

Ascena Retail Group, Inc.
Form DEF 14A
October 26, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (DEF 14A)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

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

Ascena Retail Group, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

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- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

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933 MacArthur Boulevard

Mahwah, New Jersey 07430

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Meeting Date: Thursday, December 7, 2017

Meeting Time: 3:00 p.m. local time

Location: dressbarn s Corporate Headquarters

Stage Street Café

933 MacArthur Boulevard

Mahwah, New Jersey 07430

The Annual Meeting will be held for the following purposes:

- (1) to consider the election of three directors to serve on the board of directors for three-year terms and until their successors are duly elected and qualified (Proposal One);
- (2) to approve the Ascena Retail Group, Inc. Employee Stock Purchase Plan (Amended and Restated Effective as of January 1, 2018) (Proposal Two);
- (3) to consider the approval, by non-binding advisory vote, of the compensation paid to our named executive officers during fiscal 2017 (commonly known as a say-on-pay proposal) (Proposal Three);
- (4) to recommend, by non-binding advisory vote, the frequency of future advisory votes on compensation paid to our named executive officers (commonly known as a frequency of say-on-pay proposal) (Proposal Four);
- (5) to ratify the appointment of Deloitte & Touche LLP as our Independent Registered Public Accounting Firm for the fiscal year ending August 4, 2018 (Proposal Five); and
- (6) to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The board of directors has fixed the close of business on October 10, 2017 as the record date for the determination of the stockholders entitled to vote at the Annual Meeting or any adjournments or postponements thereof. Only stockholders of record at the close of business on the record date will be entitled to notice of, and to vote at, the

Annual Meeting.

In order to conserve natural resources and reduce the cost of printing and distributing the proxy materials, while providing our stockholders with access to the proxy materials in a fast and efficient manner, we are pleased to be able to take advantage of the Securities and Exchange Commission rule allowing companies to use a Notice and Access model to provide their stockholders with access to proxy materials via the Internet. On or about October 26, 2017, we will begin mailing a Notice of Internet Availability of Proxy Materials (the Notice of Internet Availability) to our stockholders informing them that our notice of annual meeting and proxy statement, Annual Report on Form 10-K and voting instructions are available on the Internet at <https://proxyvote.com>. As more fully described in the Notice of Internet Availability, all stockholders may choose to access our materials at <https://proxyvote.com> or may request to receive paper copies of the proxy materials.

BY ORDER OF THE BOARD OF
DIRECTORS

By: /s/ David Jaffe
David Jaffe
Chairman of the Board and
Chief Executive Officer

Dated: October 26, 2017

YOUR VOTE IS VERY IMPORTANT. EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING, WE HOPE THAT YOU WILL READ THE PROXY STATEMENT AND VOTE ON THE MATTERS TO BE CONSIDERED. YOU MAY VOTE YOUR PROXY BY TELEPHONE OR VIA THE INTERNET OR BY REQUESTING A PRINTED COPY OF THE PROXY MATERIALS AND RETURNING THE PROXY CARD ENCLOSED THEREIN.

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PROXY STATEMENT

In this proxy statement, the terms we, us and our refer to Ascena Retail Group, Inc., a Delaware corporation (Ascena or the Company), and its consolidated subsidiaries, ANN INC., referred to as ANN , Tween Brands, Inc., referred to as Justice , Lane Bryant, Inc., referred to as Lane Bryant , Maurices Incorporated, referred to as maurices , The Dress Barn, Inc., referred to as dressbarn , and Catherines Stores Corporation, referred to as Catherines .

GENERAL

The enclosed proxy is solicited by the board of directors (the Board) of Ascena for use at our 2017 Annual Meeting of Stockholders (the Annual Meeting) to be held at 3:00 p.m. local time, on Thursday, December 7, 2017 at dressbarn s Corporate Headquarters, Stage Street Café, 933 MacArthur Boulevard, Mahwah, New Jersey 07430, and any and all adjournments or postponements thereof. This proxy statement and form of proxy, along with our Annual Report on Form 10-K for the fiscal year ended July 29, 2017, are being made available to our stockholders on or about October 26, 2017. The proxy statement and proxy card are being made available to you because our records indicate that you owned shares of our common stock on October 10, 2017, the record date for the Annual Meeting.

