and any limitations set forth in his or her Officer Employment Agreement, the Chief Executive Officer shall have general supervision over the day-to-day business, operations and affairs of the Partnership and shall perform such duties and exercise such powers as are typically incident to or vested in the office of a chief executive officer of a corporation or as set forth in the Chief Executive Officer’s Officer Employment Agreement, if any. Except as otherwise provided in his or her Officer Employment Agreement, if any, the Chief Executive Officer shall have such other powers and perform such other duties as may from time to time be prescribed by the General Partner.

(g) **President.** Under the direction of and, at all times, subject to the authority of the General Partner and the Chief Executive Officer (if the Chief Executive Officer shall be a different individual) and any limitations set forth in his or her Officer Employment Agreement, the President, if any, shall perform such duties and exercise such powers as are typically incident to or vested in the office of the president of a corporation or as set forth in the President’s Officer Employment Agreement, if any. In the absence of the Chief Executive Officer, the President shall perform the duties of the Chief Executive Officer. The President shall have such other powers and perform such other duties as may from time to time be prescribed by the General Partner or as set forth in the President’s Officer Employment Agreement.

(h) **Chief Financial Officer.** The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Partnership, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and Interests, and, in general, shall perform all the duties typically incident to or vested in the office of the chief financial officer of a corporation. The Chief Financial Officer shall have custody of the funds and securities of the Partnership, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Partnership. The Chief Financial Officer shall have such other powers and perform such other duties as may from time to time be prescribed by the General Partner, the Chief Executive Officer and, if there is no Chief Executive Officer, the President.

(i) **Secretary.** The Secretary shall: (i) use reasonable efforts to attend all meetings of the Limited Partners and keep the minutes of the meetings of the Limited Partners in one or more books provided for that purpose; (ii) cause all notices to be given by the Partnership to be duly given in accordance with the provisions of this Agreement and as required by law; (iii) be custodian of the partnership records; (iv) keep a register of the addresses of each Limited Partner which shall be furnished to the Secretary by such Limited Partner; (v) have general charge of the Partners Schedule; and (vi) in general perform all duties typically incident to or vested in the
office of secretary of a corporation or as set forth in the Secretary’s Officer Employment Agreement, if any. The Secretary shall have such other powers and perform such other duties as may from time to time be prescribed by the General Partner, the Chief Executive Officer and/or the President.

(i) Other Officers. All other Officers of the Partnership shall have such powers and perform such duties as may from time to time be prescribed by the General Partner and/or the Chief Executive Officer.

3.3 Duties. The General Partner shall deal with all the Limited Partners in good faith, shall act in a manner the General Partner believes in good faith to be in or not opposed to the best interests of the Partnership, and shall have only those duties and obligations as are expressly provided for in this Agreement, and except to the extent so provided, neither the General Partner nor any director of the General Partner shall owe any fiduciary or other duties to the Partnership, any Limited Partner or any other Person. The Officers of the Partnership, in the performance of their duties as such, shall owe to the Partnership and the Limited Partners duties of loyalty and due care of the type owed by the officers of a corporation to the corporation and stockholders of such corporation under the laws of the State of Delaware. Notwithstanding anything contained herein to the contrary, (a) neither the General Partner nor any director of the General Partner or any Officer of the Partnership or any of its Subsidiaries (collectively, the “Covered Persons”) (other than an employee, service provider or consultant of the Operating Company or one of its Subsidiaries) shall have any duty or obligation to bring any Corporate Opportunity to the Partnership or any of its Subsidiaries and (b) each employee, service provider or consultant of the Operating Company or one of its Subsidiaries shall have the obligation to bring to the Partnership or its Subsidiaries a corporate opportunity as determined pursuant to applicable law.

3.4 Performance of Duties; Liability of Officers. In performing his or her duties, the Covered Persons shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports, or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Net Income or Net Loss of the Partnership or any facts pertinent to the existence and amount of assets from which distributions to Limited Partners might properly be paid), of the following other Persons or groups: (a) one or more Officers or employees of the Partnership or any of its Subsidiaries; (b) any attorney, independent accountant, or other Person employed or engaged by the General Partner, the Partnership or any of the Partnership’s Subsidiaries; or (c) any other Person who has been selected and monitored with reasonable care by or on behalf of the Partnership or any of its Subsidiaries, in each case, as to matters which such relying Person reasonably believes to be within such other Person’s professional or expert competence. The preceding sentence shall in no way limit any Person’s right to rely on information to the extent provided in Section 17-407 of the Delaware Act. No individual who is a Covered Person shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation, or liability of the Partnership or any of its Subsidiaries, whether that liability or obligation arises in contract, tort, or otherwise, solely by reason of being a director or officer of the General Partner or an Officer of the Partnership or any of its Subsidiaries.
3.5 Indemnification

(a) Notwithstanding Section 3.4, the Indemnified Persons (as defined below) shall not be liable, responsible or accountable for damages or otherwise to the Partnership or any of its Subsidiaries, or to any of the Partners.

(b) To the fullest extent allowed by applicable law, each Partner, Director or Officer of the Partnership or its Subsidiaries, or such Person who is or was serving at the request of the Partnership as a director, manager or officer, of another corporation, limited liability company, partnership, joint venture, trust or other enterprise (each, an “Indemnified Person”) shall not be liable for, and the Partnership shall indemnify each Indemnified Person against, and the Partnership agrees to, and agrees to cause its Subsidiaries to, hold each Indemnified Person harmless from, all claims, actions, suits, proceedings (whether civil, criminal, administrative or investigatory), liabilities and expenses arising out of any management of the Partnership or any of its Subsidiaries’ affairs; provided, however, that (i) such Indemnified Person’s course of conduct was pursued in good faith and believed by it, him or her to be in, or not opposed to, the best interests of the Partnership or its Subsidiaries, (ii) such course of conduct did not constitute willful misconduct on the part of such Indemnified Person and (c) with respect to any criminal action or proceeding, such Indemnified Person had no reasonable cause to believe its conduct was unlawful.

(c) To the maximum extent permitted by applicable law, the Partnership shall advance all reasonable attorney’s fees and expenses incurred by such Indemnified Person; provided, that such Indemnified Person provides the Partnership with a written statement that such Indemnified Person shall reimburse the Partnership for such advanced attorney’s fees and expenses if a court of competent jurisdiction determines in a final non-appealable order that such Indemnified Person was not permitted under applicable law to be indemnified for the subject action.

(d) Without limiting the other terms and conditions hereof, each Indemnified Person may consult with legal counsel, accountants and other advisors selected by such Indemnified Person and, to the maximum extent permitted by applicable law, any action or omission suffered or taken in good faith in reliance, and in accordance with, the opinion or advice of any such counsel, accountants or other advisors shall be fully protected and justified with respect to the action or omission so suffered or taken.

(e) The absence of any express provision for indemnification herein shall not limit any right of indemnification existing independently of this Section 3.5. The rights of indemnification provided in this Section 3.5 shall be in addition to any rights to which the Indemnified Person may otherwise be entitled by contract or as a matter of law and shall extend to such Indemnified Person’s heirs, personal representatives and assigns.

(f) Given that certain Jointly-Indemnifiable Claims (as defined below) may arise with respect to an Indemnified Person entitled to indemnification and advancement of expenses under this Section 3.5, the Partnership acknowledges and agrees that in such case the Partnership shall be primarily responsible for the payment to any such Indemnified Person in respect of indemnification or advancement of all out-of-pocket costs of any type or nature whatsoever, in
each case, to which such Indemnified Person is entitled hereunder, irrespective of any right of recovery such Indemnified Person may have from any Indemnitee-Related Entities. Under no circumstance shall the Partnership be entitled to any right of subrogation or contribution by any Indemnitee-Related Entities except for any right of subrogation or contribution the Partnership may be entitled to against any Subsidiaries of the Partnership, or the insurer under and pursuant to an insurance policy of the Partnership or any of its Subsidiaries. No right of advancement or recovery such Indemnified Person may have from any Indemnitee-Related Entities shall reduce or otherwise alter the rights of such Indemnified Person or the obligations of the Partnership hereunder except for any advancement or recovery from any Subsidiaries of the Partnership, or the insurer under and pursuant to an insurance policy of the Partnership or any of its Subsidiaries. In the event that any of the Indemnitee-Related Entities shall make any payment to an Indemnified Person entitled to indemnification and advancement of expenses under this Section 3.5 in respect of indemnification or advancement of expenses with respect to any Jointly-Indemnifiable Claim, then (i) the Partnership shall reimburse the Indemnitee-Related Entity making such payment to the extent of such payment promptly upon written demand from such Indemnitee-Related Entity, except for payments made by any Subsidiaries of the Partnership, or the insurer under and pursuant to an insurance policy of the Partnership or any of its Subsidiaries, (ii) to the extent not previously and fully reimbursed by the Partnership pursuant to the preceding subparagraph (i), the Indemnitee-Related Entity making such payment shall be subrogated to the extent of the outstanding balance of such payment to all of the rights of recovery of such Indemnified Person against the Partnership, except for payments made by any Subsidiaries of the Partnership, or the insurer under and pursuant to an insurance policy of the Partnership or any of its Subsidiaries, and (iii) such Indemnified Person shall execute all documents reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the permitted Indemnitee-Related Entities effectively to bring suit to enforce such rights. The Partnership acknowledges and agrees that each of the Indemnitee-Related Entities shall be third-party beneficiaries with respect to this Section 3.5 entitled to enforce this Section 3.5 as though each such Indemnitee-Related Entity were a party to this Agreement. For purposes of this Section 3.5, the following terms shall have the following meanings:

(i) “Indemnitee-Related Entities” means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise from whom an Indemnified Person entitled to indemnification and advancement of expenses under this Section 3.5 may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Partnership may also have an indemnification or advancement obligation.

(ii) “Jointly-Indemnifiable Claims” shall be broadly construed and shall include any claim, demand, action, suit or proceeding for which an Indemnified Person shall be entitled to indemnification or advancement of expenses from both (i) the Partnership, on the one hand, and (ii) any Indemnitee-Related Entity pursuant to any other agreement between any Indemnitee-Related Entity and such Person pursuant to which such Person is indemnified, the laws of the jurisdiction of incorporation or organization of any Indemnitee-Related Entity or the certificate of incorporation, certificate of organization, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or other organizational or governing documents of any Indemnitee-Related Entity, on the other hand.

(g) The foregoing provisions are immediately vested and shall survive any termination or modification of this Agreement.
ARTICLE IV
Limited Partners; Voting Rights and Meetings of Limited Partners

4.1 Voting Rights and Meetings of Limited Partners.

(a) Voting Rights. Except as specifically provided herein or otherwise required by applicable law, for all purposes hereunder, including for purposes of Article III hereof, each Limited Partner shall be entitled to (x) one vote per Series A Preferred Interest held by such Limited Partner other than a Limited Partner who is a Rollover Partner, (y) no votes per Series A Preferred Interest held by such Limited Partner who is a Rollover Partner and (y) no votes per Class A Common Interest held by such Limited Partner. A Limited Partner that owns Series A Preferred Interests entitled to vote pursuant to this Section 4.1(a) may vote or be present at a meeting of the Limited Partners either in person or by proxy.

(b) Meetings of Limited Partners.

(i) Generally. Meetings of the Limited Partners may be called by (i) the General Partner or (ii) by a Limited Partner or Limited Partners holding 50% or more of the then outstanding votes attributable to the then outstanding Series A Preferred Interests entitled to vote pursuant to Section 4.1(a). Only Limited Partners who hold Series A Preferred Interests entitled to vote pursuant to Section 4.1(a) shall have the right to attend meetings of the Limited Partners. All meetings of the Limited Partners shall be held telephonically or at the principal office of the Partnership or at such other place within or without the State of Delaware as may be determined by the General Partner or Limited Partner(s) calling the meeting and set forth in the respective notice or waivers of notice of such meeting. A record shall be maintained by the Partnership of each meeting of the Limited Partners. The Chairman of the board of directors of the General Partner shall preside at all meetings of the Limited Partners.

(ii) Notice of Meetings of the Limited Partners. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting of the Limited Partners, describing the purposes for which the meeting is called shall be delivered not fewer than ten days, but not more than sixty days, before the date of the meeting, by any written method to the General Partner and each holder of Series A Preferred Interests entitled to vote pursuant to Section 4.1(a) (with a copy to the Chief Executive Officer and Secretary of the Partnership), by or at the direction of the Limited Partner(s) calling the meeting or the General Partner, as the case may be. Such notice may, but need not, specify the purpose or purposes of such meeting and may, but need not, limit the business to be conducted at such meeting to such purpose(s).

(iii) Quorum. Except as otherwise provided herein or by applicable law, at any time, a Majority in Voting Interest, represented in person or by proxy, shall constitute a quorum of the Limited Partners for purposes of conducting business. Once a quorum is present
at the meeting of the Limited Partners, the subsequent withdrawal from the meeting of any Limited Partner prior to adjournment or the refusal of any Limited Partner to vote shall not affect the presence of a quorum at the meeting. If, however, such quorum shall not be present at any meeting of the Limited Partners, the Limited Partners entitled to vote at such meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a Majority in Voting Interest shall be present or represented. Except as otherwise required by applicable law or this Agreement, resolutions of the Limited Partners at any meeting of Limited Partners shall be adopted by the affirmative vote of a Majority in Voting Interest.

(c) **Actions by the Limited Partners without a Meeting.** Any action that may be taken at a meeting of the Limited Partners may also be taken without a meeting if a consent or consents in writing, setting forth the action so taken, shall be signed by a Majority in Voting Interest. A record shall be maintained by the Partnership of each such action taken by written consent of the Limited Partners.

**4.2 Registered Limited Partners.** The Partnership shall be entitled to treat the owner of record of any Interests as the owner in fact of such Interest for all purposes, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such Interest on the part of any other Person, whether or not it shall have express or other notice of such claim or interest, except as expressly provided by this Agreement or the laws of the State of Delaware.

**4.3 Limitation of Liability.** No Limited Partner will be obligated personally for any debt, obligation or liability of the Partnership or of any of its Subsidiaries or any other Limited Partner by reason of being a Limited Partner, whether arising in contract, tort or otherwise. Except as expressly provided herein, by the Delaware Act or by applicable law, no Limited Partner shall have any obligation to make any contributions to the Partnership. No Limited Partner in his, her or its capacity as such will have any fiduciary or other duty to another Limited Partner with respect to the business and affairs of, or otherwise with respect to, the Partnership or any of its Subsidiaries. No Limited Partner will have any responsibility to restore any negative balance in his or her Capital Account or to contribute to or in respect of the liabilities or obligations of the Partnership or of any of its Subsidiaries or return distributions made by the Partnership; provided that a Limited Partner shall be required to return any distribution made to it in error.