Our Board is soliciting your proxy to be used at the Annual Meeting. When you sign the proxy card, you appoint two of our directors, Randy L. Pearce and Katie J. Bayne, as your representatives at the Annual Meeting. One or both of these individuals, or a substitute if necessary, will vote your shares at the Annual Meeting as you have instructed them on the proxy card. If you sign and deliver your proxy card, but you do not provide voting instructions, your proxy representative will vote in favor of the three nominees for director (Proposal One), in favor of Proposals Two, Three and Five, for once every one year with respect to the frequency of say-on-pay proposal (Proposal Four), and with respect to any other matter that may be presented at the Annual Meeting, in the discretion of the proxy representative. This way, your shares will be voted whether or not you attend the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you complete, sign and return your proxy card in advance of the Annual Meeting as your plans may change.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2017 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON DECEMBER 7, 2017

The Securities and Exchange Commission (the SEC) adopted rules that allow us to change the way we make our proxy statement and other Annual Meeting materials available to you. On or about October 26, 2017, we will begin mailing a notice, called the Notice of Internet Availability of Proxy Materials (the Notice of Internet Availability), to our stockholders advising them that our proxy statement, Annual Report on Form 10-K and voting instructions can be accessed via the Internet at <https://proxyvote.com>. You may then access these materials and vote your shares over the Internet or you may request that a printed copy of the proxy materials be sent to you. You will not receive a printed copy of the proxy materials unless you request one in the manner set forth in the Notice of Internet Availability. This allows us to conserve natural resources and reduces the cost of printing and distributing the proxy materials, while providing our stockholders with access to the proxy materials in a fast and efficient manner via the Internet. Copies of this proxy statement and our Annual Report on Form 10-K for the fiscal year ended July 29, 2017 are also available

online at <https://proxyvote.com>.

[Ascena Retail Group, Inc.](#)

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[2017 Proxy Statement](#)

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QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING

When and where will the Annual Meeting take place?

The Annual Meeting will be held on Thursday, December 7, 2017, at 3:00 p.m., at dressbarn's Corporate Headquarters, Stage Street Café, 933 MacArthur Boulevard, Mahwah, New Jersey 07430.

What is the purpose of the Annual Meeting?

At our Annual Meeting, holders of our common stock will be asked to vote on the following proposals:

- (1) election of three directors to serve on the Board for three-year terms and until their successors are duly elected and qualified (Proposal One);
- (2) to approve the Ascena Retail Group, Inc. Employee Stock Purchase Plan (Amended and Restated Effective as of January 1, 2018) (Proposal Two);
- (3) to consider the approval, by non-binding advisory vote, of the compensation paid to our named executive officers during fiscal 2017 (commonly known as a say-on-pay proposal) (Proposal Three);
- (4) to recommend, by non-binding advisory vote, the frequency of future advisory votes on the compensation paid to our named executive officers (commonly known as a frequency of say-on-pay proposal) (Proposal Four);
- (5) ratification of the appointment of Deloitte & Touche LLP as our Independent Registered Public Accounting Firm for the fiscal year ending August 4, 2018 (Proposal Five); and
- (6) to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

What are the Board's voting recommendations?

THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF THE THREE NOMINATED DIRECTORS, FOR THE APPROVAL OF THE ASCENA RETAIL GROUP, INC. EMPLOYEE STOCK PURCHASE PLAN (AMENDED AND RESTATED EFFECTIVE AS OF JANUARY 1, 2018), FOR THE SAY-ON-PAY PROPOSAL, FOR EVERY ONE YEAR WITH RESPECT TO THE FREQUENCY OF SAY-ON-PAY PROPOSAL AND FOR THE RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC

ACCOUNTING FIRM.

Unless you give other instructions on your proxy card, the persons referred to as proxy holders on the proxy card will vote in accordance with the recommendations of the Board or, with respect to any other matter that may be presented at the Annual Meeting for which no recommendation is given, in their own discretion.

Could other matters be decided at the Annual Meeting?

Our by-laws require prior notification of a stockholder's intent to request a vote on other matters at the Annual Meeting. The deadline for notification has passed, and we are not aware of any other matters that could be brought before the Annual Meeting. However, if any other business is properly presented at the Annual Meeting, your vote by proxy gives authority to Randy L. Pearce and Katie J. Bayne, the persons referred to as proxy holders on the proxy card (or a substitute, if necessary), to vote your shares on such matters at their discretion.

Who is entitled to attend the Annual Meeting?

All stockholders who owned our common stock at the close of business on October 10, 2017 (the Record Date), or their duly appointed proxies, may attend the Annual Meeting or any adjournments or postponements thereof. Registration begins at 2:45 p.m. on the date of the Annual Meeting. If you attend, please note that you may be asked to present valid photo identification, such as a driver's license or passport. Please note that if you hold your shares in street name (that is, through a broker, bank or other nominee), you must obtain a signed and properly executed proxy from your broker, bank or other nominee to vote your shares held in street name at the Annual Meeting, and such proxy, together with a broker statement evidencing your ownership, must be presented at the Annual Meeting.

Who is entitled to vote at the Annual Meeting?

Subject to the foregoing, all stockholders who owned our common stock at the close of business on the Record Date are entitled to attend and vote at the Annual Meeting or at any adjournments or postponements thereof.

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QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING

How many votes do I have?

You have one vote for each share of our common stock that you owned on the Record Date.

How many votes must be present to hold the Annual Meeting?

The presence in person or by proxy of the holders of a majority of the outstanding shares of our common stock entitled to vote at the Annual Meeting will constitute a quorum for the transaction of business at the Annual Meeting. Once a share of the Company's common stock is represented for any purpose at the Annual Meeting, it is deemed present for quorum purposes for the Annual Meeting and for any adjournment of the Annual Meeting. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining the presence or absence of a quorum for the transaction of business. A broker non-vote occurs when a broker or nominee holding shares for a beneficial owner does not vote on a proposal because the broker or nominee does not have the necessary voting power for that proposal and has not received instructions from the beneficial owner. In order for us to determine that enough votes will be present to hold the Annual Meeting, we urge you to vote in advance by proxy even if you plan to attend the Annual Meeting.

Assuming a quorum is present, how many votes will be required to approve each proposal?

A majority of the votes cast at the Annual Meeting will elect the three nominees to serve as directors. A majority of the votes cast means that the number of shares voted FOR a nominee for director exceeds the number of votes cast AGAINST such nominee;

The proposal to approve the Ascena Retail Group, Inc. Employee Stock Purchase Plan (Amended and Restated Effective as of January 1, 2018) will be approved if the votes cast in favor of the proposal at the Annual Meeting exceed the votes cast in opposition to the proposal;

The say-on-pay proposal will be approved, by non-binding advisory vote, if the votes cast in favor of the proposal exceed the votes cast in opposition to the proposal;

The frequency of say-on-pay proposal will be determined, by non-binding advisory vote, based upon the alternative receiving the greatest number of votes cast; and