**4.4 New Limited Partners.** In order for a Person to be admitted as a Limited Partner of the Partnership, such Person shall have executed and delivered to the General Partner a written undertaking to be bound by the terms and conditions of this Agreement substantially in the form of either (x) with respect to the initial issuance of Class A Common Interests, an Equity Grant Agreement, or (y) with respect any other Interests or the Transfer of any Interests as set forth herein, Exhibit A hereto. Upon the amendment of the Partners Schedule by the General Partner and the satisfaction of any other applicable conditions, including, if a condition, the receipt by the Partnership of payment for the issuance of any applicable Interests, such Person shall be admitted as a Limited Partner and deemed listed as such on the books and records of the Partnership and shall be issued such Limited Partner’s Interests, and the General Partner shall modify the Partners Schedule to reflect such admittance. The General Partner shall also adjust the Capital Accounts of the Limited Partners as necessary in accordance with Section 6.2.
4.5 **Withdrawal; Resignation.** A Limited Partner shall not cease to be a Limited Partner as a result of the Bankruptcy of such Limited Partner. So long as a Limited Partner continues to own or hold any Interests, such Limited Partner shall not have the ability to resign as a Limited Partner prior to the dissolution and winding up of the Partnership and any such resignation or attempted resignation by a Limited Partner prior to the dissolution or winding up of the Partnership shall be null and void. As soon as any Person who is a Limited Partner ceases to own or hold any Interests, such Person shall no longer be a Limited Partner.

4.6 **Death of a Limited Partner.** The death of any Limited Partner shall not cause the dissolution of the Partnership. In such event the Partnership and its business shall be continued by the remaining Partner or Partners and the Interests owned by the deceased Limited Partner shall automatically be transferred to such Limited Partner’s heirs (provided, that within a reasonable time after such transfer, the applicable heirs shall sign a joinder to this Agreement substantially in the form of Exhibit A attached hereto).

4.7 **Authority.** No Limited Partner, in its capacity as a Limited Partner, shall have the power to act for or on behalf of, or to bind the Partnership.

4.8 **Corporate Opportunities; Outside Activities.** Subject to the terms of any written agreement by any Partner to the contrary (including the non-competition agreements with employees, services providers or consultants of the Operating Company or any of its Subsidiaries), a Partner may have business interests and engage in business activities in addition to those relating to the Partnership, the Operating Company, or any of their respective Subsidiaries, including business interests and activities which compete with the Partnership, the Operating Company or any of their respective Subsidiaries, and (a) no Partner (other than an employee, service provider or consultant of the Operating Company or one of its Subsidiaries) shall have any duty or obligation to bring any Corporate Opportunity to the Partnership, the Operating Company or any of their respective Subsidiaries and (b) each employee, service provider or consultant of the Operating Company or one of its Subsidiaries shall have the obligation to bring to the Partnership or its Subsidiaries a corporate opportunity as determined pursuant to applicable law. Subject to the terms of any written agreement by any Partner to the contrary, none of the Partnership, the Operating Company or any of their respective Subsidiaries or any other Partner shall have any rights by virtue of this Agreement in any business interests or activities of any Partner.

4.9 **Spouses of Limited Partners.** Spouses of the Limited Partners that are natural persons do not become Limited Partners as a result of such marital relationship. Each spouse of a Limited Partner that is a natural person shall execute and deliver a Spousal Agreement in the form of Exhibit B to evidence his or her agreement and consent to be bound by the terms and conditions of this Agreement as to his or her interest, whether as community property or otherwise, if any, in the Interests owned by such Limited Partner.
ARTICLE V
Interests: Partnership

5.1 Interests Generally. The Partnership Interests of the Partners shall be represented by issued and outstanding Interests, which shall constitute partnership interests under the Delaware Act, and which may be divided into one or more types, classes or series, with each type, class or series having the rights and privileges set forth in this Agreement. The General Partner shall maintain a schedule of all Partners from time to time, their respective mailing addresses, and the Interests held by them (as the same may be amended, modified or supplemented from time to time, the “Partners Schedule”), a copy of which as of the execution of this Agreement is attached hereto as Schedule B. The Partners Schedule will be kept strictly confidential by the Partnership and, except as otherwise determined by the General Partner or as set forth in Section 9.5, no Partner shall have any right to receive or review a copy of the Partners Schedule (except for information thereon that relates solely to such Partner) or obtain other information about the identities of the other Partners or the size or nature of their interests in the Partnership. Ownership of an Interest (or fraction thereof) shall not entitle a Partner to call for a partition or division of any property of the Partnership or for any accounting.

5.2 Authorization of Interests.

(a) Initial Interests.

(i) The Partnership is hereby authorized to issue on the date hereof to the General Partner, each TowerBrook Limited Partner, each Rollover Partner and any other Person designated by the General Partner, a number of Series A Preferred Interests that is determined by dividing (A) the Capital Contribution made to the Partnership by such Partner on or prior to the Effective Date, by (B) the Series A Preferred Original Price Per Interest.

(ii) The Partnership is hereby authorized to issue on the date hereof to each Person listed on the attached Schedule C pursuant to the Incentive Equity Plan the number of Class A Common Interests set forth opposite the name of such Person and to set the Profits Interest Threshold for such Class A Common Interests. Each holder’s Class A Common Interests shall be subject to the terms of this Agreement, the Incentive Equity Plan and the applicable Equity Grant Agreement. Schedule C will be kept strictly confidential by the Partnership and, except as otherwise determined by the General Partner, no Partner, other than a TowerBrook Limited Partner, shall have any right to receive or review a copy of Schedule C (except for information thereon that relates solely to such Partner) or obtain other information about the identities of the other Partners or the size or nature of their interests in the Partnership.

(b) Common Interests. After the date hereof, the General Partner is hereby authorized, by resolution or resolutions, to issue additional Class A Common Interests, and to create and issue other classes and series of Common Interests. With respect to such other classes and series of Common Interests, the General Partner is hereby authorized to create and authorize for issuance any such Common Interests in any class or series and to set the Profits Interest Threshold for such Common Interests by amending this Agreement (without the vote of any...
Limited Partners except as expressly provided in Section 5.3, notwithstanding anything to the contrary in Section 14.5) to reflect such creation and authorization, and to establish the Common Interests to be included in each such class or series, and to fix the relative rights, obligations, preferences and limitations of the Common Interests of each such class or series. Subject to the terms of this Agreement, the Partnership is authorized to issue Common Interests to any Person at such price per Common Interest as may be determined by the General Partner and in exchange for contributions of cash or property, the provision of services or such other consideration as may be determined by the General Partner.

(c) **Preferred Interests.** After the date hereof, the General Partner is hereby authorized, by resolution or resolutions, to issue additional Series A Preferred Interests, and to create and issue other classes and series of Preferred Interests. With respect to such other classes and series of Preferred Interests, the General Partner is hereby authorized to create and authorize for issuance any such Preferred Interests in any class or series by amending this Agreement (without the vote of any Limited Partners except as expressly provided in Section 5.3, notwithstanding anything to the contrary in Section 14.5) to reflect such creation and authorization, and to establish the Preferred Interests to be included in each such class or series, and to fix the relative rights, obligations, preferences and limitations of the Preferred Interests of each such class or series. Subject to the terms of this Agreement, the Partnership is authorized to issue Preferred Interests to any Person at such price per Preferred Interest as may be determined by the General Partner and in exchange for contributions of cash or property, the provision of services or such other consideration as may be determined by the General Partner.

(d) **Other Interests.** The General Partner is hereby authorized, by resolution or resolutions, to issue options or warrants to purchase Interests, restricted Interests, Interest appreciation rights, phantom Interests, and other securities convertible, exchangeable or exercisable for Interests, on such terms as may be determined by the General Partner in its sole discretion.

5.3 **Authorization and Issuance of Interests.** In addition to the issuances of Series A Preferred Interests and Class A Common Interests as expressly provided for in this Agreement, the Rollover Agreements and any Equity Grant Agreement, subject to the limitations contained in Section 11.4, the Partnership (with the approval of the General Partner) may issue additional Series A Preferred Interests, Class A Common Interests or other Interests that the General Partner may provide for, create and authorize pursuant to Sections 5.2(b) or 5.2(c) above. Upon the issuance of any Interests, the General Partner shall amend the Partners Schedule to reflect such issuance and adjust the Capital Accounts of the Partners as necessary in accordance with Section 6.2.

5.4 **Certificates; Legend.** Unless and until the General Partner shall determine otherwise, the Interests shall be uncertificated and recorded in the books and records of the Partnership. In the sole discretion of the General Partner, the issued and outstanding Interests may be represented by certificates. In addition to any other legend required with respect to a particular class, group or series of Interests or pursuant to any other agreement among the Partners and the Partnership, each such certificate shall bear the following legend:
“THE INTERESTS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR THE SECURITIES LAWS OF ANY STATE. THE INTERESTS MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AND SUCH LAWS OR PURSUANT TO A WRITTEN OPINION OF COUNSEL FOR THE PARTNERSHIP THAT SUCH REGISTRATION IS NOT REQUIRED.

THE SALE, ASSIGNMENT, HYPOTHEcation, PLEDGE, ENCUMBRANCE OR OTHER DISPOSITION (EACH, A “TRANSFER”) AND VOTING OF ANY OF THE INTERESTS REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF JJILL TOPCO HOLDINGS, LP (THE “PARTNERSHIP”), AS IT MAY BE AMENDED FROM TIME TO TIME, AMONG THE PARTNERSHIP AND THE PARTNERS NAMED THEREIN (THE “PARTNERSHIP AGREEMENT”), A COPY OF WHICH MAY BE INSPECTED AT THE PARTNERSHIP’S PRINCIPAL OFFICE, AND MAY BE SUBJECT TO ADDITIONAL RESTRICTIONS PURSUANT TO ONE OR MORE EQUITY GRANT AGREEMENTS. THE PARTNERSHIP WILL NOT REGISTER THE TRANSFER OF SUCH INTERESTS ON THE BOOKS OF THE PARTNERSHIP UNLESS AND UNTIL THE TRANSFER HAS BEEN MADE IN COMPLIANCE WITH THE TERMS OF THE PARTNERSHIP AGREEMENT AND ANY APPLICABLE EQUITY GRANT AGREEMENT(S).”

**ARTICLE VI**

**Capital Accounts**

6.1 **Capital Contributions**

(a) Contemporaneously with the execution of this Agreement, the General Partner, the Initial TowerBrook Limited Partner and each of the Rollover Partners has made a Capital Contribution. The amount of such Capital Contribution and the number of Series A Preferred Interests issued in respect thereof are set forth opposite each Partner’s name on the Partners Schedule.

(b) No Limited Partner shall make or be required to make any additional Capital Contributions with respect to such Limited Partner’s Interests. Except as expressly provided herein, no Limited Partner, in its capacity as a Limited Partner, shall have the right to receive any cash or any other property of the Partnership.
6.2 Capital Accounts.

(a) Maintenance of Capital Accounts. The Partnership shall maintain a “Capital Account” for each Partner on the books of the Partnership in accordance with the following provisions:

(i) Each Partner’s Capital Account shall be increased by the amount of: (A) such Partner’s Capital Contributions pursuant to Section 6.1; (B) any Net Income or other item of income or gain allocated to such Partner pursuant to Section 8.1 or Section 8.2; and (C) Partnership liabilities, if any, assumed by such Partner or secured, in whole or in part, by any Partnership assets that are distributed to such Partner.

(ii) Each Partner’s Capital Account shall be decreased by the amount of: (A) cash and the Fair Value on the date of distribution of any other Partnership property distributed to such Partner pursuant to Article VII and Article X; (B) any Net Loss or other item of loss or deduction allocated to such Partner pursuant to Section 8.1 or Section 8.2; and (C) liabilities, if any, of such Partner assumed by the Partnership.

(b) Succession to Capital Accounts. If any Person is admitted as a substituted Partner in accordance with the provisions of Article XI, such substituted Partner shall succeed to the Capital Account of the transferor Partner to the extent such Capital Account relates to the transferred interest in the Partnership (or portion thereof).

6.3 Negative Capital Accounts. If any Limited Partner has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all Taxable Years), such Limited Partner shall have no obligation to restore such negative balance or to make any Capital Contributions by reason thereof, except as may be required by applicable law, and such negative balance shall not be considered an asset of the Partnership or of any other Person for any purpose whatsoever.

6.4 No Withdrawal. No Partner will be entitled to withdraw any part of his, her or its Capital Contribution or Capital Account or to receive any distribution from the Partnership, except as expressly provided in this Agreement.

6.5 Loans From Partners. Loans by Partners to the Partnership shall not be considered Capital Contributions.

6.6 Status of Capital Contributions. No Limited Partner shall receive any interest, salary or drawing with respect to its Capital Contributions or its Capital Account, except as otherwise specifically provided in this Agreement. Except as otherwise provided herein, no Partner shall be required to lend any funds to the Partnership or to make any additional Capital Contributions.
ARTICLE VII
Distributions

7.1 Generally.

(a) Subject to Sections 7.2 and 7.3, the General Partner shall have sole discretion regarding the amounts and timing of distributions to the Partners, in each case subject to the retention and establishment of reserves of, or payment to third parties of, such funds as it deems necessary with respect to the reasonable business needs of the Partnership which shall include the payment or the making of provision for the payment when due of the Partnership’s obligations, including the payment of any management or administrative fees and expenses or any other obligations.

(b) Notwithstanding any provision to the contrary contained in this Agreement, the Partnership shall not make any distribution to the Partners if such distribution would violate Section 17-607 of the Delaware Act or other applicable law.

7.2 Discretionary Distributions.

(a) Distributions. Subject to (i) Sections 7.3 and 10.2(b) and (ii) the terms of any Equity Grant Agreement, available cash or other assets (taking such other assets into account at their Fair Value at the time of distributions) shall be distributed, at such times and in such amounts as the General Partner determines in its sole discretion, in the following order of priority:

(i) first, to the holders of Series A Preferred Interests, in proportion to each such holder’s then Unreturned Capital, until the Unreturned Capital of all holders of Series A Preferred Interests is reduced to zero;

(ii) second, to the holders of Series A Preferred Interests, in proportion to the accrued and unpaid Preferred Return attributable to each such holder, until such holders have received cumulative distributions pursuant to this Section 7.2 in an amount equal to the sum of (A) the amount described in Section 7.2(a)(i) , and (B) the Preferred Return; and

(iii) third, subject to Section 7.2(b) , to the holders of Series A Preferred Interests and Class A Common Interests, in proportion to the number of Series A Preferred Interests and Class A Common Interests held by each such Partner as of such date as compared to the number of total outstanding Series A Preferred Interests and Class A Common Interests held by all Partners as of such date; provided that no Class A Common Interest shall be considered outstanding for purposes of this Section 7.2(a)(iii) , or entitled to any distributions hereunder, until such time that Partnership has made aggregate distributions pursuant to this Section 7.2 following the date of issuance of such Class A Common Interest equal to the Profits Interest Threshold in respect of such Class A Common Interest, and thereafter each Class A Common Interest shall only receive its proportionate share of distributions in excess of such Profits Interest Threshold.