The proposal to ratify the appointment of the Independent Registered Public Accounting Firm will be approved if the votes cast in favor of the proposal at the Annual Meeting exceed the votes cast in opposition to the proposal. A note about broker non-votes: Under NYSE rules, brokers are not permitted to vote uninstructed shares for non-routine matters, which include director elections and executive compensation matters. As a result, if your shares are held by a brokerage firm for you as beneficial owner and you do not instruct your broker how to vote your shares on Proposal One (election of directors), Proposal Two (approval of the Ascena Retail Group, Inc. Employee Stock Purchase Plan (Amended and Restated Effective as of January 1, 2018)), Proposal Three (the say-on-pay proposal) or Proposal Four (the frequency of say-on-pay proposal), your brokerage firm cannot vote them for you. Please make sure that you provide instructions to your broker regarding Proposals One, Two, Three and Four. The ratification of the appointment of independent accountants is a routine item under NYSE rules. As a result, brokers who do not receive instructions as to how to vote on Proposal Five may vote on that matter in their discretion.

What is the effect of a broker non-vote or abstention on the proposals to be voted on at the Annual Meeting?

Abstentions and broker non-votes will be considered as present for quorum purposes, but will have no impact on the vote on any of the proposals.

How many votes may be cast by all stockholders?

A total of 196,007,504 votes may be cast at the Annual Meeting, consisting of one vote for each share of our common stock outstanding on the Record Date.

How do I vote?

You can vote your shares in one of two ways: either by proxy or in person at the Annual Meeting by written ballot. If you choose to vote by proxy you may do so via the Internet or by telephone, or by requesting a printed copy of the proxy materials, and signing and returning the proxy card enclosed therein. Each of these procedures is explained below. Even if you plan to attend the Annual Meeting, the Board recommends that you vote by proxy so your shares of common stock will be voted as directed by you if you are unable to attend the Annual Meeting.

Because many stockholders cannot attend the Annual Meeting in person, it is necessary that a large number of stockholders be represented by proxy. By following the procedures for voting via the Internet or by telephone, or by requesting a printed copy of the proxy materials and signing

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QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING

and returning the proxy card enclosed therein, you will enable Mr. Pearce and/or Ms. Bayne, each of whom is named on the proxy card as a proxy holder, to vote your shares at the Annual Meeting in the manner indicated. If you sign and return your proxy card, but do not specify how you want your shares to be voted, they will be voted, in accordance with the Board's recommendation, FOR the three director nominees named in Proposal One, in favor of Proposals Two, Three and Five, for every one year with respect to Proposal Four, and with respect to any other matter that may be presented at the Annual Meeting, in the discretion of the proxy holders named in your proxy card.

Voting via the Internet

You can vote your shares via the Internet by following the instructions in the Notice of Internet Availability or by accessing www.proxyvote.com and following the instructions contained on that website. The Internet voting procedures are designed to authenticate your identity and to allow you to vote your shares and confirm that your voting instructions have been properly recorded. If you vote via the Internet, you do not need to mail a proxy card.

Voting by Telephone

You can vote your shares by telephone by calling the number provided on the voting website (www.proxyvote.com) and on the proxy card. The telephone voting procedures are designed to authenticate your identity and to allow you to vote your shares and confirm that your voting instructions have been properly recorded. If you vote via the telephone, you do not need to mail a proxy card.

Voting by Mail

You can vote by mail by requesting that a printed copy of the proxy materials be sent to your home address. Upon receipt of the materials, you may fill out the proxy card enclosed therein and return it per the instructions on the card.

May I change or revoke my vote after I submit my proxy?

Yes. To change your vote previously submitted by proxy, you may:

Cast a new vote by mailing a new proxy card with a later date or by voting via the Internet or telephone on a later date; or

If you hold shares in your name, attend the Annual Meeting and vote in person.
If you wish to revoke rather than change your vote, written revocation must be received by our Corporate Secretary prior to the Annual Meeting.

[What if I participate in the Company's 401\(k\) Savings Plan?](#)

If you are a participant in the Company's 401(k) Savings Plan (the "401(k) plan") and own shares of the Company's common stock in your 401(k) plan account as of the Record Date, you will receive, with respect to the number of shares held for your account under the 401(k) plan as of the Record Date, a proxy card that will serve as a voting instruction to the trustee of the 401(k) plan with respect to shares held for your account. Unless the proxy card is signed and returned, shares held in your account under the 401(k) plan will not be voted.

[How can I attend the Annual Meeting?](#)

Stockholders as of the close of business on the Record Date may attend the Annual Meeting. You may obtain directions to the location of the Annual Meeting by contacting Ascena's Investor Relations Department at (551) 777-6895 or via email at asc-ascenainvestorrelations@ascenaretail.com.

[What happens if the Annual Meeting is postponed or adjourned?](#)

If the Annual Meeting is postponed or adjourned and no new record date is set, your proxy will remain valid and may be voted when the Annual Meeting is convened or reconvened. You may change or revoke your proxy until it is voted.

[Will your independent registered public accounting firm participate in the Annual Meeting?](#)

Yes. Our independent registered public accounting firm is Deloitte & Touche LLP. A representative of Deloitte & Touche LLP is expected to be present at the Annual Meeting and make any statements he or she deem necessary and to respond to appropriate stockholder questions.

[Are members of the Board required to attend the Annual Meeting?](#)

Directors are encouraged, but not required, to attend the Annual Meeting. All of the Company's then current directors attended the 2016 Annual Meeting of Stockholders.

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QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING

Who will pay the expenses incurred in connection with the solicitation of my vote?

We pay all costs and expenses related to preparation of these proxy materials and solicitation of your vote and all Annual Meeting expenses. None of our directors, officers or employees will be specially compensated for these activities. We reimburse brokers, fiduciaries and custodians for their costs in forwarding proxy materials to beneficial owners of our common stock, but we will not pay any compensation for their services.

Why did I receive more than one Notice of Internet Availability?

You may receive multiple Notices of Internet Availability if you hold your shares of our common stock in multiple accounts (such as through a brokerage account and an employee benefit plan, such as the 401(k) plan). To ensure all your shares are represented at the Annual Meeting, please vote your shares as instructed in each Notice of Internet Availability you receive.

If your household is receiving multiple Notices of Internet Availability and you wish to request delivery of a single copy or wish to enroll in electronic (email) delivery of the proxy materials, you may send a written request to Ascena Retail Group, Inc., 933 MacArthur Boulevard, Mahwah, New Jersey 07430, Attention: Investor Relations or via email at asc-ascenainvestorrelations@ascenaretail.com.

How do I obtain a separate Notice of Internet Availability if I share an address with other stockholders?

In order to reduce printing and postage costs, only one Notice of Internet Availability is being delivered to multiple stockholders sharing an address unless we received contrary instructions from one or more of the stockholders sharing that address. If your household has received only one Notice of Internet Availability, we will promptly deliver an additional Notice of Internet Availability to any stockholder (as of the Record Date) who sends a written request to: Ascena Retail Group, Inc., 933 MacArthur Boulevard, Mahwah, New Jersey 07430, Attention: Investor Relations or via email at asc-ascenainvestorrelations@ascenaretail.com. If you wish to receive a separate Notice of Internet Availability in the future, you can notify us by mailing a written request to the address above by calling our Investor Relations Department at (551) 777-6895 or via email at asc-ascenainvestorrelations@ascenaretail.com.

Can I view these proxy materials electronically?

Yes. You may access the proxy statement and our annual report at <https://proxyvote.com>. In addition to the fiscal 2017 proxy statement and Annual Report on Form 10-K, you can view all of our other filings with the SEC on our website at the [for investors](#) page at www.ascenaretail.com, accessible through the [Investor Relations Menu](#).

How can I receive copies of the Company's year-end SEC filings?

We will furnish without charge to any stockholder who requests, in writing, a copy of our Annual Report on Form 10-K, including financial statements and related schedules, for the fiscal year ended July 29, 2017, as filed with the

SEC. Any such request should be directed to Ascena Retail Group, Inc., 933 MacArthur Boulevard, Mahwah, New Jersey 07430, Attention: Investor Relations or via email at asc-ascenainvestorrelations@ascenaretail.com.