25
(b) Limitation on Distributions to Holders of Class A Common Interests. It is the intention of the parties to this Agreement that distributions to any holder of Class A Common Interests shall be limited to the extent necessary so that each Class A Common Interest constitutes a Profits Interest. In furtherance of the foregoing, the General Partner shall, if necessary, limit distributions to any holder of a Class A Common Interest so that such distributions do not exceed the available profits in respect of such holder’s related Class A Common Interest. If a Partner’s distributions are reduced pursuant to the preceding sentence, an amount equal to such excess distributions shall be treated as instead apportioned to the other Partners (“Excess Distribution Partners”) under Section 7.2(a) and the General Partner shall make appropriate adjustments (as reasonably determined by the General Partner) to future distributions with respect to each such Partner holding a Class A Common Interest under Section 7.2(a) so that such Partner receives (consistent with the principles of this Section 7.2(b)) an amount equal to such excess distributions out of amounts that, but for this sentence, would have been distributed to such Excess Distribution Partners.

(c) Section 83(b) Elections. Unless otherwise determined by the General Partner, it shall be a condition to the receipt by any Partner of any Class A Common Interests that such Partner make an election under Section 83(b) of the Code within thirty (30) days of the receipt of such Class A Common Interests.

7.3 Tax Advances. (a) Notwithstanding the foregoing distribution provisions of Section 7.2, the Partnership shall make distributions in accordance with this Section 7.3. If, with respect to any Partner(s) as of any quarterly distribution date, (A) the product of (x) the sum of (1) the cumulative historic taxable income allocated to such Partner(s) pursuant to this Agreement (after taking into account any taxable loss so allocated to such Partner(s)) for all Taxable Years, or portions thereof, ending before such distribution date and (2) the taxable net income allocated to such Partner pursuant to this Agreement for the Taxable Year (or portion thereof) that includes such distribution date and (y) the Tax Rate applicable for each of such Taxable Years, exceeds (B) the sum of (x) the aggregate amount distributed to such Partner(s) for all Taxable Years, or portions thereof, ending on or before such distribution date pursuant to Section 7.2 and this Section 7.3 and (y) the aggregate amount distributed or to be distributed to such Partner(s) during such Taxable Year (or portion thereof) ending on such distribution date pursuant to Section 7.2 and this Section 7.3, subject to the restrictions of any of the Partnership’s and/or its Subsidiaries’ then applicable debt financing agreements and subject to the retention of any other amounts necessary to satisfy the Partnership’s and/or its Subsidiaries’ obligations as determined in good faith by the General Partner, the General Partner shall make an advance (“Tax Advance”) to all such Partner(s) in an amount up to the aggregate excess tax liability of the Partner(s) in proportion to their respective shares of such excess tax liability. Tax Advances, to the extent payable under this Section 7.3, shall be made on a quarterly estimated basis, at least five days before the date prescribed by the Code for an individual taxpayer to pay quarterly installments of estimated tax.

(b) The General Partner may, in its sole discretion, adjust the computation of the amounts to be distributed and advanced pursuant to this Section 7.3 for any Taxable Year (i) prior to each distribution for such Taxable Year, (ii) upon the filing of the Partnership’s federal income tax return for such Taxable Year, (iii) upon any final determination of the Partnership’s taxable income for such Taxable Year, and (iv) at any other time when in the good faith
determination of the General Partner that it appears that a prior estimate has been incorrect, in each case so as to take into account actual determinations or revised estimates of the Partners’ shares of taxable income for such Taxable Year for federal income tax purposes. Following any such adjustment, the amounts to be distributed pursuant to this Section 7.3 shall be adjusted appropriately, or additional distributions shall be made, so as to give effect to such actual determinations and/or revised estimates. If the aggregate of the installment distributions of such amount to any Partner with respect to a Taxable Year exceeds the amount finally so determined by the Partnership for the Taxable Year (such excess amount being such Partner’s “Excess Tax Advance”), such Excess Tax Advances shall be repaid in accordance with Section 7.3(c).

(c) All Tax Advances made on behalf of a Partner shall be repaid to the Partnership by reducing the amount of the next succeeding distribution or distributions which would otherwise have been made to such Partner, or, if such distributions are not sufficient for that purpose, by so reducing the proceeds of liquidation otherwise payable to such Partner. To the extent that an amount otherwise distributable to a Partner is so applied, it shall be treated for all purposes hereof (other than for purposes of determining the amounts of Tax Advances pursuant to Section 7.3(a)) as if such amount had actually been distributed to such Partner pursuant to Section 7.2.

7.4 Tax Withholding; Withholding Advances

(a) Tax Withholding

(i) If requested by the General Partner, each Limited Partner shall, if able to do so, deliver to the General Partner: (A) an affidavit in a form satisfactory to the General Partner that the applicable Limited Partner (or its direct or indirect owners, as the case may be) is not subject to withholding under the provisions of any United States or non-U.S. federal, state, local, or other law (including, without limitation, the appropriate IRS Form W-8 or W-9); (B) any certificate or other document that the General Partner may reasonably request with respect to any such laws; and/or (C) any other form or instrument reasonably requested by the General Partner relating to any Limited Partner’s status under such law. In the event that a Limited Partner fails or is unable to deliver to the General Partner an affidavit described in subclause (A) or certificate or other documentation described in subclause (B) or (C) of this Section 7.4(a)(i), the General Partner may withhold amounts from such Limited Partner in accordance with Section 7.4(b)(i), and such Limited Partner acknowledges that it may be subject to the deemed Withholding Advances provisions of Section 7.4(b)(ii). Each Limited Partner represents and warrants that any such information and forms furnished by such Limited Partner pursuant to this Section 7.4(a)(i) shall be true and accurate and shall indemnify the Partnership and each of the Partners from any and all damages, costs and expenses resulting from the filing of inaccurate or incomplete information or forms relating to such withholding taxes.

(b) Withholding Advances—General

(i) To the extent the Partnership is required by law to withhold or to make tax payments on behalf of or with respect to any Partner (e.g., backup withholding), including any interest and penalties imposed thereon, or with respect thereto (such amounts, “Withholding Advances”), the General Partner may withhold such amounts and make such tax payments as so required.
(ii) If the proceeds to the Partnership are reduced on account of taxes paid by the Partnership or any other Person or withheld (directly or indirectly) by any Person, and such taxes are imposed on or with respect to one or more, but not all of the Partners in the Partnership, the amount of the reduction shall be borne by the relevant Partners and treated as if it were paid by the Partnership as a Withholding Advance with respect to such Partners pursuant to Section 7.4(b)(i) for all purposes of this Agreement.

(c) Repayment of Withholding Advances. All Withholding Advances made on behalf of a Partner, plus interest thereon at a rate equal to LIBOR as of the date of such Withholding Advances plus 2.0% per annum, shall (i) be paid on demand by the Partner on whose behalf such Withholding Advances were made (it being understood that no such payment shall increase such Partner’s Capital Contribution), or (ii) with the consent of the General Partner, in its discretion, be repaid by reducing the amount of the current or next succeeding distribution or distributions which would otherwise have been made to such Partner or, if such distributions are not sufficient for that purpose, by so reducing the proceeds of liquidation otherwise payable to such Partner. Whenever repayment of a Withholding Advance by a Partner is made as described in clause (ii) above, for all other purposes of this Agreement such Partner shall be treated as having received all distributions unreduced by the amount of such Withholding Advance and interest thereon.

(d) Withholding Advances—Reimbursement of Liabilities. Each Partner hereby agrees to reimburse the Partnership and the General Partner for any liability with respect to Withholding Advances (including interest thereon) required or made on behalf of or with respect to such Partner (including penalties imposed with respect thereto); provided, that no Partner shall be required to reimburse the Partnership or the General Partner for any payment by the Partnership or the General Partner of any interest or penalties imposed with respect to Withholding Advances if such payment obligation arose due to the General Partner’s gross negligence or willful misconduct. It is hereby understood and agreed that if the proviso in the preceding sentence applies, then to the extent the payment of such interest or penalties was made by the Partnership, the General Partner shall be responsible for reimbursing the Partnership for the amount of such payment.

(e) Overwithholding. Neither the Partnership nor the General Partner shall be liable for any excess Withholding Advances withheld (directly or indirectly) in respect of any Limited Partner, and, in the event of overwithholding, a Limited Partner’s sole recourse shall be to apply for a refund from the appropriate governmental authority.

ARTICLE VIII
Allocations

8.1 Allocations of Net Income and Net Loss. Except as otherwise provided in this Agreement, Net Income and Net Loss (and, to the extent necessary, individual items of income, gain, loss, deduction or credit) of the Partnership shall be allocated among the Partners in a
manner such that, after giving effect to the special allocations set forth in Section 8.2, the Capital Account of each Partner, immediately after making such allocation, is, as nearly as possible, equal (proportionately) to (i) the distributions that would be made to such Partners pursuant to Section 7.2 if the Partnership were dissolved, its affairs wound up and its assets sold for cash equal to their Carrying Value, all Partnership liabilities were satisfied (limited with respect to each nonrecourse liability to the Carrying Value of the assets securing such liability), and the net assets of the Partnership were distributed in accordance with Section 7.2 to the Partners immediately after making such allocation, minus (ii) such Partner’s share of Partnership Minimum Gain and Partner Nonrecourse Debt Minimum Gain, computed immediately prior to the hypothetical sale of assets.

8.2 Special Allocations

(a) Regulatory Compliance. The provisions of Section 6.2, Section 7.2, this Section 8.1, this Section 8.2, and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulation section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulation. In furtherance of the foregoing, the provisions of Section 704 and the Regulations thereunder addressing qualified income offset, minimum gain chargeback requirements and allocations of deductions attributable to nonrecourse debt and partner nonrecourse debt (as defined in Regulation Section 1.704-2(b)(4)), are hereby incorporated by reference. If, as a result of the provisions of Section 704 of the Code and such Regulations, items of Net Income or Net Loss are allocated to the Partners in a manner that is inconsistent with the manner in which the Partners intend to allocate such items as reflected in Section 8.1, to the extent permitted under such Regulations, items of future income and loss shall be allocated among the Partners so as to prevent such allocations from distorting the manner in which Partnership distributions will be divided among the Partners pursuant to this Agreement.

(b) Modification of Allocations. The allocations set forth in Section 8.1 and this Section 8.2 are intended to comply with certain requirements of the Regulations. Notwithstanding the other provisions of this Article VIII, the General Partner shall be authorized to make, in its reasonable discretion, appropriate amendments to the allocations of items pursuant to this Agreement (i) in order to comply with Section 704 of the Code or applicable Regulations, (ii) to allocate properly items of income, gain, loss, deduction and credit to those Partners who bear the economic burden or benefit associated therewith or (iii) to otherwise cause the Partners to achieve the objectives underlying this Agreement as reasonably determined by the General Partner. If there are any changes after the date of this Agreement in applicable tax law, regulations or interpretation, or any errors, ambiguities, inconsistencies or omissions in this Agreement with respect to allocations to be made to Capital Accounts which would, individually or in the aggregate, cause the Partners not to achieve in any material respect the economic objectives underlying this Agreement, the General Partner may in its discretion make appropriate adjustments to such allocations in order to achieve or approximate such economic objectives.

(c) Adjustments of Capital Accounts. The Capital Accounts of the Partners may, at the discretion of the General Partner, be adjusted in accordance with Regulation section 1.704-1(b)(2)(iv)(f), and thereafter maintained in accordance with Regulation section 1.704-1(b)(2)(iv)(g) (including the computation of Net Income and Net Loss with reference to such
to reflect the Fair Value of Partnership property whenever an interest in the Partnership is relinquished to the Partnership, whenever an additional Partner is admitted to the Partnership or a Partner makes a Capital Contribution and the amount of capital contributed by such Partner upon its admission or increase, as the case may be, is more than de minimis, whenever an Interest in the Partnership (other than a de minimis interest) is granted as consideration for the provision of services to or for the benefit of the Partnership by an existing Partner acting in a partner capacity, or by a new Partner acting in a partner capacity or in anticipation of become a partner, upon a liquidation of the Partnership, or as is otherwise permitted under the Code and the Regulations, and shall be adjusted in accordance with Regulation section 1.704-1(b)(2)(iv)(e) in the case of a distribution of more than a de minimis amount of property (other than cash).

8.3 Change in Interest. If there is a change in Partners or in the respective holdings of Partnership Interests or in the respective rights or obligations appurtenant to the Partnership Interests (caused, for example, by the admission of a new Partner or by a Transfer), allocations under this Article VIII for a Taxable Year among the Persons who are or were Partners shall be made in accordance with Section 706 of the Code and, if more than one method is permitted, then in a manner determined by the General Partner.

8.4 Tax Allocations.

(a) Except as otherwise set forth in this Section 8.4, for United States federal, state and local income tax purposes, items of income, gain, loss, deduction and credit shall be allocated to the Partners in accordance with the allocations of the corresponding items for Capital Account purposes under Sections 8.1 or Section 8.2, for the current and prior Taxable Years.

(b) In accordance with Code Section 704(c) and the Regulations thereunder and Regulation section 1.704–1(b)(4)(i), each item of Partnership taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take into account any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial Carrying Value (“Tax Allocations”), and if more than one method is permitted, then in a manner determined by the General Partner.

(c) If the Carrying Value of any Partnership property is adjusted pursuant to Section 8.2(c), subsequent Tax Allocations with respect to such property shall take account of any variation between the adjusted basis of such property for federal income tax purposes and its Carrying Value in the same manner as under Code Section 704(c) and the Regulations thereunder, and if more than one method is permitted, then in a manner determined by the General Partner.

(d) Allocations of tax credit, tax credit recapture, and any items related thereto shall be allocated to the Partners according to their interests in such items as determined by the General Partner taking into account the principles of Regulations Section 1.704-1(b)(4)(ii).

(e) Allocations pursuant to this Section 8.4 are solely for income tax purposes and shall not affect, or in any way be taken into account in computing, any Partner’s Capital Account or share of Net Income, Net Loss, distributions or other items pursuant to any provisions of this Agreement.
ARTICLE IX
Elections and Reports

9.1 Generally. The Partnership will keep appropriate books and records with respect to the Partnership’s business, including all books and records necessary to provide any information, lists and copies of documents required to be provided pursuant to Section 12.2.

9.2 Tax Status. The Partners intend that the Partnership be treated as a partnership or a disregarded entity, and not as an association taxable as a corporation, for federal, state and local income tax purposes and the Partnership and each Partner shall file all tax returns on the basis consistent therewith.

9.3 Tax Elections. The General Partner will determine whether to make or revoke any available election pursuant to the Code. Each Partner will upon request supply the information necessary to give proper effect to any such election.

9.4 Tax Controversies. The General Partner shall designate the “Tax Matters Partner” (as such term is defined in Code Section 6231) (the “Tax Matters Partner”) for the Partnership which initially shall be the General Partner. The Tax Matters Partner is authorized and required to represent the Partnership (at the Partnership’s expense) in connection with all examinations of the Partnership’s affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each Partner agrees to cooperate with the Tax Matters Partner and to do or refrain from doing any or all things reasonably requested by the Tax Matters Partner with respect to the conduct of such proceedings. The Tax Matters Partner will have sole discretion to determine whether the Partnership (either on its own behalf or on behalf of the Partners) will contest or continue to contest any tax deficiencies assessed or proposed to be assessed by any taxing authority. Any deficiency for taxes imposed on any Partner (including penalties, additions to tax or interest imposed with respect to such taxes) will be paid by such Partner.