[How do stockholders submit proposals for the Company's 2018 Annual Meeting of Stockholders?](#)

Proposals of stockholders intended to be presented at the 2018 Annual Meeting of Stockholders and desired to be included in our proxy statement for that meeting must be received by our Corporate Secretary, c/o Ascena Retail Group, Inc., 933 MacArthur Boulevard, Mahwah, New Jersey 07430, by no later than June 28, 2018 in order to be included in such proxy statement. Any such proposal must also meet the other requirements of the rules of the SEC relating to stockholder proposals. Generally, if written notice of any stockholder proposal intended to be presented at the 2018 Annual Meeting of Stockholders, and not included in our proxy statement for that meeting, is not delivered to the Corporate Secretary at the above address by June 28, 2018, or if such notice does not contain the information required by Section 7 of Article II of our by-laws, the chair of the meeting may declare that such stockholder proposal be disregarded.

[Can I see a list of stockholders entitled to vote at the Annual Meeting?](#)

A complete list of the stockholders entitled to vote at the Annual Meeting is available for inspection at the principal office of the Company upon written request to the Company by a stockholder, and at all times during the Annual Meeting at the place of the Annual Meeting.

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PROPOSAL ONE ELECTION OF DIRECTORS

Our Second Amended and Restated Certificate of Incorporation, as amended, provides for a classified Board divided into three classes, each with a staggered three-year term of office and each class of directors as nearly equal in number as possible. At the Annual Meeting, three directors are to be elected for three-year terms. On the recommendation of the Leadership and Corporate Governance Committee, the Board has nominated David Jaffe, Kate Buggeln and Carl Rubin, current directors whose terms of office expire at the Annual Meeting, for election for three-year terms expiring at the 2020 Annual Meeting of Stockholders. Each nominee has indicated that he/she will serve if elected. We do not anticipate that any Board nominee will be unable or unwilling to stand for election, but should any such nominee be unavailable for election for any reason, your proxy, to the extent permitted by applicable law, may be voted with discretionary authority in connection with the nomination by the Board and the election of any substitute nominee. On October 19, 2016, Mr. Elliot S. Jaffe notified the Company of his intention not to stand for re-election at the 2016 Annual Meeting of Stockholders. On June 8, 2017, the Board increased the size of the Board to ten directors pursuant to the Company's by-laws, and appointed Marc Lasry and Stacey Rauch to fill the vacancy created by such increase and the existing vacancy on the Board, each as members of the class of directors whose term of office expires at the Company's 2019 Annual Meeting of Stockholders.

The charts below provide summary information about the composition of our Board, followed by the biographies of the director nominees and our current Board members. Please see the section below entitled [Questions and Answers About our Board and Corporate Governance Matters](#) for additional information about our Board and the committees of the Board.

BOARD COMPOSITION (as of October 26, 2017)

Gender Diversity:

Given that the Company's unique portfolio of fashion brands is dedicated to helping women and girls put their most confident selves forward every day, we are honored that half of our Board is comprised of women. According to the Board Refreshment Trends at S&P 1500 Firms report published by Institutional Shareholder Services (ISS), in January 2017, just a tiny fraction (one half of one percent) of S&P 1500 companies had gender parity on their boards in 2015, and the available 2016 data suggested that the prevalence of S&P 1500 firms with half the board comprising female directors had increased to only 0.8 percent.

Board Refreshment:

The Leadership and Corporate Governance Committee and the Board also believe that it is important for the Board to be refreshed by adding new directors with fresh perspectives from time to time. In that regard, since 2015 we have added seven new directors, resulting in an average director tenure of five years, with an average director age of 58.

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PROPOSAL ONE ELECTION OF DIRECTORS

THE BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE ELECTION OF THE NOMINEES LISTED BELOW TO SERVE AS DIRECTORS.