9.5 Waiver of Section 17-305 of the Delaware Act; Other Information Rights. Each Limited Partner hereby irrevocably waives any and all rights that such Limited Partner may have to receive information from the Partnership pursuant to Section 17-305 of the Delaware Act. Notwithstanding the foregoing, each Limited Partner shall have the right to the following information upon reasonable demand for any purpose reasonably related to the Limited Partner’s interest as a Limited Partner: (i) a copy of any written partnership agreement and certificate of limited partnership and all amendments thereto, (ii) the number and type of Partnership Interests held by such Limited Partner, and (iii) subject to the limitations set forth in Section 12.2(a), annual audited financial statements as set forth in Section 12.2(a)(ii), provided, however, that the General Partner may redact any information included therein relating to the identities of other Partners and the size or nature of their interests in the Partnership, if applicable or as otherwise provided pursuant to the provisions of Section 12.2(a).
9.6 **Schedule K-1.** The Partnership shall use reasonable efforts to provide each Partner with such Partner’s U.S. Internal Revenue Schedule K-1 for each Taxable Year within 90 days after the end of such Taxable Year, or as soon as reasonable practicable thereafter.

**ARTICLE X**

**Dissolution and Liquidation**

10.1 **Dissolution.** The Partnership shall be dissolved and its affairs wound up only upon the happening of any of the following events:

(a) upon the determination by the General Partner to dissolve the Partnership; or

(b) the entry of a decree of judicial dissolution under Section 17-802 of the Delaware Act; provided that, notwithstanding anything contained herein to the contrary, no Limited Partner shall make an application for the dissolution of the Partnership pursuant to Section 17-802 of the Delaware Act without the unanimous approval of the Limited Partners.

Dissolution of the Partnership shall be effective on the day on which the event occurs giving rise to the dissolution, but the Partnership shall not terminate until the winding up of the Partnership has been completed, the assets of the Partnership have been distributed as provided in Section 10.2 (taking into account the terms of any Equity Grant Agreement) and the Certificate of Limited Partnership shall have been canceled. No other event, including the retirement, withdrawal, insolvency liquidation, dissolution, insanity, resignation, expulsion, Bankruptcy, death, incapacity or adjudication of incompetency of a Partner, shall cause the existence of the Partnership to terminate.

10.2 **Liquidation.**

(a) **Liquidator.** Upon dissolution of the Partnership, the General Partner will appoint a Person to act as the “Liquidator,” and such Person shall act as the Liquidator unless and until a successor Liquidator is appointed as provided in this Section 10.2. The Liquidator will agree not to resign at any time without 30 days’ prior written notice to the General Partner. The Liquidator may be removed at any time, with or without cause, by notice of removal and appointment of a successor Liquidator approved by the General Partner. Any successor Liquidator will succeed to all rights, powers and duties of the former Liquidator. The right to appoint a successor or substitute Liquidator in the manner provided in this Section 10.2 will be recurring and continuing for so long as the functions and services of the Liquidator are authorized to continue under the provisions of this Agreement, and every reference in this Agreement to the Liquidator will be deemed to refer also to any such successor or substitute Liquidator appointed in the manner provided in this Section 10.2. The Liquidator will receive as compensation for its services (1) no additional compensation, if the Liquidator is an employee, consultant or other service provider of the Partnership or any of its Subsidiaries, or (2) if the Liquidator is not such a Person, such compensation as the General Partner may approve which shall be borne as an expense of the Partnership plus, in either case, reimbursement of the Liquidator’s reasonable out-of-pocket expenses in performing its duties.
(b) Liquidating Actions. The Liquidator will liquidate the assets of the Partnership and apply and distribute the proceeds of such liquidation, in the following order of priority, unless otherwise required by mandatory provisions of the Delaware Act and any other applicable law:

(i) First, to the payment of the Partnership’s debts and obligations to its creditors (including Partners), including sales commissions and other expenses incident to any sale of the assets of the Partnership, in order of the priority provided by law;

(ii) Second, to the establishment of and additions to such reserves as the Liquidator deems necessary or appropriate; and

(iii) Third, to the Partners, in accordance with Section 7.2 (and in accordance with the terms of any Equity Grant Agreement).

The reserves established pursuant to clause (ii) above will be paid over by the Liquidator to a bank or other financial institution, to be held in escrow for the purpose of paying any such contingent or unforeseen liabilities or obligations and, at the expiration of such period as the Liquidator deems advisable, such reserves will be distributed to the Limited Partners in accordance with Section 7.2 (and in accordance with the terms of any Equity Grant Agreement) in the manner provided above in this Section 10.2(b). The allocations and distributions provided for in this Agreement are intended to result in the Capital Account of each Limited Partner immediately prior to the distribution of the Partnership’s assets pursuant to this Section 10.2(b) being equal to the amount distributable to such Limited Partner pursuant to this Section 10.2(b).

(c) Distribution in Kind. Notwithstanding the provisions of Section 10.2(b) which require the liquidation of the assets of the Partnership, but subject to the order of priorities set forth in Section 10.2(b), if, upon dissolution of the Partnership, the Liquidator determines that an immediate sale of part or all of the Partnership’s assets would be impractical or could cause undue loss to the Partners, the Liquidator may, in its sole discretion, defer the liquidation of any assets except those necessary to satisfy Partnership liabilities and reserves, and may, in its absolute discretion, distribute to the Partners, in lieu of cash, as tenants in common and in accordance with the provisions of Section 10.2(b), undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distribution in kind will be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operating of such properties at such time. For purposes of any such distribution, any property to be distributed will be valued at its Fair Market Value.

(d) Reasonable Time for Winding Up. A reasonable time will be allowed for the orderly winding up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 10.2(b) in order to minimize any losses otherwise attendant upon such winding up. Distributions upon liquidation of the Partnership (or any Partner’s interest in the Partnership) and related adjustments will be made by the end of the Taxable Year of the liquidation (or, if later, within 90 days after the date of such liquidation) or as otherwise permitted by Regulations Section 1.704-1(b)(2)(ii)(b).
(c) **Termination**. Upon completion of the distribution of the assets of the Partnership as provided in Section 10.2(b), the Partnership shall be terminated and the Liquidator shall cause the cancellation of the Certificate of Limited Partnership in the State of Delaware and of all qualifications and registrations of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware and shall take such other actions as may be necessary to terminate the Partnership.

### ARTICLE XI

**Transfer of Interests**

#### 11.1 Restrictions

(a) **Transfers by TowerBrook Limited Partners**. Each TowerBrook Limited Partner may Transfer its Interests to any Person without restriction, subject, as applicable, to compliance with the provisions of this Article XI and Article XII.

(b) **Transfers by Other Limited Partners**. Except as otherwise expressly provided in this Agreement, each Other Limited Partner may directly or indirectly Transfer Interests only (i) if such Transfer has been approved in writing by the General Partner (which approval the General Partner shall provide only in its sole discretion), (ii) to the Partnership pursuant to the terms of any applicable Equity Grant Agreement, (iii) solely in the case of Series A Preferred Interests held by such Other Limited Partner, pursuant to the exercise by such Other Limited Partner of tag along rights pursuant to Section 11.3, (iv) in connection with an Approved Partnership Sale pursuant to Section 12.1, (v) solely in the case of Series A Preferred Interests held by such Other Limited Partner, to any Permitted Transferee of such Other Limited Partner or (vi) in the case of an Other Limited Partner who is an individual, pursuant to applicable laws of descent and distribution.

(c) **Transfers by the TowerBrook Limited Partners of a Majority in Voting Interest**. The TowerBrook Limited Partners hereby agree that they will not collectively Transfer Interests owned by the TowerBrook Limited Partners that represent a Majority in Voting Interest determined as of the Effective Date to an Independent Third Party or group of Independent Third Parties unless such Transfer by the TowerBrook Limited Partners is in connection with an Approved Partnership Sale pursuant to Section 12.1.

(d) **Effect of a Permitted Transfer**. Following a Transfer of any Interest(s) that is permitted under this Article XI, the transferee of such Interest(s) shall succeed to the Capital Account associated with such Interest(s) and shall receive allocations and distributions under Articles VI, VII, VIII and X in respect of such Interest(s). Any Limited Partner who Transfers all his, her or its Interests (i) shall cease to be a Limited Partner upon such Transfer, and (ii) shall no longer possess or have the power to exercise any rights or powers of a Limited Partner of the Partnership.

(e) **Void Transfers**. Each Limited Partner acknowledges and agrees that such Limited Partner shall not Transfer any Interest(s) except in accordance with the provisions of this Article XI and, to the extent applicable to such Limited Partner, any Equity Grant Agreement. Any attempted Transfer in violation of the preceding sentence shall be deemed null and void for all purposes, and the Partnership will not record any such Transfer on its books or treat any purported transferee as the owner of such Interest(s) for any purpose.
Transfers by Limited Partners to Permitted Transferees. If any Other Limited Partner Transfers Interests to a Permitted Transferee and an event occurs which causes such Permitted Transferee to cease to be a Permitted Transferee (as defined in this Agreement) of such Other Limited Partner then unless, prior to such event, such Permitted Transferee Transfers such Interests back to such Other Limited Partner or to another Permitted Transferee of such Other Limited Partner (but only if such Limited Partner or such Permitted Transferee of such Other Limited Partner has complied with the provisions of Section 11.1 hereof), such event or Transfer shall be deemed a Transfer of Interests subject to all of the restrictions on Transfers of Interests set forth in this Agreement, including this Section 11.1. Upon a Transfer of Interests by a Other Limited Partner who is a director, officer, employee, independent contractor or other service provider of the Partnership or any of its Subsidiaries to a Permitted Transferee, the terms and provisions of this Agreement and any Equity Grant Agreement with respect to such Transferred Interests related to the employment or service or compliance with restrictive covenants, as applicable, of such Other Limited Partner will continue to apply with respect to the Interests Transferred as if no Transfer had occurred.

11.2 Procedures for Transfer.

(a) Notwithstanding anything to the contrary in this Agreement, (i) no transferee of any Interest(s) received pursuant to a Transfer (but excluding transferees that were Limited Partners immediately prior to such a Transfer, who shall automatically become a Limited Partner with respect to any additional Interests they so acquire) shall become a Limited Partner in respect of or be deemed to have any ownership rights in the Interest(s) so Transferred unless the purported transferee is admitted as a Limited Partner as set forth in Section 11.2(b) and (ii) if requested by the General Partner, no Limited Partner may Transfer any Interests (except pursuant to an effective registration statement under the Securities Act) without first delivering to the Partnership an opinion of counsel reasonably acceptable in form and substance to the General Partner (which counsel will be reasonably acceptable to the General Partner) that registration under the Securities Act is not required in connection with such Transfer. The General Partner shall modify the Partners Schedule from time to time to reflect the admittance of any such Limited Partner.

(b) Subject in all events to the general restrictions on Transfers contained in Sections 11.1 and 11.4, no Transfer of Interest(s) may be completed to a Person that is not already a Limited Partner until the prospective transferee is admitted as a Limited Partner of the Partnership by executing and delivering to the General Partner a written undertaking to be bound by the terms and conditions of this Agreement substantially in the form of Exhibit A hereto. Upon the amendment of the Partners Schedule by the General Partner, such prospective transferee shall be admitted as a Limited Partner and deemed listed as such on the books and records of the Partnership.
11.3 Tag-Along Rights

(a) At least 10 Business Days prior to the Transfer by any TowerBrook Limited Partner(s) (collectively, the “Transferring Equityholder”) of any Series A Preferred Interests to any Person(s) pursuant to clause (i) of Section 11.1(a) hereof (other than pursuant to a Public Offering and other than with respect to a Transfer of up to 10% in the aggregate of all of the Series A Preferred Interests owned by the TowerBrook Limited Partners as of the Effective Date) (a “Tag-Along Sale”), the Transferring Equityholder shall deliver a written notice (the “Sale Notice”) to each Other Limited Partner that owns Series A Preferred Interests (collectively, the “Recipient Investors”) (with a copy of such notice to the General Partner), specifying in reasonable detail the identity of the prospective transferee(s), the number of Series A Preferred Interests to be Transferred, and the other material terms and conditions of such contemplated Transfer. Any of the Recipient Investors may elect to participate in such contemplated Transfer by delivering written notice to the Transferring Equityholder within 10 Business Days after its receipt of the Sale Notice. If any Recipient Investor elects to participate in such Transfer, each Recipient Investor who elects to participate (the “Tagging Investors”) shall be entitled to sell in such contemplated Transfer, at the same price, form of consideration and on the same terms, up to a number of Series A Preferred Interests to be sold in such contemplated Transfer equal to the product of (x) the quotient determined by dividing the number of Series A Preferred Interests owned by such Tagging Investor by the aggregate number of (i) Series A Preferred Interests owned collectively by all of the Tagging Investors and (ii) Series A Preferred Interests owned collectively by all of the TowerBrook Limited Partners and (y) the aggregate number of Series A Preferred Interests to be sold in such contemplated Transfer. Each Limited Partner Transferring Interests pursuant to this Section 11.3 shall take all reasonably necessary and desirable actions as reasonably directed by the Transferring Equityholder in connection with the consummation of such Transfer, including, without limitation, executing the applicable purchase agreement with respect to the Tag-Along Sale.

(b) Each Tagging Investor shall agree to make the same representations, covenants, indemnities and agreements as the Transferring Equityholder (and shall be subject with respect to the Interests Transferred to the same escrow or other holdback arrangements as the Transferring Equityholder) and agree to the same terms and conditions with respect to the Series A Preferred Interests Transferred in the Tag-Along Sale to which the Transferring Equityholder agrees, including agreements to (i) make customary individual representations, warranties, covenants and other agreements as to, among other things, the unencumbered title to its Interests and the power, authority and legal right to Transfer its Interests, (ii) provide for contingent or deferred payment of a portion of the aggregate purchase price and the establishment of an escrow account or other form of holdback in connection therewith and (iii) provide that the liability of each such Partner (whether by purchase price adjustment, indemnification or otherwise) is (A) except in respect of any indemnification to be made from any escrow account or other form of holdback, several, and not joint, and pro rata based on the aggregate consideration received by each Partner in such Tag-Along Sale and (B) except in the case of fraud, otherwise limited to the aggregate net consideration received by such Partner in the Tag-Along Sale; provided, that a Partner shall not be responsible for any indemnification obligations and liabilities (including through escrow or holdback arrangements) for breaches of representation and warranties made with respect to any other Partner’s (1) ownership of and title to Interests, (2) organization and authority or (3) conflicts and consents and any other matter concerning such other Partner or for breaches of any covenant specifically relating to any other Partner. Each Partner shall bear its proportionate share (based upon proceeds received) of the costs of any such Tag-Along Sale to
the extent such costs are incurred for the benefit of all such Partners participating in the Tag-Along Sale and are not otherwise paid by the Partnership or the acquiring party. Costs incurred by the Partners on their own behalf will not be considered costs of the Tag-Along Sale.

11.4 Limitations. Notwithstanding anything to the contrary in this Agreement, no Interest may be Transferred and the Partnership may not issue any Interest unless (i) such Transfer or issuance, as the case may be, shall not affect the Partnership’s existence or qualification as a partnership under the Delaware Act, (ii) the General Partner shall have determined in its sole discretion, that such proposed Transfer or issuance, alone or together with other Transfers or issuances, does not create a material risk that the Partnership will be treated as a publicly traded partnership for United States federal income tax purposes, (iii) such Transfer or issuance, as the case may be, shall not result in a termination of the Partnership under Code Section 708, unless the General Partner determines that any such termination will not have a material adverse impact on the Partners, and (iv) such Transfer shall not cause all or any portion of the assets of the Partnership to constitute “plan assets” under the Employee Retirement Income Security Act of 1974, the related provisions of the Code and the respective rules and regulations promulgated thereunder, in each case as amended from time to time.

ARTICLE XII
Certain Agreements

12.1 Approved Partnership Sale. If the General Partner and a Majority in Voting Interest (the “Approving Limited Partners”) approve a sale of all or substantially all of the Partnership’s assets determined on a consolidated basis or a sale of all or substantially all of the Partnership’s outstanding Interests (in either case, whether by merger, recapitalization, consolidation, reorganization, combination or otherwise) or any other transaction which has the same effect as any of the foregoing, to an Independent Third Party or group of Independent Third Parties (each such sale or transaction, an “Approved Partnership Sale”), then each holder of Interests will vote for, consent to and raise no objections against the Approved Partnership Sale or the process. If the Approved Partnership Sale is structured as a merger or consolidation, then each holder of Interests shall waive any dissenters rights, appraisal rights or similar rights in connection with such merger or consolidation. If the Approved Partnership Sale is structured as a Transfer of Interests, then each holder of Interests shall agree to sell all of his, her or its Interests and rights to acquire Interests on the same terms and conditions, in all material respects, as applicable to the respective types of Interests to be Transferred by the Approving Limited Partners (except for the giving effect to the relative preferences of the different types, classes and series of Interests pursuant to, and otherwise as contemplated by, Section 7.2 hereof (and in accordance with the terms of any Equity Grant Agreement)); provided that a holder of Class A Common Interests shall not be required to agree to restrictive covenants relating to non-competition or non-solicitation that are more restrictive (in term or scope) than those to which such holder is then subject. Each holder of Interests shall take all necessary or desirable actions in connection with the consummation of an Approved Partnership Sale as reasonably requested by the Approving Limited Partners or the General Partner, including, without limitation, executing the applicable purchase agreement.
(a) The obligations of the Limited Partners pursuant to this Section 12.1 are subject to the following conditions:

(i) upon the consummation of the applicable Approved Partnership Sale, the aggregate consideration available to the Partnership’s equityholders in connection with such Approved Partnership Sale shall be distributed, as between the different types, classes or series of Interests, based on the rights and preferences set forth in Section 7.2 hereof (taking into account the terms of any Equity Grant Agreement), and as between holders of Interests of a particular type, class or series, ratably based on the Interests of such type, class or series Transferred in such Approved Partnership Sale; and

(ii) each Partner shall agree to make the same representations, covenants, indemnities and agreements as the Majority in Voting Interest approving the Approved Partnership Sale (and shall be subject with respect to the Interests Transferred to the same escrow or other holdback arrangements as the Majority in Voting Interest) and agree to the same terms and conditions to the Approved Partnership Sale as those to which the Majority in Voting Interest agree, including agreements to (i) make customary individual representations, warranties, covenants and other agreements as to, among other things, the unencumbered title to its Interests and the power, authority and legal right to Transfer its Interests (but not with respect to the Partnership or its Subsidiaries or their condition or operations), (ii) provide for contingent or deferred payment of a portion of the aggregate purchase price and the establishment of an escrow account or other form of holdback in connection therewith and (iii) provide that the liability of each such Partner (whether by purchase price adjustment, indemnification or otherwise) is (A) except in respect of any indemnification to be made from any escrow account or other form of holdback, several, and not joint, and pro rata based on the aggregate consideration received by each Partner in such Approved Company Sale and (B) except in the case of fraud, otherwise limited to the aggregate net consideration received by such Partner in the Approved Partnership Sale; provided, that a Partner shall not be responsible for any indemnification obligations and liabilities (including through escrow or hold back arrangements) for breaches of representation and warranties made with respect to any other Partner’s (1) ownership of and title to Interests, (2) organization and authority or (3) conflicts and consents and any other matter concerning such other Partner or for breaches of any covenant specifically relating to any other Partner. Each Partner shall bear its proportionate share (based upon proceeds received) of the costs of any such Approved Partnership Sale to the extent such costs are incurred for the benefit of all such Partners and are not otherwise paid by the Partnership or the acquiring party. Costs incurred by the Partners on their own behalf will not be considered costs of the Approved Partnership Sale; provided, that the costs incurred by any TowerBrook Limited Partner shall, at such TowerBrook Limited Partner’s election, be borne by the Partnership.

(b) Each Limited Partner acknowledges that, depending upon the aggregate consideration to be distributed in connection with an Approved Partnership Sale, certain types, classes or series of Interests may receive less consideration per unit than other types, classes and series of Interests, and certain classes or series of Interests may receive no consideration in such Approved Partnership Sale.

(c) If the General Partner, the Partnership or any of the holders of Interests enter into any negotiation or transaction for which Rule 506 (or any similar rule then in effect) promulgated by the Securities and Exchange Commission may be available with respect to such
negotiation or transaction (including a merger, consolidation or other reorganization), each holder of Interests who is not an “accredited investor,” as that term is defined in Regulation D as promulgated under the Securities Act, will, at the request of the Partnership, appoint either a purchaser representative (as such term is defined in Rule 501 under the Securities Act) designated by the General Partner, in which event the Partnership will pay the fees of such purchaser representative, or another purchaser representative (reasonably acceptable to the General Partner), in which event such holder will be responsible for the fees of the purchaser representative so appointed.

12.2 Financial Statements; Confidentiality.

(a) Financial Statements. The General Partner shall deliver to each Information Rights Partner, at such Information Rights Partner’s request:

(i) an unaudited consolidated quarterly financial statement for the Partnership for each of the first three fiscal quarters of each fiscal year within 60 days after the end of such fiscal quarter (or if later, within five Business Days after the date on which such quarterly financial statement for such fiscal quarter is delivered to the senior lenders of the Partnership’s Subsidiaries); and

(ii) consolidated financial statements for the Partnership for each fiscal year audited by a firm of independent certified public accountants of recognized national standing selected by the General Partner in accordance with United States generally accepted accounting principles as in effect from time to time within 120 days after the end of each such fiscal year (or if later, within five Business Days after the date on which such annual financial statements for such fiscal year are delivered to the senior lenders of the Partnership’s Subsidiaries).

Notwithstanding any provision in this Section 12.2(a) to the contrary, the General Partner may, in its sole discretion, choose to redact any or all such information that constitutes competitively sensitive information (as determined by the General Partner in its sole discretion) set forth in the materials to be delivered pursuant to this Section 12.2(a) to a former director, officer, employee, service provider or consultant of the Partnership or any of its Subsidiaries.

(b) Confidentiality. All information disclosed by the General Partner pursuant to Section 12.2(a) or otherwise pursuant to this Agreement shall be confidential information of the Partnership (other than information which is publicly available not pursuant to a breach of this Section 12.2(b) and, unless otherwise provided in this Agreement or consented to by the General Partner in writing in advance, including pursuant to any Officer Employment Agreement, shall not be used by the recipients thereof for any purpose other than (i) to monitor and manage their investment in the Partnership, and shall not be disclosed to any third party other than employees, consultants, advisors, accountants, attorneys and other representatives of such recipient on a need-to-know basis, (ii) in the case of any Limited Partner that is (or is controlled by) a private equity fund or other investment fund, the disclosure in a customary manner by such Limited Partner of any such information in confidence to such Limited Partner’s investors, (iii) in connection with a sale to a third-party, but then only upon the execution of a confidentiality agreement by such third-party, and (iv) subject to the next sentence, as required
by law or court order. The obligations of the Limited Partners hereunder shall not apply to the extent that the disclosure of information otherwise determined to be confidential is required by applicable law, regulations, stock exchange rules or regulations, subpoena, civil investigative demand or other proceeding; provided that (x) as soon as reasonably practicable, such Limited Partner shall notify the Partnership and the General Partner thereof, which notice shall include the basis upon which such Limited Partner believes the information is required to be disclosed and (y) such Limited Partner shall, if requested by the General Partner and at the sole cost and expense of the Partnership, reasonably cooperate with the Partnership to protect the continued confidentiality thereof.

**ARTICLE XIII**

**Representations and Warranties**

13.1 **Acknowledgements.** Each of the Other Limited Partners acknowledges and agrees that: (i) it has conducted its own independent review and analysis of, and, based thereon, has formed an independent judgment concerning, the business, assets, condition, operations and prospects of the Partnership and its Subsidiaries; (ii) it is not relying on an investment by TCP or its Affiliates as part of its investment decision; and (iii) it has been furnished with or given full access to such information about the Partnership, its Subsidiaries and their respective businesses and operations as it has requested. Such Other Limited Partners acknowledges that he, she or it, as applicable, has been furnished with and has had an opportunity to carefully read this Agreement. Such Other Limited Partner is aware and agrees and acknowledges that:

(a) The Partnership has only recently been formed and has no financial or operating history.

(b) There are substantial risks incident to an investment in the Partnership Interests.

(c) No federal or state agency has passed upon the Partnership Interests or made any finding or determination as to the fairness of an investment in the Partnership Interests.

(d) Such Other Limited Partner should consult with his, her or its own tax advisor regarding all United States federal, state, local and foreign tax considerations applicable to the transactions contemplated hereby. Neither the General Partner, the Partnership, nor any of their Affiliates, employees, agents, members, directors, officers, representatives or consultants, assume any responsibility for the tax consequences to such Other Limited Partner of the disposition of the Partnership Interests or of the acquisition or ownership of the Partnership Interests.

(e) Such Other Limited Partner must bear the economic risk of the Partnership Interests for an indefinite period of time because the Partnership Interests have not been registered for sale under the Securities Act and therefore cannot be sold or otherwise transferred unless either the Partnership Interests are subsequently registered under the Securities Act, or an exemption from such registration is available, and the Partnership Interests cannot be sold or otherwise transferred unless they are registered under applicable state securities laws or an exemption from such registration is available.
ARTICLE XIV
Miscellaneous Provisions

14.1 Notices

(a) All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally against written receipt or by facsimile transmission against facsimile confirmation, mailed by internationally recognized overnight courier prepaid or sent via electronic mail to (i) any Limited Partner, at such Limited Partner’s address or e-mail address set forth on the Partners Schedule, and (ii) the Partnership or the General Partner, to the General Partner at the General Partner’s principal place of business or e-mail address (or in any case to such other address as the addressee may from time to time designate in writing to the sender).

(b) All such notices, requests and other communications will (i) if delivered personally to the address as provided in Section 14.1(a) be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided in Section 14.1(a) be deemed given upon facsimile confirmation, (iii) if sent via electronic mail to the e-mail address as provided in Section 14.1(a) and (iv) if delivered by overnight courier to the address as provided in Section 14.1(a), be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 14.1).

14.2 Governing Law. All issues and questions concerning the application, construction, validity, interpretation and enforcement of this Agreement and the Exhibits and Schedules to this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, and specifically the Delaware Act, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

14.3 No Action for Partition. No Partner shall have any right to maintain any action for partition with respect to the property of the Partnership.

14.4 Headings and Sections. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision of this Agreement. Unless the context requires otherwise, all references in this Agreement to Sections, Articles, Exhibits or Schedules shall be deemed to mean and refer to Sections, Articles, Exhibits or Schedules of or to this Agreement.
14.5 Amendments.

(a) General. Except as otherwise expressly set forth in this Agreement (including Section 5.2 which provides among other things for certain amendments to this Agreement with regard to the creation and authorization of certain new classes or series of Preferred Interests and certain new classes or series of Common Interests without a consent or approval that would otherwise be required pursuant to this Section 14.5 and Section 2.2 which provides the name of the Partnership shall be such other name as the General Partner from time to time designate), the Certificate of Limited Partnership, this Agreement and any provision hereof or thereof may be modified, amended or restated only upon the written approval of a Majority in Voting Interest and the TowerBrook Majority Holders (if the two differ), and any such modification, amendment or restatement to which such written approval is obtained will be binding upon the Partnership and each Partner.

(b) Adverse Amendments. Notwithstanding Section 14.5(a), (i) no such modification, amendment or restatement that is adverse in any material respect to any Limited Partner in his, her or its capacity as such (without regard to any individual tax circumstances) as compared to similarly situated Limited Partners shall be binding on such Limited Partner unless such modification, amendment or restatement has been approved in writing by such Limited Partner and (ii) no such modification, amendment or restatement that is adverse in any material respect to the holders of Class A Common Interests as compared to similarly situated holders of Series A Preferred Interests shall be binding on the holders of Class A Common Interests unless such modification, amendment or restatement has been approved in writing by a majority of the holders of Class A Common Interests.

(c) Capital Contributions; Limited Liability. Notwithstanding Section 14.5(a), no such modification, amendment or restatement will (i) increase any Limited Partner’s obligation to make Capital Contributions or (ii) modify the limited liability of any Partner as described in this Agreement, in each case, without the written approval of such Partner.

14.6 Binding Effect. Except as otherwise provided to the contrary in this Agreement, this Agreement shall be binding upon and inure to the benefit of the Partners, their distributees, heirs, legal representatives, executors, administrators, successors and permitted assigns.

14.7 Counterparts; Facsimile. This Agreement may be executed in multiple counterparts (and may be transmitted via facsimile or scanned pages), each of which shall be deemed to be an original and shall be binding upon the Partner who executed the same, but all of such counterparts shall constitute the same agreement.

14.8 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.
14.9 Remedies. Each of the parties to this Agreement shall be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including reasonable attorney’s fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The Partners agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

14.10 Business Days. If any time period for giving notice or taking action under this Agreement expires on a day which is a Saturday, Sunday or holiday in the state in which the General Partner’s chief executive office is located, the time period shall be automatically extended to the Business Day immediately following such Saturday, Sunday or holiday.

14.11 Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

14.12 No Strict Construction. The parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties to this Agreement, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

14.13 Entire Agreement and Incorporation by Reference. Except as otherwise expressly set forth in this Agreement, this Agreement and the other agreements referred to in this Agreement (including the Rollover Agreements, the Incentive Equity Plan, the Equity Grant Agreements and the Officer Employment Agreements) embody the complete agreement and understanding among the parties to this Agreement with respect to the subject matter of this Agreement and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter of this Agreement in any way. This Agreement amends and restates the Prior Agreement in its entirety.

14.14 Conflict Between this Agreement, the Incentive Equity Plan and any Equity Grant Agreement. Notwithstanding anything to the contrary in this Agreement, in the event of a conflict between any term or provision contained herein and a term or provision of the Incentive Equity Plan and/or any Equity Grant Agreement, the General Partner shall resolve such conflict in its sole discretion.