Information about Director Nominees:

Following is information regarding the director nominees and the other continuing directors.

Name of Director Nominee and Age	Director Since
David Jaffe, 58	2001
Kate Buggeln, 56	2004
Carl Rubin, 58	2015

DAVID JAFFE

Age: 58

Background:

Director Since: 2001

DAVID JAFFE serves as a director (since 2001), as our Chief Executive Officer (since 2002) and as Chairman of the Board (since 2016). Previously, he was President from 2002-2017, and Vice Chairman and Chief Operating Officer since 2001. Mr. Jaffe joined our Company in 1992 as Vice President, Business Development and became Senior Vice President in 1995, Executive Vice President in 1996 and Vice Chairman in 2001. He is the son of Elliot S. and Roslyn S. Jaffe. Elliot S. Jaffe is the former Non-Executive Chairman of the Board, a co-founder and currently serves as Chairman Emeritus. Roslyn S. Jaffe is a co-founder, Secretary and Director Emeritus for Life. David Jaffe is the brother of Elise Jaffe, a non-executive officer and a more than 5% stockholder, and Richard Jaffe, a significant holder of the Company's stock. Mr. Jaffe is also a member of the Board of Directors of The National Retail Federation.

Qualifications:

The Board selected Mr. Jaffe to serve as a director based on his extensive retail and financial background.

KATE BUGGELN

Age: 56

Background:

Director Since: 2004

Committees:

Audit

Leadership and Corporate

Governance (chair)

KATE BUGGELN is a retail and brand consultant and a Senior Advisor with Irving Place Capital, L.P. Currently, Ms. Buggeln serves as a member of the board for publicly traded Five Below, Inc. She also is on the boards of Noble Biomaterials, Scoop Holdings (parent company of cabi) and the nonprofit Bpeace. Previously, Ms. Buggeln was Senior Vice President, Strategic Planning and Business Development at Coach, Inc., where she created and led strategies to enter new markets and new categories. Ms. Buggeln also spent many years as a retail consultant at LakeWest Group Ltd. and Coopers & Lybrand LLP, where she advised retail companies on business strategy, operations, e-commerce and supply chain. In addition, Ms. Buggeln served on the board of directors of each of The Vitamin Shoppe, Stuart Weitzman and Timberland Company.

Qualifications:

The Board selected Ms. Buggeln to serve as a director based on her strong background in strategic planning, marketing and new business development.

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PROPOSAL ONE ELECTION OF DIRECTORS

CARL CHUCK RUBIN

Age: 58

Background:

Director Since: 2015

Committees:

Audit

Compensation (chair)

CARL CHUCK RUBIN currently serves as Chief Executive Officer and Chairman of the Board of The Michaels Companies, Inc. He joined Michaels in 2013 as its Chief Executive Officer and was appointed as Chairman of the Board in 2015. Prior to joining Michaels, from 2010 to 2013, Mr. Rubin was President and Chief Executive Officer of Ulta Salon, Cosmetics & Fragrances, Inc. Mr. Rubin held roles of increasing responsibility at Office Depot, serving as President beginning in 2006. Mr. Rubin spent six years in senior leadership roles, including Partner, at Accenture Consulting where he advised clients and led engagements across retail formats and ecommerce business. Prior to joining Accenture Consulting, Mr. Rubin held various management positions in the specialty retail and department store industries. Mr. Rubin was a member of the Executive Committee of the Board of Directors of The National Retail Federation from 2007 to 2010.

Qualifications:

The Board selected Mr. Rubin to serve as a director based on his extensive managerial and operational knowledge of the retail industry and his experience as a board member of a publicly held specialty retailer.

Directors with Terms Expiring in 2018

Name of Director and Age	Director Since
Steven L. Kirshenbaum, 65	2015
Randy L. Pearce, 62	2005
Linda Yaccarino, 54	2016

STEVEN L. KIRSHENBAUM

Age: 65

Background:

Director Since: 2015

STEVEN L. KIRSHENBAUM is a senior partner in the Corporate Department of Proskauer Rose LLP, an international law firm with headquarters in New York City. Mr. Kirshenbaum has served as a member of Proskauer's Executive Committee, a Chair of the firm's Corporate Department and managing partner of Proskauer's Paris Office. He has in-depth experience in general corporate, transactional, governance and securities practice areas, representing domestic and foreign companies.

Qualifications:

The Board selected Mr. Kirshenbaum to serve as a director based on his knowledge of the Company, and extensive experience in mergers and acquisitions, securities compliance and corporate governance, each of which strengthens the Board's collective qualifications, skills and experience.

RANDY L. PEARCE

Age: 62

Background:

Director Since: 2005

RANDY L. PEARCE was from February 2011 until his retirement on June 30, 2012, President of Regis Corporation, an owner, operator and franchisor of hair and retail product salons. From 1998 until February 2011, Mr. Pearce served as Senior Executive Vice President, Chief Financial and Administrative Officer of Regis Corporation, and held various executive positions at Regis Corporation since 1985.

Committees:

Audit (chair)

Compensation

Qualifications:

The Board selected Mr. Pearce to serve as a director based on his extensive financial background in auditing and in internal controls over financial reporting of large publicly held retail companies. On March 4, 2015, Mr. Pearce was appointed to serve as the Company's Lead Independent Director.

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PROPOSAL ONE ELECTION OF DIRECTORS

LINDA YACCARINO

Age: 54

Background:

Director Since: 2016

Committees:

Leadership and Corporate

Governance

Compensation

LINDA YACCARINO is Chairman, Advertising, Sales and Client Partnerships for NBCUniversal, Inc. In this role she oversees all advertising sales and market strategy for the company's entire portfolio of premium video content, including broadcast, cable and digital. Prior to joining NBCUniversal in 2011, she held roles of increasing responsibility from 1996 to 2011 at Turner Broadcast System, Inc., serving as Executive Vice President and Chief Operating Officer, Turner Entertainment Advertising, Sales and Marketing, and Acquisitions beginning in 2009. Prior to joining Turner, Ms. Yaccarino held various management positions at several media sales outlets.

Qualifications:

The Board selected Ms. Yaccarino to serve as a director based on her extensive digital knowledge, multiplatform consumer engagement and transformation experience.

Directors with Terms Expiring in 2019

Name of Director Nominee and Age	Director Since
Katie J. Bayne, 51	2015
Kay Krill, 62	2015
Marc Lasry, 58	2017
Stacey Rauch, 59	2017

KATIE J. BAYNE

Age: 51

Background:

Director Since: 2015

KATIE J. BAYNE serves as Senior Vice President at The Coca-Cola Company.

Committees:

Ms. Bayne joined Coca-Cola in 1989, and held positions of increasing responsibility focused on consumer and commercial strategy/ marketing in the US and Australia.

Leadership and Corporate

From 2007-2010, she was Chief Marketing Officer, North America. From 2010 to 2015, she was President of Sparkling Beverages, and then President and GM, North America Brands (2013-2015). Ms. Bayne brings extensive strategic marketing and brand management experience to the Company.

Governance

Throughout her career in leadership roles at Coca-Cola, Ms. Bayne acquired vast managerial and operational knowledge of the retail industry, both domestically and internationally. Currently, Ms. Bayne is a member of the Board of Trustees of the Lovett School and a member of the Board of Visitors for Duke University Fuqua School of Business. In addition, Ms. Bayne served on the board of directors of each of ANN (until its acquisition by the Company in August 2015) and Beazer Homes USA Inc. Ms. Bayne also served as a Trustee of the American Film Institute, and as a Board Member of the Atlanta Women's Foundation and the Atlanta Children's Museum.

Qualifications:

The Board selected Ms. Bayne to serve as a director based on her strong background in consumer strategy, retail marketing and consumer marketing.