14.15 Parties in Interest. Nothing herein shall be construed to be to the benefit of or enforceable by any third party, including any creditor of the Partnership or any of its Subsidiaries.

14.16 Qualified Initial Public Offering.

(a) If at any time the General Partner desires to cause (i) a Transfer of all the issued and outstanding Interests to a newly organized corporation or other business entity and/or an existing corporate subsidiary of the Partnership (an “IPO Newco”), (ii) a merger or
consolidation of the Partnership into or with an IPO Newco as provided under Section 17-211 of the Delaware Act or otherwise, (iii) a distribution by the Partnership to the Partners (in accordance with the provisions of Section 7.2 hereof (taking into account the terms of any Equity Grant Agreement)) of issued and outstanding shares of capital stock of any corporate subsidiary of the Partnership as an IPO Newco or (iv) another restructuring of the Partnership into an IPO Newco, including by way of the conversion of the Partnership into a corporation (any such corporation, also an “IPO Newco”), in any case, in connection with the initial Public Offering (a “Qualified Initial Public Offering”), then each Limited Partner shall take such steps to effect such transfer, merger, consolidation, distribution or other restructuring as may be requested by the General Partner, including transferring or tendering such Limited Partner’s Interests to IPO Newco in exchange or consideration for shares of capital stock or other equity interests of IPO Newco, determined in accordance with the valuation procedures set forth in Section 14.16(b).

(b) In connection with a transaction described in Section 14.16(a), the General Partner shall, in good faith, determine the Fair Market Value of the Interests transferred to or otherwise converted or exchanged in connection with the applicable transaction of the Partnership with IPO Newco, the aggregate Fair Market Value of IPO Newco and the number of shares of capital stock or other equity interests to be issued to each Partner in exchange or consideration therefor. Notwithstanding the foregoing, in determining such Fair Market Value of the Interests, (i) the offering price of the applicable Public Offering will be used by the General Partner to determine such Fair Market Value of the Interests, and (ii) the impact of the provisions of Sections 7.2 and 10.2(b) will be taken into account (taking into account the terms of any Equity Grant Agreement). If the IPO Newco is a direct or indirect subsidiary of the Partnership, and the shares of the IPO Newco held by the Partnership or its direct or indirect subsidiaries are not distributed to Partners, each holder of Interests may, upon a Qualified Initial Public Offering, elect to receive, in redemption of such Interests, the number of shares of the IPO Newco such holder would have received in respect of such Interests, had the shares of IPO Newco issued to the Partnership been distributed by the Partnership to the holders of Interests, in accordance with the provisions of Section 7.2 hereof and using the valuation procedures described in this Section 14.16(b).

(c) Each Limited Partner hereby agrees (i) not to effect any sale or distribution of any Interests (or any equity securities issued in exchange for, or distributed with respect to, Interests, including any equity securities of IPO Newco) or any securities convertible into or exchangeable or exercisable for Interests (or any equity securities issued in exchange for, or distributed with respect to, Interests, including any equity securities of IPO Newco), during the 180-day period beginning on the effective date of a Public Offering (except as part of such Public Offering, if otherwise permitted), unless the underwriters managing such Public Offering otherwise agree (which agreement shall be equally applicable to all Limited Partners) and (ii) to execute and deliver any reasonable agreement which is consistent with the provisions of clause (i) of this Section 14.16(c) and which may be required by the underwriters managing such Public Offering.

(d) Notwithstanding anything herein to the contrary but subject to Section 14.5(b), upon the consummation of a Public Offering, this Agreement may be amended or restated upon the written approval of a Majority in Voting Interest and the TowerBrook Majority Holders on any terms so approved, provided that the provisions of Sections 12.2(b) and 14.16(c) shall in any event survive any such amendment or restatement and will continue to be enforceable by the Partnership and the General Partner, acting on behalf of the Partnership.
(c) The parties shall enter into a registration rights agreement that shall contain customary registration rights in favor of the TowerBrook Limited Partners, and Limited Partners holding Series A Preferred Interests and Vested Class A Common Interests will be entitled to customary “piggyback” registration rights.

14.17 **Mergers and Consolidations.** Any merger or consolidation of the Partnership with or into another entity shall require the approval of only a Majority in Voting Interest and the TowerBrook Majority Holders. The approval of any such merger or consolidation as provided in the immediately preceding sentence shall be deemed to meet all of the requirements of Partner approval of a merger or consolidation, as the case may be, for purposes of the Delaware Act, including Section 17-211 of the Delaware Act.

14.18 **Conflicting Agreements.** Each Partner represents that such Partner has not granted and is not a party to any proxy, voting trust or other agreement which is inconsistent with or conflicts with the provisions of this Agreement, and no Partner shall grant any proxy or become party to any voting trust or other agreement which is inconsistent with or conflicts with the provisions of this Agreement.

14.19 **Venue and Submission to Jurisdiction.** ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS ARISING OUT OF THIS AGREEMENT (INCLUDING AGAINST ANY DIRECTOR OR OFFICER OF THE PARTNERSHIP OR THE GENERAL PARTNER) SHALL BE BROUGHT SOLELY IN THE COURT OF CHANCELLERY OF THE STATE OF DELAWARE AND EACH PARTNER HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURT FOR THE PURPOSE OF SUCH SUITS, LEGAL ACTIONS OR PROCEEDINGS. IN ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH PARTNER WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO IT AT ITS ADDRESS SET FORTH IN THE BOOKS AND RECORDS OF THE PARTNERSHIP. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OR ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING IN ANY SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAIM THAT ANY SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

* * * *

45
IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Agreement of Limited Partnership of J Jill Topco Holdings, LP as of the date first above written.

GENERAL PARTNER:

JJ HOLDINGS GP, LLC

By: /s/ Glenn F. Miller
   Name: Glenn F. Miller
   Title: Vice President

LIMITED PARTNERS:

TI IV J Jill Holdings, LP

By: TI IV JJ GP, LLC
   Its: General Partner

By: /s/ Glenn F. Miller
   Name: Glenn F. Miller
   Title: Vice President and Secretary
FORM OF JOINDER TO
AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

THIS JOINDER (this “Joinder”) to the Amended and Restated Agreement of Limited Partnership of J Jill Topco Holdings, LP, a Delaware limited partnership (the “Partnership”), dated as of May 8, 2015, as amended or restated from time to time, by and among the General Partner and the Limited Partners of the Partnership (the “Agreement”), is made and entered into as of [________], 2015 by and between the Partnership and [________] (“Holder”).

Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Agreement.

WHEREAS, on the date hereof, Holder has acquired [________] [Series A Preferred Interests] [Class A Common Interests] from [________] and the Agreement and the Partnership require Holder, as a holder of such [Series A Preferred Interests] [Class A Common Units], to become a party to the Agreement, and Holder agrees to do so in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Joinder hereby agree as follows:

1. **Agreement to be Bound.** Holder hereby (i) acknowledges that it has received and reviewed a complete copy of the Agreement and (ii) agrees that upon execution of this Joinder, it shall become a party to the Agreement and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Agreement as though an original party thereto and shall be deemed, and is hereby admitted as, a Limited Partner for all purposes thereof and entitled to all the rights incidental thereto.

2. **Partners Schedule.** For purposes of the Partners Schedule, the address of the Holder is as follows:

   [Name]
   [Address]

3. **Governing Law.** This Agreement and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Delaware, and all rights and remedies shall be governed by such laws without regard to principles of conflicts of laws.

4. **Counterparts.** This Joinder may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

5. **Descriptive Headings.** The descriptive headings of this Joinder are inserted for convenience only and do not constitute a part of this Joinder.
IN WITNESS WHEREOF, the parties hereto have executed this Joinder to the Amended and Restated Agreement of Limited Partnership of JJill Topco Holdings, LP as of the date set forth in the introductory paragraph hereof.

JJill Topco Holdings, LP
By: JJ Holdings GP, LLC
its General Partner

By: __________________________
Name:
Title:

[HOLDER]

By: __________________________
Name:
Title:

[Signature Page to Joinder to Amended and Restated Agreement of Limited Partnership of JJill Topco Holdings, LP]
FORM OF SPOUSAL AGREEMENT

The undersigned spouse of a Limited Partner becoming a party to the Amended and Restated Agreement of Limited Partnership, as amended and/or restated from time to time (the “Partnership Agreement”) of JJill Topco Holdings, LP, a Delaware limited partnership, is aware of, understands and consents to the provisions of the Partnership Agreement and, to the extent applicable, any Equity Grant Agreement (as such term is defined in the Partnership Agreement) and its binding effect upon any community property interest or marital settlement awards he or she may now or hereafter own or receive, and agrees that the termination of his or her marital relationship with such Limited Partner for any reason shall not have the effect of removing any Interests subject to the Partnership Agreement and, to the extent applicable, any Equity Grant Agreement from the coverage thereof and that his or her awareness, understanding, consent and agreement is evidenced by his or her signature below.

Name of applicable Limited Partner: ______________________

[Spouse’s Name]
## Officers of J Jill Topco Holdings, LP
### (as of May 8, 2015)

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paula Bennett</td>
<td>President and Chief Executive Officer</td>
</tr>
<tr>
<td>David Biese</td>
<td>Senior Vice President and Chief Financial Officer</td>
</tr>
<tr>
<td>Glenn Miller</td>
<td>Vice President</td>
</tr>
</tbody>
</table>
J Jill Topco Holdings, LP
Partners Schedule
(as of May 8, 2015)

Maintained by the general partner.
Persons Holding Class A Common Interests

Maintained by the general partner.
ARTICLE I
Purpose of Plan

This Incentive Equity Plan (this “Plan”) of JJill Topco Holdings, LP, a Delaware limited partnership (the “Partnership”), adopted by JJ Holdings GP, LLC, a Delaware limited liability company (the “General Partner”), on May 8, 2015 (the “Effective Date”), is intended to advance the best interests of the Partnership by providing directors, senior executives, individual consultants and key employees of the Partnership and each other JJill Company (as defined below) with additional incentives by allowing such directors, senior executives, individual consultants, and key employees to acquire an ownership interest in the Partnership.

ARTICLE II
Definitions

For purposes of this Plan the following terms have the indicated meanings:

“Affiliate” means, when used with reference to a specified Person, any Person that directly or indirectly controls or is controlled by or is under common control with the specified Person. As used in this definition, “control” (including, with its correlative meanings, “controlled by” and “under common control with”) shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

“Approved Partnership Sale” has the meaning given to such term in the Partnership Agreement. For the avoidance of doubt, an Approved Partnership Sale shall not include a Public Offering (as such term is defined in the Partnership Agreement).

“Board” means the Board of Directors of the General Partner.

“Cause,” with respect to any Participant, has the meaning set forth in such Participant’s Grant Agreement (as defined below), or, if “Cause” is not defined therein, shall have the meaning set forth in the employment, director, engagement or consulting agreement between such Participant and any JJill Company, or if no such agreement exists or if such agreement exists but “Cause” is not defined therein, shall mean: (i) such Participant’s willful failure to perform, or gross negligence or willful misconduct in the performance of, such Participant’s duties and responsibilities to any of the JJill Companies or any of their Affiliates, (ii) such Participant’s willful disregard of the lawful and reasonable directives of the Board, the Chief Executive Officer of the Partnership or such Person’s direct supervisor, (iii) the commission by such Participant of any act or omission involving fraud, embezzlement or other material dishonesty with respect to any of the JJill Companies or any of their Affiliates or any of their directors, officers,
stockholders, partners, or members, (iv) such Participant’s conviction of, or plea of nolo contendere to, (x) a felony, or (y) any crime involving theft, fraud, dishonesty, or moral turpitude, (v) any material breach by such Participant of the Partnership Agreement, such Participant’s Grant Agreement, or any other agreement between such Participant and any of the J Jill Companies or any of their Affiliates, which breach is not cured within 10 days after notice of such breach from the applicable J Jill Company, or any breach by such Participant of any fiduciary duty to any J Jill Company, or (vi) if such Participant is an individual, such Participant’s use of drugs or alcohol in a manner that materially interferes with the performance of such Participant’s duties for the J Jill Companies.

“Class A Common Interests” means the Partnership’s Class A Common Interests (as such term is defined in the Partnership Agreement).


“Disability,” with respect to any Participant, has the meaning set forth in such Participant’s Grant Agreement, or, if “Disability” is not defined therein, shall have the meaning set forth in the employment, director, engagement or consulting agreement between such Participant and any J Jill Company, or if no such agreement exists or if such agreement exists but “Disability” is not defined therein, shall mean such Participant’s permanent long-term disability as determined in good faith by the Board.

“Fair Market Value” has the meaning assigned to such term in the Partnership Agreement.

“Good Reason,” with respect to any Participant, has the meaning set forth in such Participant’s Grant Agreement; provided that, if such term is not defined in such Participant’s Grant Agreement, then such term shall not be applicable to such Participant unless (i) the term “Good Reason” is used in such Participant’s Grant Agreement and (ii) such Participant is an employee of a J Jill Company on the date such Participant is initially issued Incentive Interests pursuant to this Plan and such term is defined in an employment agreement between Participant and such J Jill Company, in which case such term shall have the meaning set forth in such employment agreement.

“Incentive Interests” means (i) all Class A Common Interests issued hereunder without a cash equity investment into the Company by the applicable Participant for such Class A Common Interests and (ii) all equity securities issued with respect to the equity securities referred to in clause (i) above by way of unit or stock dividend or distribution or stock or unit split in connection with any conversion, merger, consolidation, recapitalization, or other reorganization affecting the Class A Common Interests. Unless otherwise provided herein or in a Participant’s Grant Agreement, or otherwise as may be approved by the Board (in its sole discretion), Incentive Interests will continue to be Incentive Interests in the hands of any holder of Incentive Interests (except for the Partnership), and each such transferee thereof will succeed to the rights and obligations of a holder of Incentive Interests hereunder.
“Jill Companies” means, collectively, the Partnership, the General Partner and the subsidiaries of the Partnership, whether currently existing or hereafter acquired or formed.

“Participant” means any director, senior executive, individual consultant, or employee of any Jill Company who has been selected to participate in this Plan by the Board.

“Partnership Agreement” means the Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of May 8, 2015, as amended and restated from time to time.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a governmental entity or any department, agency or political subdivision thereof or any other entity or organization.

“Public Offering” has the meaning given to such term in the Partnership Agreement.

“Securities Act” means the Securities Act of 1933, as amended.

“Termination Date,” with respect to any Participant, has the meaning set forth in such Participant’s Grant Agreement, or, if “Termination Date” is not defined therein, shall mean: (i) if such Participant is an employee of a Jill Company on the date such Participant is initially issued Incentive Interests pursuant to this Plan, then the date that such Participant ceases to be an employee of any of the Jill Companies for any reason (whether or not such Participant may be a director of a Jill Company after such date), (ii) if such Participant is an individual consultant to a Jill Company on the date such Participant is initially issued Incentive Interests pursuant to this Plan, then the date that such Participant ceases to be an individual consultant to any of the Jill Companies for any reason (whether or not such Participant may be a director of a Jill Company after such date), and (iii) if such Participant is a director of one or more Jill Companies (and is not an employee of, or individual consultant to, any of the Jill Companies) on the date such Participant is initially issued Incentive Interests pursuant to this Plan, then the date that such Participant ceases to be a director of such Jill Companies for any reason; provided that if an Approved Partnership Sale occurs prior to such Participant’s Termination Date (without regard to this proviso), then solely for purposes of this definition and the definitions contained in, or referred to, in this Plan for “Cause” and “Good Reason,” the terms “Jill Company” and “Jill Companies” (or any term that refers to any Jill Company) shall include the applicable purchaser in connection with such Approved Partnership Sale, and such purchaser’s Affiliates.
ARTICLE III
Administration

This Plan shall be administered by the Board. Subject to the limitations of this Plan, the Board shall have the sole and complete authority to (i) select Participants, (ii) issue and grant Class A Common Interests to Participants in such forms and for such amounts as it shall determine; provided, however, that the Board shall consult with the Partnership’s Chief Executive Officer prior to causing the Partnership to issue any Class A Common Interests to any Participant who is a non-employee director or individual consultant of any J Jill Company, and provided further that the selection of employee and executive Participants, and the form, amount, and terms of issuances to employees and executives shall be made in consultation with the Partnership’s Chief Executive Officer, (iii) impose such limitations, restrictions, and conditions upon Incentive Interests as it shall deem appropriate, (iv) interpret this Plan and adopt, amend, and rescind administrative guidelines and other rules, procedures, and regulations relating to this Plan, (v) correct any defect or omission or reconcile any inconsistency in this Plan or in any Grant Agreement, (vi) determine the Fair Market Value as of any given date of Class A Common Interests or any other applicable securities, and (vii) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan. The Board’s determinations on matters within its authority shall be final, binding, and conclusive upon the Partnership, the Participants, and any other holder of Incentive Interests. All expenses associated with the administration of this Plan shall be borne by the Partnership. The Board may, as approved by the General Partner and to the extent permissible by law, delegate any of its authority hereunder to such Persons as it deems appropriate.

ARTICLE IV
Limitation on Aggregate Number of Class A Common Interests; Adjustments

4.1 Limitation on Aggregate Number of Class A Common Interests. The number of Class A Common Interests that are authorized to be issued under this Plan in the aggregate shall be 30,169,548 Class A Common Interests; provided, however, that such number of Class A Common Interests available for issuance hereunder shall be increased by one (1) Class A Common Interest for each Class A Common Interest issued under this Plan to a Participant who is a non-employee director or individual consultant of any J Jill Company. To the extent that any Class A Common Interests issued under this Plan are forfeited or are repurchased by the Partnership, such Class A Common Interests shall again be available for issuance under this Plan (with Class A Common Interests forfeited by or repurchased from employees/executives available for issuance to employees/executives, and Class A Common Interests forfeited by or repurchased from non-employee directors or individual consultants available for issuance to non-employee directors or individual consultants).
4.2 Adjustments. Subject to the Partnership Agreement, in the event that the Board determines, in its sole discretion, that any distribution (whether in the form of cash, equity securities, or other property), any capital contributions, any recapitalization, reclassification, reorganization, change to organizational form, merger, consolidation, split-up, spin-off, combination, repurchase, liquidation, dissolution, or sale, transfer, exchange, or other disposition of all or substantially all of the assets of the Partnership (including, but not limited to, an Approved Partnership Sale), or exchange of equity securities of the Partnership, issuance of warrants or other rights to purchase equity securities of the Partnership, or other similar transaction or event, affects the Class A Common Interests then the Board shall, in good faith, determine whether an adjustment is appropriate in order to prevent inappropriate dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, and if the Board determines such an adjustment is appropriate, then the Board shall, in such manner as it deems acting in good faith to be equitable, make adjustments to the number of Class A Common Interests that may be issued under the Plan or any outstanding Grant Agreement (including, without limitation, providing for a cash payment to the holder of an outstanding Incentive Interest under the Plan in consideration for the cancellation of such Incentive Interest).

ARTICLE V

Vesting of Incentive Interests

At the discretion of the Board, exercised at the time of issuance, Incentive Interests may vest, in one or more installments, upon, one or a combination of the following: (i) the fulfillment of certain conditions, (ii) the passage of a specified period of time, and (iii) the achievement by any or all of the JJill Companies of certain performance goals.

ARTICLE VI

General Provisions

6.1 Written Agreement. Each issuance of Class A Common Interests hereunder shall be embodied in a written agreement (the “Grant Agreement”) that shall be signed by the Partnership and the Participant to whom such Class A Common Interests are issued and shall be subject to the terms and conditions set forth herein. In the event of any express conflict between a Grant Agreement and this Plan, the terms of such Grant Agreement shall control.

6.2 Rights of Participants. Nothing in this Plan shall interfere with or limit in any way the right of any JJill Company to terminate any Participant’s employment, consultancy, or position as a director (as applicable) at any time (with or without Cause), or confer upon any Participant any right to continue to be employed by, a consultant to, or a director of (as applicable), any JJill Company for any period of time or to continue to receive such Participant’s current (or other) rate of compensation. No director, senior executive, consultant, or employee of any JJill Company shall have a right to be selected as a Participant or, having been so selected, to be selected again as a Participant, such selection to be made at the Board’s sole and absolute discretion. Participants shall not, by virtue of their holding Incentive Interests, have the right to influence or control the management or operation of the Partnership.
6.3 Amendment, Suspension, and Termination of Plan. The General Partner or the Board may suspend or terminate this Plan or any portion thereof at any time and may amend it from time to time in such respects as the General Partner or the Board may deem advisable; provided, however, that no such amendment, suspension, or termination shall (i) in any material respect, impair the rights of a Participant with respect to outstanding Incentive Interests or (ii) contravene any express term of any Participant’s Grant Agreement, in each case, without the consent of such Participant.

6.4 Indemnification. In addition to such other rights of indemnification as they may have as members of the General Partner or the Board, the General Partner and members of the Board shall be indemnified by the Partnership against (i) all costs and expenses reasonably incurred by them in connection with any action, suit, or proceeding to which they or any of them may be party by reason of any action taken or failure to act under or in connection with this Plan or any Incentive Interests issued under this Plan, and (ii) all amounts paid by them in settlement thereof (provided that such settlement is approved by independent legal counsel selected by the Partnership) or paid by them in satisfaction of a judgment in any such action, suit, or proceeding; provided, however, that the General Partner or any such Board member shall be entitled to the indemnification rights set forth in this Section 6.4 only if the General Partner or such Board member (1) acted in good faith and in a manner that the General Partner or such member reasonably believed to be in, and not opposed to, the best interests of the Partnership, and (2) with respect to any criminal action or proceeding, (A) had no reasonable cause to believe that such conduct was unlawful, and (B) upon the institution of any such action, suit, or proceeding, the General Partner or such Board member shall give the Partnership written notice thereof and an opportunity to handle and defend the same before the Board member undertakes to handle and defend it on his own behalf.

6.5 Restricted Securities. All Incentive Interests shall constitute “restricted securities,” as that term is defined in Rule 144 promulgated by the Securities and Exchange Commission pursuant to the Securities Act, and may not be transferred except in compliance with the registration requirements of the Securities Act or an exemption therefrom.

6.6 Governing Law. This Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any rules, principles or provisions of choice of law or conflict of laws (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.
6.7 Special Incentive Compensation. By acceptance of an award hereunder, each Participant shall be deemed to have agreed that such award is special incentive compensation that will not be taken into account, in any manner, as salary, compensation or bonus in determining the amount of any payment under any pension, retirement, life insurance, disability, severance or other employee benefit plan of the Partnership or any of its Affiliates.

6.8 Amendment to Partnership Agreement. Neither the adoption of this Plan nor any issuance hereunder shall restrict in any way the adoption of any amendment to the Partnership Agreement in accordance with its terms.
This Grant Agreement (this “Agreement”) is made and entered into as of [ ], by and between JJill Topco Holdings, LP, a Delaware limited partnership (the “Partnership”), and [ ] (“Grantee”). Capitalized terms used herein but not defined herein shall have the meanings assigned to such terms in the Plan (as defined below).

In consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Grant of Class A Common Interests.

   (a) Grant. Pursuant to the Partnership’s Incentive Equity Plan (the “Plan”), upon execution of this Agreement, the Partnership hereby grants to Grantee [ ] Class A Common Interests (the “Incentive Interests”) with a Profits Interests Threshold (as defined in the Partnership Agreement) of $[ ], subject to adjustment as set forth in this Agreement and the Partnership Agreement. For purposes of the Partnership Agreement, this Agreement is an “Equity Grant Agreement.”

   (b) Profits Interests. Notwithstanding anything to the contrary herein and notwithstanding anything to the contrary in the Partnership Agreement:

      (i) It is the intention of the parties hereto that distributions to Grantee (or any subsequent holder of such Incentive Interests) with respect to the Incentive Interests be limited to the extent necessary so that such Incentive Interests constitute Profits Interests (as defined in the Partnership Agreement). In furtherance of the foregoing, and notwithstanding anything to the contrary in this Agreement, the Partnership shall, if necessary, limit any distributions to Grantee (or any subsequent holder of such Incentive Interests) with respect to Grantee’s (or such subsequent holder’s) Incentive Interests so that such distributions do not exceed the available profits in respect of Grantee’s (or such subsequent holder’s) related Profits Interest. Available profits shall include the aggregate amount of profit and unrealized appreciation in all of the assets of the Partnership between the date of issuance of such Incentive Interests and the date of such distribution.

      (ii) The parties hereto agree to comply with the provisions of Revenue Procedure 93-27, as clarified by Revenue Procedure 2001-43, and neither the Partnership nor any recipient of an Incentive Interest shall perform any act or take any position inconsistent with the application of Revenue Procedure 93-27, Revenue Procedure 2001-43, or any future Internal Revenue Service guidance or other governmental authority that supplements or supersedes the foregoing Revenue Procedures.
2. Grantee Bound by the Plan; Joinder to Partnership Agreement; No Access to Partnership Information.

(a) **Bound by the Plan.** The Plan is incorporated herein by reference and made a part hereof. Grantee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all of the terms and provisions thereof.

(b) **Joinder to Partnership Agreement.** Grantee hereby (i) acknowledges that Grantee has received and reviewed a complete copy of the Partnership Agreement and (ii) agrees that upon execution of this Agreement, Grantee shall become a party to the Partnership Agreement and shall be fully bound by, and subject to, all of the covenants, terms, and conditions of the Partnership Agreement as though an original party thereto and shall be deemed, and is hereby admitted as, a “Partner” for all purposes of the Partnership Agreement and entitled to all the rights of a holder of Class A Common Interests incidental thereto.

(c) **No Access to Partnership Information.** Notwithstanding Grantee’s status as a Partner of the Partnership, unless otherwise provided in the Partnership Agreement, Grantee shall have no right whatsoever in Grantee’s capacity as a holder of Incentive Interests to (a) examine the books and records of the Partnership or any Jill Company or (b) obtain any information about the identities of the other Partners or members of the Partnership or any Jill Company, as applicable (or of the size or nature of such other Partners’ or members’ interests in the Partnership or any Jill Company, as applicable).

3. Representations and Warranties; Acknowledgments and Agreements.

(a) **Representations and Warranties by Grantee.** In connection with the grant of Incentive Interests to Grantee pursuant to this Agreement, Grantee hereby represents and warrants to the Partnership that:

(i) The Incentive Interests acquired or to be acquired by Grantee shall be acquired for Grantee’s own account and not with a view to, or intention of, distribution thereof in violation of the Securities Act or any applicable state securities laws, and no Incentive Interests shall be disposed of in contravention of the Securities Act or any applicable state securities laws. Grantee covenants and agrees to make such other reasonable and customary representations as requested by the Partnership regarding matters relevant to compliance with applicable securities laws as are deemed necessary by counsel to the Partnership.

(ii) Grantee is an executive of the Partnership or one of its subsidiaries, is sophisticated in financial and business matters and is able to evaluate the risks and benefits of the ownership of Incentive Interests. The Grantee understands that:

(A) An investment in the Incentive Interests represents a highly speculative investment, and there can be no assurance as to the success of the Partnership in its business;
(B) The Incentive Interests cannot be transferred except in very limited circumstances and at present no market for the Incentive Interests exists, and it is not anticipated that a market for the Incentive Interests will develop in the future;

(C) The Incentive Interests may be worthless;

(D) Ownership of the Incentive Interests may result in taxable income to Grantee without a corresponding cash or in-kind distribution;

(E) The Incentive Interests will not be registered under the Securities Act or any applicable state securities laws, and they are being issued in reliance upon certain exemptions contained in the Securities Act and applicable state securities laws, and the representations and warranties of Grantee contained herein are essential to any claim of exemption by the Partnership under the Securities Act and such state laws;

(F) The Incentive Interests are “restricted securities” as the term is defined in Rule 144 promulgated under the Securities Act;

(G) Only the Partnership can register the Incentive Interests under the Securities Act and applicable state securities laws, but it is not anticipated that the Incentive Interests will be registered in any event;

(H) Grantee is aware of the conditions restricting the sale or transfer of the Incentive Interests under the Plan, the Partnership Agreement, and the Securities Act and applicable state securities laws; and

(i) The Partnership may, from time to time, make stop-transfer notations in its transfer record to ensure compliance with the Securities Act and any applicable state securities laws, and any additional restrictions imposed by state securities administrators.

(iii) Grantee has had an opportunity to ask questions and receive answers concerning the terms and conditions of the offering of Incentive Interests and has had full access to such other information concerning the Partnership as Grantee has requested. Grantee acknowledges and agrees that this Agreement is a legal document that is a binding obligation of Grantee and that Grantee has been provided with ample opportunity to consult with independent legal counsel regarding the terms, conditions and nature of this Agreement.
(iv) This Agreement constitutes the legal, valid, and binding obligation of Grantee, enforceable in accordance with its terms, and the execution, delivery, and performance of this Agreement by Grantee does not and will not conflict with, violate or cause a breach of any agreement, contract, or instrument to which Grantee is a party or any judgment, order or decree to which Grantee is subject.

(v) Grantee is a bona fide resident and domiciliary of the State designated in Grantee’s address on the signature page hereeto, and has no present intention of becoming a resident of, or domiciled in, any other State or jurisdiction.

(vi) Neither Grantee nor anyone acting on Grantee’s behalf has paid or will pay a commission or other remuneration to any person in connection with the acquisition of the Incentive Interests.

(vii) Grantee has not become aware of, and has not entered into this Agreement as a result of, any advertisement in printed media or general and regular paid circulation (or other printed public media), radio, television or telecommunications, or other form of advertisement (including electronic display) with respect to the Partnership or the offering or the distribution of Incentive Interests.

(viii) The Grantee is an “Accredited Investor” within the meaning of Rule 501 of Regulation D under the Securities Act, as presently in effect.

(ix) At the time and as a condition of delivery of documents evidencing the Incentive Interests, Grantee will be deemed to have made all the representations and warranties contained in this Section 3(a) with respect to such Incentive Interests and may be required to make other representations concerning investment intent as a condition of the delivery of such Incentive Interests by the Partnership.

(b) **Representations and Warranties by the Partnership.** In connection with the grant of Incentive Interests to Grantee pursuant to this Agreement, the Partnership hereby represents and warrants to Grantee that:

(i) The execution, delivery, and performance of this Agreement have been duly and validly authorized by all necessary limited partnership action in respect thereof on the part of the Partnership.

(ii) This Agreement constitutes the legal, valid, and binding obligation of the Partnership, enforceable in accordance with its terms, and the execution, delivery, and performance of this Agreement by the Partnership does not and will not conflict with, violate or cause a breach of any agreement, contract, or instrument to which the Partnership is a party or any judgment, order, or decree to which the Partnership is subject.

(c) **Acknowledgment by Grantee.** Grantee acknowledges and agrees that neither the issuance of any Incentive Interests to Grantee nor any provision contained herein shall confer upon Grantee any right to continue in the employ or as a director, if applicable, of the Partnership, the General Partner, or any JJill Company or interfere in any way with the right of the Partnership, the General Partner, or any JJill Company, as the case may be, in its sole discretion to terminate Grantee’s employment or to increase or decrease Grantee’s compensation at any time.
Section 83(b) Election. Notwithstanding any provision of this Agreement or the Partnership Agreement to the contrary, Grantee shall, as a condition subsequent to the issuance of the Incentive Interests, execute and deliver a valid and timely election to include property in gross income pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the “Code,” and such election a “Section 83(b) Election”), with the Internal Revenue Service and the Partnership within the time period required by Section 83 of the Code, which Section 83(b) Election shall be in a form reasonably satisfactory to the Partnership. Upon the failure of Grantee to make such valid and timely election, the issuance of the Incentive Interests shall be void ab initio.

4. Vesting of Incentive Interests.

(a) The Incentive Interests shall vest during the [______] period following the date hereof in [______] installments on [______], with the first such installment beginning on [______] (to the extent vested, such interest, “Vested Incentive Interests”).

(b) Notwithstanding Section 4(a), if (i) an Approved Partnership Sale occurs prior to the Termination Date, [______].

(c) As of any date, the term “Unvested Incentive Interests” means the Incentive Interests that are not Vested Incentive Interests as of such date.

5. Forfeiture of Incentive Interests upon the Termination Date. Effective as of the Termination Date (but after giving effective to Section 4(b)), and without any further action by the Partnership, Grantee, or any of Grantee’s Affiliates or any other Person, all then-Unvested Incentive Interests (in each case, whether owned by Grantee, any of Grantee’s Affiliates, or any other Person) shall immediately be forfeited to the Partnership for no additional consideration and shall cease to be issued and outstanding. If (i) the Termination Date occurs due to the termination of Grantee’s employment for Cause or (ii) following any Termination Date, Grantee (x) violates any of Grantee’s obligations under paragraphs 7 through 11 of that certain amended and restated employment agreement by and between Jill Acquisition LLC and Grantee, dated as of [______], as may be amended from time to time (the “Employment Agreement”), or (y) materially violates any other restrictive covenants applicable to Grantee, and (z) in either case, Grantee fails to cure such breach, if curable, pursuant to the terms set forth in the Employment Agreement or the applicable restrictive covenant agreement, without any further action by the Partnership, Grantee, or any of Grantee’s Affiliates or any other Person, all Incentive Interests (whether Vested Incentive Interests or Unvested Incentive Interests) shall immediately be forfeited to the Partnership for no additional consideration and shall cease to be issued and outstanding.

6. Distributions.

(a) Unvested Incentive Interests. Notwithstanding anything contained herein to the contrary, if at any time the Partnership makes any distribution (other than Tax Advances (as such term is defined in the Partnership Agreement)) or any other payment is made by any Person with respect to any Unvested Incentive Interests that, but for the provisions of this
Section 6, the holder of such Unvested Incentive Interests (an “Unvested Holder”) would be entitled to receive, then such distribution or payment shall be made into an escrow account or in a segregated bank account established by the Partnership or otherwise held in reserve by the Partnership (the “Escrow Account”) rather than to such Unvested Holder. The Escrow Account shall provide (i) that the property distributed or paid into such Escrow Account, as adjusted to reflect all earnings and fees thereon (the “Escrow Property”), shall be held for the benefit of such Unvested Holder and for the benefit of the Partnership’s other holders of applicable equity securities as of the time of such distribution or payment, (ii) that any such Escrow Property that is cash may be invested in the discretion of the Partnership (or such other representative of the holders of the Partnership’s applicable equity securities as of the time of such distribution or payment as may be appropriate) in short-term fixed income investments or in a money market account, (iii) that so long as there continues to be Unvested Incentive Interests, such Unvested Holder’s interest in the Escrow Property shall continue to vest in the same manner as the vesting of such Unvested Holder’s Incentive Interests pursuant to the terms hereof and, subject to any applicable transfer restrictions on the Escrow Property, upon the vesting of any Escrow Property, ownership and control of such vested Escrow Property shall be transferred to such Unvested Holder no later than ten (10) Business Days (as defined in the Partnership Agreement) after the vesting of such Escrow Property, (iv) that if such Unvested Holder’s Incentive Interests are forfeited to the Partnership pursuant to Section 5 of this Agreement prior to the full vesting of the Escrow Property, then, subject to any applicable transfer restrictions on the Escrow Property, all unvested Escrow Property shall be appropriately distributed to the other holders of the Partnership’s applicable equity securities as of the time of such distribution or payment, and all of the vested Escrow Property that has not previously been distributed to such Unvested Holder shall be distributed to such Unvested Holder, (v) that any JJill Company (or such other representative of the holders of the Partnership’s equity securities as of the time of such distribution or payment as may be appropriate) may be the escrow agent, and (vi) such other terms as the Board (or such other representative of the holders of the Partnership’s equity securities as of the time of such distribution or payment as may be appropriate) may deem appropriate and that are, in all material respects, consistent with the intent of this Agreement (including Sections 4 and 5 and this Section 6). For avoidance of doubt, in the event of an Approved Partnership Sale in which the vesting of the Incentive Interests is not accelerated, distributions in connection with such Approved Partnership Sale shall be made into the Escrow Accounts as provided herein and shall continue to be subject to the terms of this Section 6(a). Notwithstanding the foregoing or anything in Section 7.3 of the Partnership Agreement to the contrary, all unvested Escrow Property shall be treated as not having been distributed to the Unvested Holder for purposes of determining whether the Unvested Holder is entitled to a Tax Advance on Unvested Incentive Interests as of any quarterly distribution date pursuant to Section 7.3 of the Partnership Agreement, and any such Tax Advance owing to the Unvested Holder in respect of Unvested Incentive Interests shall be made to the Unvested Holder in the form of either (i) a distribution from the Partnership pursuant to Section 7.3 of the Partnership Agreement or (ii) a distribution from the Escrow Account, as determined by the General Partner in its sole discretion.

(b) Vested Incentive Interests. Distributions from the Partnership with respect to Vested Incentive Interests will be made in accordance with the terms of the Partnership Agreement.
7. Right to Purchase Incentive Interests after the Termination Date.

(a) Purchase Right. Upon the occurrence of the Termination Date that occurs prior to the consummation of an Approved Partnership Sale, up to all of the Vested Incentive Interests (whether owned by Grantee, any of Grantee’s Affiliates or any other Person) as of the Termination Date (the “Purchasable Incentive Interests”) shall, at the Partnership’s election, be subject to purchase by the Partnership pursuant to the terms and conditions set forth in this Section 7 (the “Purchase Option”) at a price per Purchasable Incentive Interest equal to the Fair Market Value per Purchasable Incentive Interest determined as of the Termination Date, less the amount of any cash distributed by the Partnership with respect to such Purchasable Incentive Interest between the Termination Date and the closing of the applicable purchase pursuant to the Purchase Option. For the sake of clarity, if the Termination Date occurs following the consummation of an Approved Partnership Sale, the Partnership shall have no Purchase Option.

(b) Procedure to Exercise the Purchase Right. The Purchase Option is exercisable by the Partnership (in its sole discretion) by delivering written notice (the “Purchase Notice”) to the holder or holders of the applicable Purchasable Incentive Interests to be purchased at any time during the 210-day period beginning on the Termination Date. The Purchase Notice shall set forth the number of Purchasable Incentive Interests to be acquired from such holder(s), the aggregate consideration to be paid for such holder’s Purchasable Incentive Interests, which shall be the Fair Market Value determined by the Board, and the time and place for the closing of the transaction. The Partnership (with the approval of the Board) may at any time elect, in its sole discretion, to designate any one or more Person(s) to actually purchase (in addition to, or in lieu of, the Partnership) any or all of the Purchasable Incentive Interests for which the Partnership has a Purchase Option hereunder (any such other Person, a “Substitute Purchaser”).

(c) Closing of Purchase. The closing of the transactions contemplated by this Section 7 shall take place on the date designated by the Partnership in the Purchase Notice, which date shall not be more than sixty (60) days after the delivery of such notice. The amount of the purchase price to be paid for any Purchasable Incentive Interests to be purchased by the Partnership (and any applicable Substitute Purchasers) pursuant to a Purchase Option shall be determined pursuant to Section 7(a) hereof, and the aggregate amount of such purchase price shall be referred to herein as the “Aggregate Purchase Price.” The Partnership (and any applicable Substitute Purchasers) shall pay the applicable Aggregate Purchase Price for any Purchasable Incentive Interests to be purchased by the Partnership and any applicable Substitute Purchaser pursuant to a Purchase Option by delivery of a check payable to or by wire transfer to an account or account(s) designated by the holder(s) of such Purchasable Incentive Interests in an aggregate amount equal to the applicable Aggregate Purchase Price for such Purchasable Incentive Interests. The Partnership and any applicable Substitute Purchaser shall receive from each seller regarding the sale of Purchasable Incentive Interests the representation that such seller has good and marketable title to such Purchasable Incentive Interests and that such Purchasable Incentive Interests shall be transferred to the Partnership and any applicable Substitute Purchaser, as the case may be, free and clear of all liens, claims and other encumbrances and any other representation reasonably requested by Partnership or the Substitute Purchaser.
8. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal, or unenforceable provision had never been contained herein.

9. **Notices.** Any notice hereunder to the Partnership shall be addressed to the General Partner’s principal executive office, Attention: Board of Directors, and any notice hereunder to Grantee shall be addressed to Grantee at Grantee’s last address on the records of the Partnership, subject to the right of either party to designate at any time hereafter in writing some other address. Any notice shall be deemed to have been duly given when delivered personally, one day following dispatch if sent by reputable overnight courier, fees prepaid, or three (3) days following mailing if sent by registered mail, return receipt requested, postage prepaid and addressed as set forth above.

10. **Counterparts.** This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

11. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of any successors and assigns of the Partnership and all persons lawfully claiming under Grantee.

12. **Governing Law; Consent to Jurisdiction.** THE VALIDITY, CONSTRUCTION, INTERPRETATION, ADMINISTRATION AND EFFECT OF THIS AGREEMENT, THE PLAN, AND ITS RULES AND REGULATIONS, AND RIGHTS RELATING TO THE PLAN AND TO THIS AGREEMENT, SHALL BE GOVERNED BY THE SUBSTANTIVE LAWS, BUT NOT THE CHOICE OF LAW RULES, OF THE STATE OF DELAWARE. EACH OF THE PARTIES HERETO HEREBY (I) IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN WILMINGTON, DELAWARE, FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT; (II) AGREES THAT NO SUCH ACTION, SUIT OR PROCEEDING RELATING TO THIS AGREEMENT OR THE RELATED DOCUMENTS SHALL BE BROUGHT BY IT OR ANY OF ITS AFFILIATES EXCEPT IN SUCH COURTS; (III) AGREES THAT THE SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL TO SUCH PERSON'S ADDRESS IN ACCORDANCE WITH THE NOTICE PROVISIONS IN SECTION 12 HEREOF SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING IN THE STATE OF DELAWARE WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION AS SET FORTH HEREIN IN THE IMMEDIATELY PRECEDING CLAUSES (I) AND (II); (IV) IRREVOCABLY AND UNCONDITIONALLY WAIVES (AND AGREES NOT TO PLEAD OR CLAIM) ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT IN ANY STATE OR FEDERAL COURT LOCATED IN WILMINGTON, DELAWARE, OR THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.
13. Waiver of Jury Trial. Each of the parties to this Agreement hereby irrevocably waives, and shall cause its Affiliates to waive, all right to a
trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement and the Plan or the other agreements and instruments
delivered hereunder or the transactions contemplated hereby or thereby.

14. Conflict between this Agreement and the Partnership Agreement. Unless otherwise expressly provided, in the event of a conflict between any
term or provision contained herein and a term or provision of the Partnership Agreement, the applicable terms and provisions of the Partnership Agreement, as
applicable, will govern and prevail. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable
terms and provisions of the Agreement will govern and prevail.

15. Remedies. The parties hereto acknowledge and agree that money damages may not be an adequate remedy for any breach of the provisions of this
Agreement and that any party hereto will have the right to injunctive relief, in addition to all of its other rights and remedies at law or in equity, to enforce the
provisions of this Agreement.

16. Complete Agreement. This Agreement embodies the complete agreement and understanding between the parties and supersedes and preempts any
prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

17. Amendments. This Agreement may be amended only by written agreement of the Partnership (with the approval of the Board) and Grantee.

18. Successors and Assigns; Certain Transfers. This Agreement shall bind and inure to the benefit of and be enforceable by Grantee and the
Partnership and their respective successors, heirs and permitted assigns. Grantee may not assign any rights under this Agreement without the prior written consent of
the Partnership (with the approval of the Board), in its sole discretion, and any such assignment by Grantee without such consent of the Partnership shall be null and
void. Grantee may not transfer, assign or sell any Unvested Incentive Interests (other than to the Partnership) without the prior written consent of the Partnership
(with the approval of the Board), in its sole discretion, and any such transfer, assignment or sale without such consent of the Partnership shall be null and void.

19. No Entitlement to Future Equity Grants. Grantee hereby acknowledges and agrees that, other than the grant of Incentive Interests contemplated
herein, (a) the Partnership has no obligation in the future to grant any equity securities of the Partnership to Grantee, and (b) except as may subsequently be
authorized by the Board, in its sole discretion through a formal resolution, Grantee has no right or entitlement to any grant of any equity securities of the Partnership
in the future.

* * * * *

9
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

JJILL TOPCO HOLDINGS, LP

By: JJ Holdings GP, LLC

its general partner

By:

______________________________
Name:
Title:

Grantee
CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Amendment No. 1 to the Registration Statement on Form S-1 of J.Jill, Inc. of our reports dated October 21, 2016, except for the effects of the corporate conversion as discussed in Note 1, Note 15 and Note 18 and the parent merger as discussed in Note 18 as to which the date is February 25, 2017, relating to the consolidated financial statements, which appear in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Boston, MA
February 25, 2017